

**Department for International Development
2013 Multilateral Aid Review Update**

UNESCO

Approach followed in this update

In this note, UNESCO aims at providing the Department for International Development (DFID) with specific information on the DFID 'reform priority components' identified for UNESCO, i.e.

- *results-based management;*
- *continued progress in reducing administrative overheads;*
- *increased transparency;*
- *focus on value for money and cost consciousness.*

UNESCO provides a general status update for each area, demonstrating progress made since the 2011 Multilateral Aid Review (MAR) assessment, along with specific examples illustrating country-level evidence. The information is mostly organized around the relevant criteria and lead questions specified in the "enriched assessment framework for multilateral aid review assessments", where applicable, i.e. questions in regards to:

- *MAR component 4: Contribution to results*
- *MAR component 6: Financial resource management*
- *MAR component 7: Cost and value consciousness*
- *MAR component 9: Transparency and accountability.*

This presentation contains information related to MAR component 5, notably on the evolution of the budget, overhead costs, and HR issues.

MAR component 4: Contribution to results and results-based management

General efforts in implementing RBM:

UNESCO's results-based management (RBM) approach aims at shifting the focus from activities linked in broad terms to UNESCO's mandate to the achievement of clear expected results against the resources invested. As a comprehensive management strategy, the RBM approach encompasses programme, financial and human resources aspects, and facilitates evaluation. The shift to a results-based management culture requires continuing efforts to build effective institutional capacities for RBM, which UNESCO is undertaking.

As part of various stages of a larger in-house reform process, efforts have been made throughout the last decade to ensure the Organization's transition towards the introduction and consistent application of results-based programming, management, monitoring and reporting for the Regular Programme as well as

equally for extrabudgetary projects. Building on these efforts, which included the launch of a new version of SISTER¹, the IT-based management tool that supports not only RBM but also the evolving Results-Based Budgeting (RBB) approach. To ensure a common in-house understanding and consistent approach to RBM, a wide range of dedicated training courses and capacity-building workshops has been organized (see also [IIU/REP/2011/8](#)). These training initiatives target the full range of both the UNESCO Secretariat at Headquarters and in the field as well as Member States (Permanent Delegations and National Commissions), guided by the strategic orientations, policies and priorities established in the Medium-Term Strategy (34 C/4 running until 2013) and the biennial Programme and Budget documents (34 C/5, 35 C/5 and 36 C/5, the latest for 2012-13).

Dedicated evaluation exercises have proved to strengthen RBM and its implementation. Given the important role extrabudgetary resources currently play for the Organization, enabling UNESCO to deliver on its expected results and intensifying its outreach and eventual impact, evidence on results generated through extrabudgetary activities is important both for UNESCO's governing bodies and for individual donors and partners. IOS and BSP/CFS are currently undertaking a joint project aiming to strengthen UNESCO's evaluation policy and quality assurance framework of interventions funded by external donors. The first phase (inventory and descriptive analysis, revision of UNESCO's extrabudgetary evaluation policy) is close to completion. In a second phase, IOS intends to undertake a comprehensive meta-evaluation (assessment of quality) of all extrabudgetary evaluations with the objective of improving guidelines and quality assurance regarding evaluations conducted by UNESCO's Programme Sectors, Field Offices and Category I Institutes.

4.1 Does the Multilateral Organisation (MO) articulate the theory of change that translates normative and standard-setting work into impact on the ground? Can it demonstrate, through its monitoring and evaluation systems that this impact is taking place and that milestone/progress markers deemed necessary to achieve this impact are being achieved?

General information:

In the Organization's strategies and programme documents, UNESCO aims at illustrating a convincing theory of change through a results chain from its rather broad mandate and long-term programmatic objectives to concrete outputs and deliverables in daily operations.

In all organizational planning, programme managers are required to provide in workplans a clear intervention logic, including:

- an implementation strategy with an identification of needs, envisaged modalities of action and expected target groups;

¹ SISTER: The *System of Information on Strategies, Tasks and Evaluation of Results* is the Organization's on-line programming and monitoring tool.

- expected results, with mandatory definition of monitoring information (performance indicators, baseline data, programmed benchmarks and information on means of verification, where appropriate).

A new output and results table has been designed to facilitate structured planning and monitoring. This new tool has been incorporated into the revised Extra-budgetary Project Document and will be implemented in SISTER for the 37 C/5.

Throughout the two-year budget and programme cycle (the cycle will change to a four-year one for the Programme part from 2014 onwards), monitoring of programme implementation takes places on an ongoing basis, and is reported to UNESCO's Executive Board every six months as part of the Organization's statutory reporting requirements (EX/4 documents).

The above measures and instruments aim at illustrating a demonstrable and transparent change process, linking impact on the ground to the Organization's higher-level work (including normative and standard-setting work).

However, UNESCO recognizes the need to make better use of *theory-of-change* approaches in evaluations, especially in terms of a clearer identification of country-level impact of UNESCO's action, and it is taking active measures to address it. One such initiative is the upcoming evaluation of UNESCO's standard-setting work in the Culture Sector (CLT). This evaluation will focus on the impact of the standard-setting work of CLT on legislation, policies and strategies of States Parties to four CLT Conventions. The evaluation is also expected to assist in future for responses to questions and criteria contained in the enriched DFID MAR framework, especially with regard to normative aspects.

In preparation for this evaluation, UNESCO's Internal Oversight Service has conducted a desk review of past evaluations in the CLT in order to a) distill findings on the relevance and effectiveness of standard-setting work from all evaluation reports; and b) reflect about approaches used with regard to the evaluation of standard-setting work. This includes, in particular, evaluation findings on the effects of UNESCO's work on policy development and policy implementation. During the desk review, a theory of change was developed and will serve as a basis for elaborating the evaluation approach and methodology

It is worth noting that the conceptual difficulties related to the assessment of results/impact of normative worked are a challenge for the UN system as a whole and beyond, and are not limited to UNESCO only. In recognition of this, UNESCO is working in collaboration with the United Nations Evaluation Group (UNEG) on the development of a Handbook for the Evaluation of Normative Work to focus on methodological issues. This tool will enable all UN agencies with a strong normative orientation to better evaluate and report on the effects of their work.

Specific example:

- In 2001/2002, UNESCO engaged in the Democratic Republic of the Congo in a long-term effort for the reconstruction of its education sector. UNESCO played a crucial role in the education reforms and planning process of the country. UNESCO's global education policies and strategies simulation models (EPSSim) informed the Government's decisions with regard to school fees abolition and the adoption of 8-years primary/basic education. The setting up of the Education Management Information System (EMIS) for the production of education data and statistics with a view to developing a sound education policy and planning was an important standard-setting step in education. The technical assistance of UNESCO allowed the country to produce and publish education statistical yearbooks regularly since 2006. This is a significant gain for the country's education policy and planning in which the data for a majority of education-related indicators were not internationally reported prior to 2006 because they did not exist. The improvements in education policy and planning have also had positive impact on direct beneficiary groups. It is worth noting that the Gross Enrollment Rate in primary education in the country has dramatically improved since 1999 from 48% to 94% in 2010 (increase from 4,022,000 to 10,572,000). Teaching staff for primary education has increased from 155,000 in 1999 to 286,000 in 2010. Teaching staff for secondary education has increased from 89,000 (1999) to 218,000 (2010).

4.2 Are normative and standard-setting products relevant, have the backing of key stakeholders and ambitious enough to demand significant improvements in practice?

General information:

UNESCO has developed a set of normative and standard-setting instruments (conventions, recommendations, and declarations, as well as guidelines, toolkits, etc.) across its areas of competence which have yielded significant impact in terms of mobilization, sensitization and change of policies on the ground.

Specific examples include:

- *Right to education:* UNESCO has a global lead role in promoting education as a human right in the context of a comprehensive human-rights based approach. Strong legal and constitutional frameworks are needed to ensure the enjoyment of this basic human right. Currently a total of 140 countries have inscribed the right to education into their constitutions and some 150 countries guarantee it and/or its main components in their legislation. UNESCO provides technical support to countries to review and update their legal frameworks to reflect the right to quality education for all. The 1960 *UNESCO Convention against Discrimination in Education* (97 ratifications to date) is the first legally binding international normative instrument which

spells out core elements of the right to education. It is recognized as a foundation for the Education for All goals. Since 2006, ten new countries² have ratified the Convention (including two in 2010 and one in 2012), reflecting UNESCO's long-term support and advocacy on the importance of this framework. Moreover, UNESCO is currently providing technical support and accompanying some ten additional countries in their process to ratifying the Convention and putting in place the relevant legal frameworks.

- *Safety of journalists*: UNESCO has assumed a leadership role globally and in the UN system for the promotion of safety of journalists and combating impunity of the perpetrators of crimes committed against journalists. UNESCO's Director-General is annually releasing the *Report on the Safety of Journalists and the Danger of Impunity* to the Intergovernmental Council of the International Programme for the Development of Communication (IPDC). This is part of the Organization's role to monitor the follow-up of killings condemned by the Director-General in order to deter impunity and to encourage Member States to take preventive measures. Furthermore, UNESCO, through the IPDC, convened the first UN Inter-Agency Meeting on the Safety of Journalists and the Issue of Impunity in September 2011. This produced the *UN Plan of Action on the Safety of Journalists and the Issue of Impunity*, which was subsequently endorsed by the UN Chief Executives' Board (CEB) in April 2012. This Plan has become a rallying point for UN agencies, media professionals, NGOs, intergovernmental organizations and national authorities to address the worsening situation of the safety of journalists and to fight impunity. The Plan focuses on harmonization, eliminating duplication and enhancing knowledge-generation and sharing. By November 2012, the Plan was being operationalized and has already enabled UNESCO Nepal to secure US\$ 500,000 for promotion of the issue. Two NGOs (Open Society Foundation and International Media Support) have mobilized almost the same sum to support the Plan in five other countries. A third NGO (International Federation of Journalists) is planning to increase its work training journalists in safety, in partnership with UNESCO, to implement the Plan – further evidence for the impact of the Action Plan to mobilise a broad range of key stakeholders around this issue.
- *World Heritage conservation*: The *UNESCO World Heritage Centre* together with its advisory bodies is ensuring permanent monitoring of the 962 properties on the World Heritage List. Thanks to this monitoring and related reports, the World Heritage Committee took *concrete decisions on a total of 141 sites, providing guidance and recommendations to the State Parties for their conservation*. These decisions have produced *tangible conservation benefits*, such as in the case of Serengeti National Park, where the Government decided to abandon plans for a highway through Serengeti National Park, a project which would have destroyed one of the most spectacular wildlife spectacles on the planet, the annual wildebeest migration. The work of UNESCO in the World Heritage Convention, which is

² Afghanistan, Burkina Faso, Jamaica, Latvia, Mali, Monaco, Montenegro, Seychelles, Togo, Zimbabwe.

- done by a lean secretariat in collaboration with the advisory bodies of the Convention and other partners can therefore be considered as high “value for money”, creating important leverage for the conservation of the global public goods protected through the Convention.
- *Media Development Indicators (MDI)*: UNESCO’s International Programme for the Development of Communication (IPDC) launched an initiative to develop a set of indicators for evaluating national media landscapes. Following a global two-year consultation process involving a variety of experts and organizations, the set of indicators was unanimously endorsed by the IPDC Intergovernmental Council at its 26th session in 2008 as an “*important diagnostic tool*” for assessing media landscapes. The tool has gained momentum over the past three years. MDI-based assessments have now been completed in Bhutan, Croatia, East Timor, Ecuador, Gabon, Jordan, the Maldives, Mozambique and Tunisia, while others are still on-going in 11 countries, including Egypt. These assessments have made it possible to identify media development gaps at the national level, provide evidence-based recommendations on how to address these gaps and guide the formulation of media-related policies. In Tunisia, the government has now committed to implementing two media laws following the publication of the MDI exercise and its related recommendations. The cost of these studies and related activities has been in the region of US \$350,000-400,000, which has largely been covered by partners and voluntary resources drawn to the initiative by its success. Belgium, for instance, contributed US \$176,000 for the Tunis report and other activities. Likewise, the NGO International Media Support in Nepal and the government of Bhutan have also contributed to costs in respective cases, demonstrating that the MDIs have become a trigger for additional investment. In 2012, partnerships were being developed with the International Federation of Journalists and the Doha Centre for Media Freedom – evidencing the growing credibility and utility of the tool for practitioners in media development.

4.3 Are country and regional level implementation activities related to norms and standards work designed and managed with a focus on achieving results?

General information:

Yes. UNESCO’s activities implemented at the regional and at the country levels are applications of norms and standards at work, adapted to regional and national development priorities. All UNESCO action, at regional/ country levels, be it stand-alone as UNESCO agency-specific activity or in the context of UN system common country programming exercises is driven by, and monitored against, the achievement of clearly defined expected results.

Specific examples:

- The Millennium Development Goals Achievement Fund (MDG-F) is an international fund established in December 2006 to accelerate progress in

achieving the [Millennium Development Goals \(MDGs\)](#) at country level. “Culture and Development” has been selected as one the eight thematic areas of the MDG-F with an envelope of US\$ 96 million granted to 18 joint programmes. UNESCO, as the only UN agency with a mandate in the field of culture, has a leading role in the implementation of these joint programmes (acting as lead agency in 13 out of 18 joint programmes). *The fund, which supports projects at country level, is an example of how normative and standard-setting work of UNESCO is taken forward at country and at regional levels, including by UN system partners.* With an overall objective to *foster sustainable socio-economic development by building on cultural assets*, the “Culture and Development” Joint Programmes’ (JP) areas of work range from strengthening cultural and creative industries, developing sustainable cultural tourism, safeguarding tangible and intangible heritage, and promoting cultural diversity and pluralism, to supporting inclusive policies and ethnic minority development. The programmes therefore cover a wide variety of cultural domains, including cultural and natural heritage, intangible cultural heritage, performance and celebration, visual arts and crafts, books and press, audio-visual and interactive media, design and creative services, and tourism. *While the MDG-F JPs on Culture and Development are not, by definition, a direct operationalization of [UNESCO’s Cultural Conventions](#), the latter form the legal backbone of programme activities which are enshrined in the Conventions’ principles.* Achievements of MDG-F projects include:

- In Ethiopia, 4 site protection laws for the World Heritage Sites (WHS) were elaborated and submitted to the Council of Ministers for endorsement, along with a by-law for “Research and Conservation of Cultural Heritage Proclamation No. 209/2000” (which establishes a new Government body: Authority for Research and Conservation of Cultural Heritage). UNESCO was the lead agency for this project;
 - In Cambodia, a Royal Decree for the establishment of a Living Human Treasures System was elaborated under UNESCO’s leadership in February 2010 following a highly inclusive national consultation;
 - In Turkey, a Sustainable Tourism Development Strategy was developed for the province of Kars and approved by the Ministry of Culture and Tourism which includes a Diagnostic Report evaluating the potential of cultural tourism development in Kars
 - The first-ever Culture Sector Strategy was developed to update the National Plan for Palestinian Culture (NPPC 2011-2013), as an outcome of joint UN system action under UNESCO’s leadership.
- Closely related to the *2005 Convention on the Protection and Promotion of the Diversity of Cultural Expressions* the programme ‘*Strengthening the System of Governance for Culture in Developing Countries*’ has been developed as the first technical assistance programme to implement the 2005 Convention at country level. This project is funded by the EU and runs from 2010 to 2012.

The goal is to support countries in their efforts to establish legal/institutional frameworks for the development of national culture sectors and to introduce policies that address the role of culture in social and economic development, particularly through cultural industries. Technical assistance missions have taken place for 13 countries (Barbados, Burkina Faso, Buenos Aires, Cambodia, the Democratic Republic of the Congo, Haiti, Honduras, Kenya, Malawi, Mauritius, Niger, Seychelles and Viet Nam). The first results are encouraging and include a draft national cultural policy for the creative industries and a strategy for the development of the music industry in Seychelles; a strategy to increase arts and culture education in Burkina Faso; a creative industry strategy and related funding strategy in Viet Nam; a cultural policy declaration in the Democratic Republic of the Congo, and a capacity-building programme for cultural industries in Honduras.

4.4 Is there evidence of global knowledge products, policy advice or thought leadership leading to tangible change in policy or practice?

Yes. Examples of 'UNESCO's global knowledge products, policy advice and thought leadership leading to tangible changes in policy and practice' include (in addition to various examples listed under 4.3 above):

- Within the framework of a joint agreement with UNICEF, UNESCO's International Institute for Educational Planning (IIEP) supported the South Sudan Ministry of General Education and Instruction (MoGEI) to embark on an extensive sector planning process, beginning in December 2010. Since then, UNESCO has been working closely with the MoGEI by providing technical expertise for the formulation of a comprehensive five-year strategic plan for the education sector. The goal of the General Education Strategic Plan (GESP) is to lay the foundations for a dynamic education sector, one that responds to the needs of the new nation and contributes to sustainable peace and development. The 5 year GESP has now been endorsed for implementation.
- UNESCO Kabul conducted a Needs and Rights Assessment of Inclusive and Child-Friendly Education in Afghanistan and developed a roadmap towards inclusion for Afghanistan, by introducing the concept of inclusive and child-friendly education to Ministry of Education (MoE) officials via a high-level roundtable discussion. The roundtable was followed by a national conference in October 2010 during which a Declaration on Inclusive and Child-Friendly Education was endorsed by the Ministry of Education. UNESCO developed and adapted several publications in English, Dari and Pashto in the area of inclusive and child-friendly education in close collaboration with the Inclusive and Child-Friendly Working Group. The group is chaired by the MOE and co-chaired by UNESCO. Part of the policy work included the establishment of a new *taskhil* (civil servant system) under the General

- Directorate of General Education for inclusive and child-friendly education, as well as integrating inclusive education in the curriculum of the Faculty of Special Education of Kabul Education University and providing support in training of bachelors' degree students on how to teach inclusive and child-friendly education.
- As the lead UN agency for the inter-agency project UN Trust Fund for Human Security project "Comprehensive Community Services to Improve Human Security for the Rural Disadvantaged Populations in Mongolia" (2009-2012)", UNESCO worked closely with the Government of Mongolia at both central and decentralized levels and coordinated three other participating UN partners (UNICEF, WHO and UNDP). UNESCO's interventions contributed to the establishment of the second TV channel of the Mongolian public broadcaster (MNB2) devoted to ethnic minorities. This is likely to have far-reaching implications on the integration of minorities into the national mainstream. It helped establish 10 community radios in remote areas, building the momentum for the further development of the community media sector in the country. It also increased awareness for media law reform to guarantee a community-friendly legal environment. Under the project, UNESCO was instrumental in establishing twenty model Community Learning Centres to respond to the learning needs of young people and adults in rural Mongolia, offering them essential learning opportunities. These Centres are now serving as community hubs for socialization, sharing experiences and ideas, with spillover effects in other parts of the country.

4.5 Does the MO demonstrate results in addressing identified regional and global issues?

Yes. UNESCO uses several mechanisms to identify global and regional needs, including technical research and studies in its areas of competence, stakeholder surveys, UN system-wide assessment exercises as well as consultation mechanisms, such as the Regional Consultations with Member States in all regions on the preparation of the Medium-term Strategy and the Programme and Budget of the Organization. UNESCO's governing bodies have approved dedicated action with clear expected results for Africa, which is a global priority for the Organisation. Moreover, the workplans for regional offices in education and science, established in all regions, address specific regional issues and needs. Member States furthermore articulate regional and global priorities at the sessions of UNESCO's Executive Board and General Conference, and take them forward in related decisions and resolutions. Based on the defined priorities, UNESCO formulates strategies, with related action plans and monitoring frameworks. Statutory reports (every six months and in summary form every two years) report against the attainment of the results approved by the General Conference. UNESCO also undertakes specific technical reviews and evaluations for some of its action, in which results formulation and attainment are regularly reviewed and assessed. Specific example of action based on assessed needs:

- According to the EFA Global Monitoring Report (EFA/GMR) 2008, progress achieved in primary school enrolment worldwide requires significant progress in access to quality TVET for an increasing number of young people that complete primary education. This has recently been further reinforced by the EFA/GMR 2012. - UNESCO has initiated consultations at the global level with a broad range of partners, including specialized United Nations agencies, and developed a strategy focusing on three core areas: (i) provision of upstream policy advice and related capacity development; (ii) conceptual clarification of skills development and improvement of monitoring of TVET; and (iii) acting as a clearinghouse and informing the global TVET debate. Since then, UNESCO has been providing support at country and regional levels. In addition and within the context of the second core area of its strategy, UNESCO has facilitated consultations and cooperation with other international organizations which led to the development of a conceptual framework and a set of indicators linking TVET to employment. Complementary to this work, UNESCO contributed to the preparation of a conceptual framework for establishing an internationally comparable data-set of skills indicators. Both frameworks will be tested in selected pilot countries in 2013. UNESCO is also working on enhancing Member States' capacities in establishing systems for relevant and reliable data on TVET at national and regional levels. In Africa, UNESCO has conducted a study on the status of the Statistical Information Systems (SIS) on TVET in Sub-Saharan Africa and proposed strategies to improve the availability and quality of data. In Latin America and the Caribbean, UNESCO carried out a regional inventory of existing information systems and provided a set of recommendations to Member States in the region. (Report: <http://unesdoc.unesco.org/images/0021/002175/217544e.pdf>)
- UNESCO has taken the leadership or was the co-leader in the UN system for several issues at regional and global levels in relation to natural sciences. Results include the adoption of a UN Secretary-General Global Compact for the Ocean, which is the main ocean-related programmatic element of the UN Secretary-General's Five-Year Action Agenda (2012-2016) and the first integrated strategy within the framework of the UN for the protection of the Oceans. The [UN Secretary-General's Global Compact for the Ocean](#) was also influenced by the '[Blueprint for Ocean and Coastal Sustainability](#)', an interagency initiative (UNESCO-IOC, FAO, UNDP, IMO) prepared for the UN Conference on Sustainable Development (Rio+20) which set out ten proposals for the Ocean and coastal sustainability. The Global Compact addresses global overfishing and ocean pollution issues by improving the governance of oceans and coastal habitats and by developing an institutional and legal framework for the protection of the ocean biodiversity.
- After forty years of experience coordinating the Pacific Tsunami Warning System, UNESCO's Intergovernmental Oceanographic Commission (UNESCO-IOC) is leading a global effort to establish [ocean-based tsunami warning](#)

- [systems](#) as part of an overall multi-hazard disaster reduction strategy. UNESCO-IOC ensures appropriate design and development of tsunami warning systems and provides adequate protection at local, regional, and global levels. Following the undersea earthquake on 26 December 2004 and the subsequent strongest tsunami in living memory, UNESCO-IOC coordinated activities and immediate action to establish a Tsunami Warning System (TWS) in the Indian Ocean. The response included the establishment of an interim Tsunami Warning System, while the interim Tsunami Advisory Information is provided through the Pacific Tsunami Warning Center in Hawaii and the Japan Meteorological Agency (JMA). More recently, after the Regional Tsunami Service Provider (RTSP) operations for the Indian Ocean Tsunami Warning System commenced on 12 October 2011, the RTSPs of Australia, India and Indonesia issued their first ocean-wide bulletins on 11 April 2012. In the Mediterranean, France and Turkey have started interim provision of tsunami services as of 1 July 2012.
- The [UN World Water Development Report](#) hosted by UNESCO is a one-stop resource for up-to-date information on the use, management and state of the world's freshwater resources. It is the only major UN system-wide report representing the collective input of 30 UN agencies. The UNESCO-WWAP study [Water 2050](#) published in 2012 is exploring alternative futures of the world's water and its use to 2050 to inform future planning by Member States.

4.6 To the extent that the organisation has in-country activities that are not related to its normative work, is there clear evidence that these are contributing to results at country level?

Yes. Member States turn to UNESCO for assistance covering a wide area of needs and issues, in line with the Organization's functions and areas of competence.

- *Flood early warning systems and management:* Following the 2010 devastating floods in Pakistan, UNESCO helped to rebuild national flood early warning systems and management capacity, in close cooperation with a number of Pakistani government agencies. On the basis of strategic water investment analysis for the whole country, technical infrastructure has been put in place enabling the use of satellite-based forecasting systems through continued provision of expertise and technical service. Over 300 experts have received UNESCO training in integrated flood management, including advanced master programmes and middle-management level customized short courses.
- Since 2000, UNESCO has been implementing the "Open Schools Programme" as a key contribution to prevent violence affecting youth both as victims and as perpetrators. This programme, entirely financed from self-benefitting funds, aims at opening up public schools on weekends to offer artistic, cultural, leisure and sports activities, as well as initial work training, to young people and their communities. In Brazil, the Open Schools Programme made

accessible more than 4,000 schools every weekend in all regions of the country, to the benefit of around 4 million people. *This practice - initially implemented by UNESCO in cooperation with education authorities at the state and municipal levels - has since become a national public policy at the municipal, state and federal levels in Brazil.* Evaluations of the Open Schools Programme carried out over the last six years by the UNESCO Brasilia Office and its partners have demonstrated its success also in terms of a direct reduction in the levels of violence registered in schools and their surroundings. To date, the project has been replicated in Honduras, El Salvador, Guatemala, Nicaragua and the Dominican Republic. The project is also currently being developed in Guinea-Bissau in Africa.

All in-country activities, whether related to normative work or not, are planned in alignment with national development priorities and objectives. In the majority of Member States, UNESCO's cooperation programme is integrated in the country's UNDAF, and therefore contributing to its outcomes, which are agreed between the Government and the entire UN system. Evidence of results-based country programmes is captured in the UNESCO Country Programming Document (UCPD) that is prepared by the Field Office (cf. for example: UNESCO Country Programming Document (2011–2015) for the United Republic of Tanzania). While the UCPD is not yet available for all countries, it will be made available by the end of 2013 in all countries UNESCO is active in, as part of the Director-General's Roadmap. In any case, all field offices are required to apply strictly the principles of results-based programming and monitoring in their programming, which must be entered into the central SISTER tool, and in relevant programming documents. Alignment to country needs and contribution to results are among the basic requirements for the validation of proposed workplans in SISTER and the allocation of resources by senior management.

MAR component 6: Financial resource management

6.1 Does it use a clear and transparent system to allocate aid?

Yes. The allocation of resources to the different programmes within UNESCO's Programme and Budget (C/5 document) is discussed and approved in an inclusive and transparent manner by UNESCO's governing bodies (General Conference and the Executive Board). Budget envelopes are allocated at the 'Main Line of Action'-level with associated expected results and decentralization of staff and activity resources to regions are clearly identified. It must be understood however, that while certain activities would qualify as "aid", UNESCO is not per se an aid-providing organization given its global, regional and country level remit and its broad functions, including as a standard-setter, benchmarking organization (e.g. in education and sciences) and a laboratory of ideas.

UNESCO's activities are planned within an organization-wide online programming tool called *System of Information on Strategies, Tasks and the Evaluation of Results (SISTER)*, which is accessible to Member States and National Commissions. Within SISTER each work plan outlined must reflect programmatic actions in concrete terms applying UNESCO's results-based management (RBM) approach. Activities are all planned in a way so as to contribute to the achievement of the Expected Results approved by the General Conference in the programme and budget (C/5).

SISTER is used to record, monitor and report the attainment of expected results and track actual expenditures by activity and extrabudgetary projects and against the work plans of the Regular Programme. Six-monthly consolidated expenditures from the approved C/5 and the related Complementary Additional Programme of extrabudgetary resources are monitored against budgets and reported to the Executive Board alongside the achievement of each result. In addition to reporting to its governing bodies (Executive Board), the six-monthly monitoring allows management to follow closely expenditure and performance at the activity level and make decision on necessary adjustments when needed. *Member States have at the recent 190th session of the Executive Board expressed appreciation for the increased transparency resulting from their access to SISTER and its reports (190 EX/Decision 4).*

UNESCO uses an integrated Enterprise Resource Planning (ERP) run on SAP - also known as the Financial and Budgetary System (FABS) - to record and monitor financial transactions. FABS was implemented in 2001 and enhanced over the last decade. ERP provides transparent systems to plan and manage the Organization's financial resources. The application of FABS enables management to monitor and report on core financial and activity implementation, both globally and in real-time.

FABS and SISTER as part of the Organization's information systems facilitate the transparency of financial resource allocation and reinforce the accountability for their use both at Headquarters and in Field offices. Both tools are linked inasmuch no activity can receive funding through FABS unless it has not been entered programmatically into SISTER.

Recent initiatives to further enhance the transparency and accountability of resource allocation include:

- A review of UNESCO's cost recovery policy for extrabudgetary projects with the aim of strengthening implementation, simplifying processes and harmonising with the cost recovery practices across the United Nations system;
- UNESCO has committed to the introduction of Results-Based Budgeting with an implementation plan to be presented to the Executive Board in April 2013. The current C/5 programme and budget already provide elements of this approach with the distribution of resources providing a global picture including extra budgetary projects and analysed by "Main Line of Action", by

region and the classification of Programme Sector staff costs as: Programme ; Programme Support and Management & Administration. Discussions at the 190th Executive Board in October 2012 covered the classification of costs as well as the implications of implementation of RBB;

- The upgrade of an IT application, named 'Budget for UNESCO' (B4U), to assist project officers in building their projects budgets within SISTER. Revised mechanisms will reduce the administrative workload and cost and enhance control over the completeness of project budgets.

6.2 Does it pro-actively manage poorly performing projects and programmes, curtailing them where necessary and recycling savings into better performing parts of the portfolio?

While each sector currently extracts periodic updates on the status of project/programme expenditure from UNESCO's financial systems, a standardized and automated dashboard has been put in place in November 2012 to provide regular monthly expenditure rates.

BFM provides a monthly report and analysis to the Senior Management Team (SMT) on expenditure rates by sector across all sources of funding. SMT meetings review the global implications and discuss remedial actions. BFM coordinates a year-end review of funds committed for programmes / activities (but not yet spent) in order to identify and cancel those that are unlikely to be delivered within specified timeframes.

The Bureau of Financial Management (BFM) provides a detailed quarterly "Sectoral Alert System" to provide for early warnings relating to underperforming extra-budgetary projects. Annual financial statements are prepared for donors and managers of such projects. The programmatic progress reviews of extrabudgetary projects are followed up by the Bureau of Strategic Planning in coordination with the donor and implementing programme sector/field office. Review and reallocation of funds occur regularly at the sectoral level between 'budget codes' for activities.

The Programme Management Committee reviews anticipated budget savings and makes recommendations for their redistribution to the Director General.

UNESCO has a detailed evaluation policy managed by the Internal Oversight Service (IOS) comprising both internal and external evaluations. . IOS audit and evaluation reports, which frequently identify underperforming projects/programmes and inefficient operations, are systematically followed-up by senior management.

Examples of where this has led to cost savings, closure of projects, etc. include:

- In line with the recommendations of a recent evaluation review of UNESCO's Moscow Office, the organization is moving forward in further integrating the Office with a local Category I Education Institute (IITE). At a strategic level,

- this will lead to a repositioning of UNESCO's presence in the CIS Region. At a more operational level, this will lead to greater efficiencies and cost savings.
- An evaluation of UNESCO's programmatic work in the area of social transformations (MOST) called for a sharper strategic focus and the discontinuation of less relevant/effective areas. The programme was reoriented, both thematically and in its modalities of operation, and approved by the Intergovernmental governing body.
 - A joint audit and evaluation of a major extrabudgetary project managed out of UNESCO's Cairo Office and implemented in eight countries – the International Computer Driving License project – raised issues with respect to its relevance and sustainability. UNESCO senior management agreed on an exit strategy with the various partners that ensured sustainability of project results and gradually phased out the project.
 - An audit of the UNESCO Chairs programme identified the need to better align chairs with current UNESCO priorities. Senior managers improved the programme alignment of current chairs, terminated over 100 inactive or obsolete chairs and improved the ongoing engagement between and among the chairs and their UNESCO counterparts to achieve better programme results.
 - An audit of UNESCO activities in Kinshasa concluded that efforts to convert a forestry school into a Category 1 UNESCO institute were premature and represented a significant financial burden to the organization. Senior management has undertaken consultations with various partners in order to identify alternative solutions for the school's sustainability.

Finally, it should be noted that funding received can only be spent according to established rules and regulations; project accounts are closed and audited annually by the External Auditor and reported to governing bodies on a yearly basis.

Programme monitoring against the achievement of expected results is managed through SISTER and is conducted primarily on a sectoral basis. Periodic programme implementation reviews are carried out by Sector ADGs/Bureau Directors, with particular attention paid to low-performing activities. Reviews may entail reprogramming actions, including the reallocation of funds where performance is low and/or the development of exit strategies. In addition, Sector ADGs/Bureau Directors and BSP in the framework of the regular workplan review exercise monitor low performing programmes and put forward recommendations in this regard to the Director-General.

As part of the Organization's statutory reporting, a six-monthly progress report on the execution of the programme is submitted to the Executive Board (EX/4 document). It recognized the considerable progress made regarding the quality of reporting through the EX/4 Document ([190_EX/Decisions](#) and [190_EX/INF.24](#)). Starting in 2011, achievements are reported for each MLA result across all funding

sources, paving the way for the application of RBB. For the first time, both progress assessments on results attainment and budget execution rates of Regular Programme *core operational* costs and extrabudgetary resources were associated with results.

A new rating feature is currently being piloted in SISTER enabling responsible officers to represent through a symbol the assessment of progress and achievements towards each C/5 result as well as assessment of the implementation status of each project and activity. This new feature allows to present at a glimpse programme implementation associating both progress assessments (substance) and expenditure rates (i.e. budget execution). It is expected that this feature will serve to facilitate further performance-based decision-making by the Secretariat and Member States and it will also serve as an alert mechanism which does not rely solely on expenditures rates.

| |
|---|
| 6.3 Does it have strong policies and processes for financial accountability (risk management, anti-corruption, quality of external audits, fiduciary risk assessment)? |
|---|

Financial Accountability

Responsibilities for financial policy development and compliance reviews are grouped under a dedicated section (FPC) within UNESCO's Bureau of Financial Management (BFM). It comprises three units. First, the Policy Unit in charge of strengthening the implementation of UNESCO's Internal Control Policy Framework, as well as of development, interpretation and training on financial policies, including procurement. Second, the Compliance Unit, whose role is to enhance internal control effectiveness and efficiency through compliance monitoring of key financial control activities. Third, the Administrative Manual Unit in charge of coordinating the review and publication of all financial, budgetary and administrative texts. UNESCO financial rules describe the system and controls in place to manage financial commitments, authorize payments and control expenditures. These financial rules are put into operation through UNESCO administrative manual. Internal control principles are embedded within the information system (SAP) used to manage disbursements, to ensure proper segregation of duties and approval process for all payments made.

Staff can access the Administrative Manual (AM) via the Intranet including downloadable PDF formats. The AM and the Human Resources Manual provides staff at headquarters and in the field with a centralised format of up-to-date internal regulations and procedures with a clear description of accountabilities. A working group meets regularly to agree schedules for review of AM items, revisions are communicated electronically and supported by FAQ guides and regular training in key areas.

Recent updates to the Administrative Manual include:

- Fraud and corrupt practices: prevention and detection policies within the procurement, contracting and financial administrative processes;
- Amendments to Financial Rules, roles, authorities and accountabilities to incorporate IPSAS requirements;
- Introduction of a new contractual modality governing the use of allocations determined by Intergovernmental Bodies and/or Committees established by intergovernmental bodies;
- Workflows and Electronic Signatures aimed to promote efficient modern working practices and to reduce costs and administrative burden through minimizing the use of paper documentation;
- Use and conservation of offices and green areas at Headquarters to outline the importance of following rules to ensure proper conservation of HQ buildings and installations after the renovation works;
- Use of UNESCO Mobile Telephones with a view to containing the costs of mobile phone communications;
- Travel on Mission policies reviewed to incorporate cost saving and greening measures, clarify policy and processes to end-users and respond to audit findings and recommendations.

Some other key changes relating to cost-consciousness concern air travel class downgrade, DSA reduction for non-staff travelers, mandatory travel by train for trips up to 4 hours in Europe, inclusion of purchase of restricted tickets and mandatory advance booking (see also MAR component 7).

Existing AM provisions included the 'Funds-in-Trust Cooperation' with the purpose of making the management of extrabudgetary projects with specific deliverable agreed with donors more efficient, and to provide clarifications on evaluation, project equipment inventory, plan of operations and budgeting.

UNESCO introduced an annual statement on internal control (SIC) for the year end of 2010 and 2011, based inter alia on information collected through the internal control self-assessment process and personal attestations from the Senior Managers of UNESCO at Headquarters, Field offices and Institutes. These attestations form the basis for the Director-General's annual statements on internal control in the audited financial statements. The SIC also provides a basis for the assessment of emerging risks and the development of policy and capacity. As one of the first UN organizations implementing this mechanism, UNESCO led the September 2012 SIC working group of the UN Finance & Budget Taskforce.

UNESCO implemented its ERP package SAP to manage its budget, accounts, payroll and treasury operations and to produce quarterly, annual and biennial financial statements as well as detailed departmental accounts.

A monthly financial management dashboard for the Senior Management Team provides an analysis of financial performance and risks and the outcome of compliance reviews. A quarterly update on these issues is made available to all staff and member states on the Intranet to promote transparency. Financial and resource

management risks are further reported to and reviewed regularly by the internal Risk Management Committee (RMC), with intersectoral participation and chaired by ADG/BSP, and the independent external Oversight Advisory Committee (OAC). The RMC reports to the Director General and the OAC to the Executive Board.

The Organization's Internal Oversight Service (IOS) implements a cycle of internal audits (IA) and evaluations, outcomes of which are reported to the Director General and governing bodies. The status of IA recommendation implementations are reviewed regularly.

UNESCO produces financial statements prepared in accordance with internationally recognized standards. The External Auditor appointed by UNESCO's General Conference certified the financial statements for the period ended 31/12/2011 and issued a clean audit opinion. As from 1/1/2010 UNESCO prepares its financial statements in accordance with International Public Sector Accounting Standards (IPSAS).

Audits are conducted in accordance with the Common Auditing Standards of the Panel of External Auditors of the United Nations, the specialized agencies and the International Atomic Energy Agency and conform to International Standards on Auditing (ISA). The mandate of the external auditor covers both the audit of financial statements and of the management mechanisms of the organization. Outcomes of audits and the status of implementation of recommendations are reported regularly to senior management and the governing bodies of UNESCO.

Anti-corruption

UNESCO has established a framework of policies, rules and procedures for the treatment of reports or indications of fraud, corruption, abuse and other misconduct. The Organization's Ethics Office provides advice to staff members and management and refers cases to the Internal Oversight Service investigation unit when necessary. The Ethics Office delivers mandatory general training on ethics to all staff members of the Organization and specific training on ethics of procurement to staff members responsible for procurement.

Related party information is disclosed annually in its Financial Statements, in accordance with the International Public Sector Accounting Standards (IPSAS). The Ethics Office is developing a Financial Disclosure Programme to be implemented by the end of 2012.

The framework of policies, rules and procedures for the treatment of reports or indications of fraud, corruption, abuse and other misconduct includes inter alia the following provisions:

- Staff regulations, staff rules, and standards of conduct;
- Specific provisions of the Human Resources Manual (misconduct investigation and disciplinary procedures);

- A whistleblower policy, which describes possible ways of reporting misconduct to the Organization and sets out rules for the protection of whistleblowers and informants;
- A Fraud and Corruption preventative policy.

The Organization's Internal Oversight Service (IOS) includes a separate Investigation Unit (INV) dedicated to investigating concerns of fraud, corruption, abuse and other wrongdoings.

INV operates in line with the Organization's internal policies, rules and procedures, as well as the Uniform Guidelines for Investigations adopted by the Conference of International Investigators, and the professional standards of the Association of Certified Fraud Examiners, of which the IOS investigator is a member.

UNESCO has a specific partnership policy for sub-recipients of project funds which include a vetting process to assess their capacity prior to contracting. The policy also includes on-going review and appraisal aspects. Vendor Management in BFM reviews suppliers registered for payment against UN databases of blacklisted vendors. UNESCO is in the process of formalizing a Vendor Management policy and process.

6.4 To the extent that it disburses aid, does it deliver predictable financing by, for example, making long-term commitments and disbursing aid according to agreed schedules?

Here again, the caution regarding the use of the term "aid" in connexion with UNESCO's activities, made earlier, should be recalled. UNESCO is implementing many of its programme activities through partners on a contractual basis. The AM sets out guidelines for the selection of Implementation Partners, the expected content of agreements and provides for multi-year agreements on the basis of regular financial reporting by the partner and evaluation of performance by UNESCO. The AM also lays out similar guidelines for financing activities contracts concluded with not-for-profit institutions. The criteria for such contracts are limited and, as they are exclusively funded by the Regular Programme, cannot extend beyond the 2 year budget cycle.

In addition UNESCO disbursed funds to National Commissions through the Participation Programme and to individuals through the Fellowships programme and Study Grants. The guidelines and criteria for the Participation Programme are agreed by the governing bodies and commitments do not exceed the two year budget cycle. AM provides detailed guidelines for the Fellowships and Study grants requiring the duration of and obligations under such agreements to be specified at their commencement.

The delivery of predictable financing through long-term commitments and disbursements according to agreed schedules are available in SAP and also outlined

through the user-friendly “SharePoint” application developed for the management of contracts from drafting to validation workflows and acceptance of deliverables. The tool incorporates the types of contracts and the installments foreseen. It also includes the advances which are kept at a minimum, the ability to review all contracts and payments are made only on receipt of deliverables.

MAR component 7: Cost and value consciousness

7.1 Does MO encourage partners to think about economy, efficiency and cost effectiveness in all that it does, including in normative and policy work and global public goods?

UNESCO is strongly committed to enhance its institutional efficiency and has initiated a number of reforms and changes in policies and tools. An independent external evaluation (IEE) was conducted at the request of UNESCO’s General Conference and an action plan was endorsed that provides the framework for the ongoing reform. The implementation status was reported to the 36th General Conference in 2011 and is reported also regularly to the Executive Board. This includes implementation measures, such as budgeting, managing human resources, reforming the field network and increasing administrative efficiency. The action plan for the implementation of IEE is complemented by the Director-General’s roadmap, with 18 targets, approved by the Executive Board in February 2012.

UNESCO has continued the path to fundamental reform by aiming at more focus in programme delivery and achieving efficiencies. The provisional work plans are reviewed and monitored quarterly to be adjusted periodically depending on the availability of resources and to reflect the priorities endorsed by the governing bodies in a more effective way. Monitoring by management aims to ensure effective programme delivery and slow implementation is examined prior to further allotment. Organizational reviews are underway and have been made for sectors as well as for central services with a view to harmonizing some services, simplifying reporting lines and flattening structures. These changes should reduce the complexities of procedures, streamline operations and move the Organization from a culture of control to a culture of accountability.

The Roadmap mentioned above provides a framework with 18 targets for enhancing programme focus and cost effectiveness. The Organization has conducted several initiatives to identify administrative reforms such as the Taskforces 2010, the UNESCO Efficiency Group in 2011 and the Transforming Administrative and Strengthening Client Orientation (TASCO) Project earlier this year. The new Knowledge Management and ICT strategy requires that projects for strengthening the tools used by UNESCO to implement its operations are preceded by re-engineering of processes with a focus on simplification and efficiency.

UNESCO has been operating with zero nominal growth (ZNG) budgets for six years and the Director-General has again proposed a ZNG budget for the next two years 2014-2015. ZNG budget envelopes require the organization to absorb any inflationary costs and statutory increases, which requires reductions and cost-efficiency measures in various areas. The estimated costs to be absorbed in 2014-2015 are estimated at US \$55.8M which represents 8.5% of the total budget. This will pose considerable challenges to realize economies, efficiencies and cost effectiveness across the board, including normative and policy work and global public goods.

UNESCO's financial rules and regulations embed the principles of value for money and competitive selection in procurement of goods and services.

Evidence of value for money and cost-consciousness in the purchase of programme inputs include

- 80% reduction in staff travel costs and 56% in participants travel costs; an estimated \$300,000 reduction in travel agency fees - as a result of tighter travel planning, introduction of audio & video conferencing and web-training tools; abolition of business class travel except for short duration missions (figures are for Regular Programme 6 months to June 2012 compared to June 2010);
- Reduction of 80% in consultants costs and 52% in temporary assistance costs.

In terms of modalities of action in programme delivery, UNESCO aims at maximizing value for money, both for the Organization and for its partners/ beneficiary groups. Many times, UNESCO assistance (technical or financial) to a country has a catalytic function in that it helps to create the conditions for the country to attract more large-scale funding.

Specific examples:

- UNESCO provides policy advice and capacity development on various aspects of education and as such *has helped many countries to attract large-scale funding to their national education systems*. For example, the government of *Chad* submitted a \$47.2 million project to the Global Partnership for Education (GPE) initiative, of which USD \$7 million will be dedicated to literacy and non-formal education and for national capacity development in education to be implemented by UNESCO. This project was elaborated based on the "intermediary strategy for the development of education and literacy"³ to which UNESCO provided technical support and capacity development with financing of \$1 million. UNESCO's relatively small

³ Stratégie Intérimaire Pour le Développement de l'Éducation et l'Alphabétisation (SIPEA)

scale funding provided the technical basis for the Government of Chad to attract larger scale financing for the country's national education system. It is also significant that the dialogue and advocacy efforts undertaken by UNESCO have allowed the government of Chad and partners (civil society, technical and financial partners) to recognize the importance of literacy and non-formal education resulting in its inclusion in the priority financing plan of the education sector.

- Innovative programmes in various areas developed with UNESCO's seed funding have *attracted further financing and partnerships, in particular from private sector partners*. Examples include UNESCO's programme using *information and communication technologies (ICTs) for education*, which has fostered broad partnership engagement with the private sector. The Organization is also using the internet to crowdsource innovative ideas and elicit suggestions on how mobile communication could help achieve EFA goals, in particular literacy, from the public at large and experts. These programmes, initially started in partnership with Nokia, have now attracted other private companies, such as Telefónica and Alcatel as well as international organizations (GSMA and ITU) which will allow for future scaling up.
- UNESCO has assisted *the Democratic Republic of the Congo (DRC)* to prepare for the Global Partnership for Education (GPE) a programme proposal in an amount of some \$100 million.⁴ With UNESCO support (of approximately USD 3.3M)⁵, substantial progress has been made in the sub-sector of the Ministry of Primary, Secondary and Vocational Education (MEPSP), with the finalization of the "Education Sector Development Strategy-EPSP and the preparation of the related "Education Interim Plan (PAP 2012-2015)". To help DRC to comply with the recommendations of the GPE external evaluation, UNESCO contributed to: (i) Revising the 3-Year Education Interim Plan and updating the related costs and projections, using UNESCO's education policies and strategies simulation models (EPSSim) and more recent educational, macroeconomic and budgetary data; (ii) improving/developing the implementation framework, and (iii) preparing the monitoring/evaluation framework for the 3-Year Education Interim Plan.
- The *UNESCO Global Partnership for Girls and Women's Education* launched in 2011 has proven catalytic in mobilizing resources (over USD 5 million) and partnerships and in translating these into expanded learning opportunities for girls and women, with projects in five countries in Africa. Two new partnerships were established with UN Women and the Barefoot College (India) in 2012. The partnership with Procter & Gamble initiated in 2011, is about to be expanded with a new contract as both parties have evaluated highly the first year of cooperation.

⁴ Decision was to be taken by the GPE Board meeting in Paris on 20 November 2012

⁵ UNESCO worked with funding amounting to 2 million USD from AFDB for the period 2006-2009 and with funding from CapEFA and RP from 2010-to present, amounting to some 1.3 M

7.2 Do its systems (including pressure from the governing bodies and members) require senior management to take account of return and cost effectiveness (is there evidence that shareholders actively challenge senior management on such issues or question choice)?

UNESCO's systems of budget approval, monitoring, evaluations, audits and reporting described above promote discussions by governing bodies on return and cost effectiveness.

UNESCO workplans align results, budgets and expenditures under Main Lines of Action (MLAs). Member States focus on results by MLAs and review also the trends in costs by object of expenditure. A detailed review of the overall financial situation – expressed in the so-called Management Chart - is undertaken every six months by the Executive Board and its Financial and Administrative (FA) Commission as well as its Ad Hoc Preparatory Group – and every two years by the General Conference and its relevant Commissions. Debates focus also on the level of fixed costs of the Organization and on the proportion and trends in staff cost and administrative costs. The results of these discussions are captured in resolutions (of the General Conference) and decisions (of the Executive Board).

The Organization is moving toward Results Based Budgeting (RBB) with a greater focus on returns and costs by result. Costs will be analyzed between Programme, Programme Support, Management and Administration and Special Costs to provide a better overview of the proportion of these across all results. The presentation in 190 EX/19 to the October 2012 Executive Board elaborates the proposals on future budgeting techniques.

7.3 Is it aware of and does it strive for economy in the purchase of programme inputs (in other words, is its approach to procurement driven by cost control, does it have targets for procurement savings, are prices achieved monitored and reported on)?

The principles of best value for money, transparency, competition, economy and effectiveness, and the interest of UNESCO are embedded within UNESCO procurement and contract management policies (AM Chapter 7 and Chapter 10 – include hyperlink). UNESCO's procurement processes are consistent with international public procurement practices and apply to all UNESCO procurement activities regardless of funding source.

ZNG budget envelopes and the current financial difficulties have set targets for reduction in sectoral costs, particularly for administrative costs. Prices and savings achieved are monitored on a contract by contract basis at the sectoral level. UNESCO publishes contracts awarded over US \$100,000.

The Organization continues to move towards a more comprehensive approach to ensure value for money and reduced administrative cost in contracting, with the concept of a one-stop-shop on contracting as outlined by the Director-General in July 2012. The purpose of the unit is to provide policy guidance, capacity building, technical assistance and monitoring for all high value contracts, including compliance review prior to the submission to the Contracts Committee. The unit will develop a global procurement plan which will provide a stronger oversight of trends. The role of UNESCO Contracts Committee is currently being reoriented, moving towards programmatic issues and cost-effectiveness of UNESCO operations and a pertinent proposal for a new structure has been submitted to the Director-General for implementation in early 2013.

7.4 Does it strive for reductions in administrative costs and is not profligate (there is evidence of targets and cost control)?

Given UNESCO’s (nominal and real) budget evolution over time, the Organization has continuously over several budget cycles been doing “more with less” (see also slides provided in Annex 2):

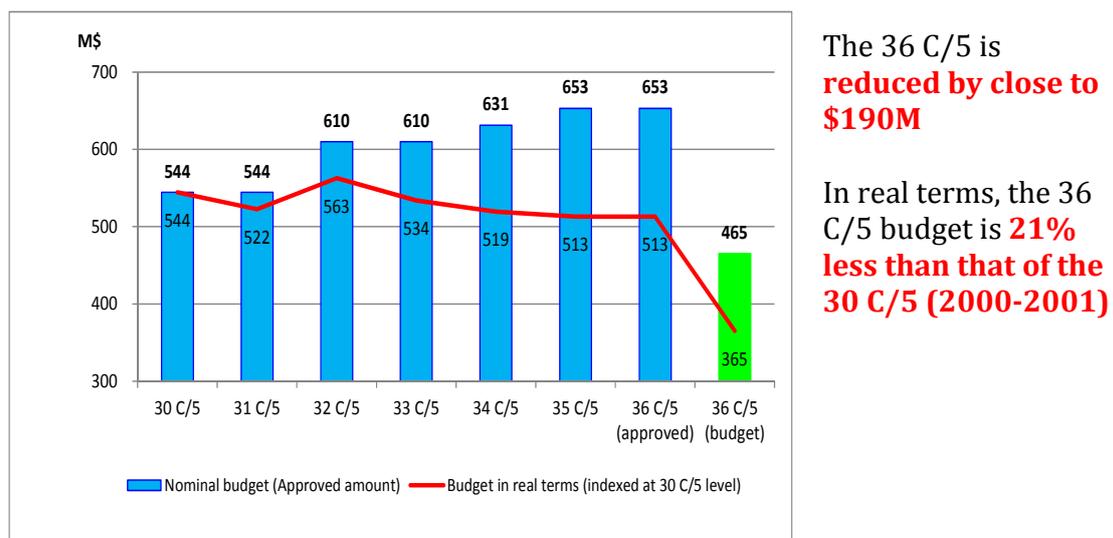


Fig. 1: UNESCO Budget (nominal and real) over time: 10 years of doing more with less

ZNG budget envelopes over the last six years have required administrative services (Corporate Services) to achieve reductions over and above the absorption of inflationary costs. The 36 C/5 Regular Programme provided a US \$7.9M / 6% reduction in ZNG Corporate Service budgets compared to the previous biennium. Following the financial pressures resulting in the wake of the suspension of the contribution by Member States, a revised budget envelope of USD 465 million has been established for implementation. The related, revised workplans provide for a total of US \$26M or a 20% reduction for corporate services compared to the

previous biennium. Ongoing efforts for cost containment, consolidation of structures and redeployment of staff should lead further savings as well as improved cost recovery from all extrabudgetary funds.

Roadmap targets were presented in 189EX/15 Part I Addendum to the Executive Board, accelerating the ongoing reform as a result of the reduction in funds available for the 2012-2013 budget. Roadmap targets 10 to 18 are aimed at reducing overhead/administrative costs. The latest comprehensive report on their implementation can be found in document 190 EX/34. Targets aimed specifically at administrative costs include reducing such costs by 15%; and reducing the number of posts in Executive Offices (EO), Administrative Offices (AO) and secretarial services by 10%.

The overhead and administrative reforms reported under the Road Map targets are the result of several initiatives such as the Taskforces 2010, the UNESCO Efficiency group in 2011 and the Transforming Administrative and Strengthening Client Orientation (TASCO) Project. A review of administrative processes has highlighted the need to modernize administrative policies, procedures and processes. Reforms proposed aim at achieving improvement in service delivery at reduced costs.

TASCO adopted a re-engineering approach with a project structure cutting across one or more support services rather than focusing entirely on a single service or sector to achieve necessary synergies and maximize efficiency gains. This was related to roadmap targets 12 and 18 and indirectly 16 and 17. Results were aimed at a reduction of process time and transaction costs. 46 TASCO recommendations were approved by the Director-General, impacting administrative processes for travel, procurement, translation, production and printing of information materials.

Implementation to date includes:

- Streamlining of procurement with the introduction of a one-stop-shop as a single entry point within BFM for policy guidance, training and technical assistance for all high value contracts to ensure value for money;
- The final structure of the consolidated AO Unit for Corporate and Programme Related Services was approved by the Director-General in October 2012 and will be implemented by March 2013. The new structure has reduced the number of professional AO posts at Headquarters by over 60% providing an estimated \$2M savings per biennium in Headquarters operations and the opportunity to reinforce the Africa Regional Administrative Platform and other needs in the Africa Field Reform. Furthermore the Programme Sector AO review will be launched shortly and will be completed by June 2013 to minimize the administrative services;
- The restriction on the use of business class and the review of travel procurement modalities to reduce travel costs. Also the development of new IT tools such as the travel planning tool to improve decision making and improve monitoring of travel costs.

MAR component 9: Transparency and accountability

9.1 Does it have a disclosure policy, and does that policy specify a presumption of disclosure - i.e. that information should be made publicly available unless there is a clear case for withholding it? Is the list of exceptions justifiable and based on the MO's commercial, security, data protection or other policies and regulations?

While there is no full disclosure policy in place yet at this point in time, a number of initiatives demonstrate the transparency of information provided:

- Analysis of deliverables and expected results including a detailed reporting at a country level of activities within reports to the Executive Board
- Disclosure of contracts over \$100,000 published on the intranet
- Related party transactions reported in IPSAS compliant financial statements
- Implementation of a financial disclosure policy in 2013
- Summary reports on external audits, internal audits, evaluations and investigations published online.

As requested by governing bodies and as outlined by the Director-General, UNESCO continues close monitoring and communicating on its financial situation. The Director-General has reported in detail on the progress made towards delivering on the 18 roadmap targets in document 190 EX/34.

9.2 Does it routinely publish project and policy documentation (including the latest versions of all normative instruments, and reports on implementation of norms) including financial data and performance reports and are these timely and easy to find?

UNESCO publishes project and policy documentation submitted to its governing bodies, the Executive Board and the General Conference, as well as the resolutions and decisions resulting from intergovernmental deliberations. All such documentation is available, easily accessible and regularly updated on the Organization's website.

UNESCO's *System of Information on Strategies Tasks and the Evaluation of Results* (SISTER) provides programmatic and financial data for the Programme and Budget (document C/5). Member States can access information relating to the regular programme and related budgets, extrabudgetary funds as well as details on

allocation and expenditure. The information is updated twice a day; actual monitoring is undertaken on a regular basis at least every 6 month.

UNESCO's *Internal Oversight Service* (IOS) provides independent and objective assurance as well as advisory services designed to add value and improve UNESCO's operations. IOS has the authority to initiate, carry out and report on any action it considers necessary to fulfill its responsibilities with regard to its oversight functions. Its functional independence and operational effectiveness are supported by the Oversight Advisory Committee comprised of external experts in audit, evaluation and risk management. Evaluations of UNESCO's Programme are placed online.

All documentation relating to the Organization's normative work is regularly published and updated on UNESCO's website. The documentation that covers aspects relating to a given normative action – one of the six Culture Conventions, for example – is prepared by the secretariat and made available to the Member States and the public at large, and it especially forms an important input to the statutory meetings of the State Parties/Committees, which govern the instruments. This represents a wealth of documentation easily accessible, for example, on the Culture Sector's website. In the case of the 1972 Convention on the Protection of Cultural and Natural heritage (1972), for instance, the documentation ranges from the Convention text itself with its Operational Guidelines, General Assembly of State Parties Rules of Procedure, Committee Rules of Procedure, and Financial Regulations – to documentation presented on-line and accessible by category, by meeting, by year and by theme. Furthermore, transparency of all processes has been greatly enhanced through live streaming on the web of World heritage Committee sessions and uploading of all documents for public access.

As explained earlier, Member States (i.e. Permanent Delegations and National Commissions) have access for each Programme and Budget (C/5) levels to budget and financial information regarding both Regular Programme and Extrabudgetary resources in SISTER templates or summary financial reports. Member States have access directly through SISTER individual templates or through SISTER pre-formatted EX/4 Annex Report to performance information. This information is updated every six months.

Through the SISTER country report function, Member States have access to part of the operational level information or workplans whether funded through the Regular Programme or extrabudgetary resources. The latter allows extracting the list of Regular Programme activities and extrabudgetary projects by geographical area (global, regional, sub-regional, national) and with the following information:

- The title and expected results and
- The estimated amount directly benefiting a country when “National scope” has been selected.

In addition, the detailed list of workplans financed through the Emergency funds is provided through SISTER on a daily basis. Finally, the general public may access through SISTER the 36 C/5 “Complementary Additional Programme of Targeted/Projected extrabudgetary activities” (CAP) which contains specific project proposals, updated in response to emerging needs and opportunities. It enables on-line search by programme and thematic areas, as well as regions or countries of interest.

9.3 Is the multilateral signed up to the International Aid Transparency Initiative (IATI) and is it actively participating? Has it published a plan to implement phase 1 IATI/the new common standard by 2015?

UNESCO is working within the UN system on a harmonized reporting standard, with 2011 financial statistics to be released in early 2013. Dialogue has begun between the Financial Statistics project and IATI. While the UN project precedes the IATI, the goal is to meet IATI standards. The speed and degree of integration will depend on the number of UN agencies subscribing to IATI.

UNESCO’s Executive Board adopted the following decision at its 190th session in October 2012:

Further enhancing the transparency of UNESCO programmes (190 EX/46; 190 EX/53):

1. Recognizing that programme transparency is fundamental to its success,
2. Noting that UNESCO, through the early implementation of the International Public Sector Accounting Standards (IPSAS), has shown itself capable of being a leading institution in the adoption of new transparency standards,
3. Also noting that UNESCO continues to improve its own transparency through improved websites, greater use of SISTER and other measures,
4. Notes that UNESCO is working within the United Nations system on a harmonized reporting standard.
5. Reiterates the commitment of UNESCO to publish programme information in line with an internationally agreed United Nations transparency reporting standard.

9.4. Are partner countries well represented in the governing mechanisms of the organization - and of any international treaty bodies it hosts - and do they have an impact on decision making?

UNESCO has 195 Members and eight Associate Members. It is governed by the General Conference and the Executive Board. The Secretariat, headed by the Director-General, implements the decisions of these two bodies.

The General Conference consists of the representatives of the States Members of the Organization. It meets every two years, and is attended by Member States and Associate Members, together with observers for non-Member States, intergovernmental organizations and non-governmental organizations (NGOs). Each country has one vote, irrespective of its size or the extent of its contribution to the budget. The General Conference determines the policies and the main lines of work of the Organization. Its duty is to set the programmes and the budget of UNESCO. It also elects the Members of the Executive Board and appoints, every four years, the Director-General.

The Executive Board, in a sense, assures and oversees the implementation of the Programme approved by the General Conference and the overall management of UNESCO. It prepares the work of the General Conference and sees that its decisions are properly carried out. The functions and responsibilities of the Executive Board are derived primarily from the Constitution and from rules or directives laid down by the General Conference.

Every two years the General Conference assigns specific tasks to the Board. Other functions stem from agreements concluded between UNESCO and the United Nations, the specialized agencies and other intergovernmental organizations.

The Executive Board meets twice a year. Its fifty-eight members are elected by the General Conference. The choice of these representatives is largely a matter of the diversity of the cultures and their geographical origin. Skilful negotiations may be needed before a balance is reached among the different regions of the world in a way that will reflect the universality of the Organization.

Using the example of the 1972 World Heritage Convention, the World Heritage Committee meets once a year, and consists of representatives from 21 of the States Parties to the Convention elected by their General Assembly. At its first session in 1972, the Committee adopted its Rules of Procedure of the World Heritage Committee (the Rules of Procedure were last revised by the World Heritage Committee at its thirty-fifth session, UNESCO, 2011). The Committee is responsible for the implementation of the World Heritage Convention, defines the use of the World Heritage Fund, and allocates financial assistance upon requests from States Parties. It has the final say on whether a property is inscribed on the World Heritage List. The Committee can also defer its decision and request further information on properties from the States Parties. It examines reports on the state of conservation of inscribed properties and asks States Parties to take action when properties are not being properly managed. It also decides on the inscription or deletion of properties on the List of World Heritage in Danger.

9.5 Do stakeholders (Government, civil society, other key groups) from partner countries have a mechanism through which they have the right to redress or complain about the MOs policies and programmes?

The Executive Board has a dedicated subsidiary organ of 23 member states called the Committee on Non-Governmental Partners (NGP). NGOs in official partnership with UNESCO participate in the work of this Committee and can present all their views in the discussion, which may influence recommendations by NGP to the Board's Plenary.

NGOs in official partnership with UNESCO are holding a biennial International Conference whereby they discuss policy and programme issues relevant for the Organization. With presentations by senior managers, suggestions and complaints can also be aired and are responded to, either on the spot or through follow-up discussions and contacts with the Secretariat.

Moreover, in preparation of a future Medium-term Strategy and a Programme and Budget, NGOs and civil society organisations in official partnership are invited to contribute their views in response to a questionnaire and a consultation/information meeting at Headquarters is also held on this subject. The responses and proposals of the NGOs are brought in summary form to the attention of the Executive Board in a separate document and the full responses are placed on the Organisation's website.

A representative of the Permanent UNESCO/NGO Liaison Committee is also invited to attend as observer and address each of the Director-General's regional consultations with Member States about the preparation of the future C/4 and C/5 documents.

As regards human rights issues pertaining to UNESCO's conventions, NGOs in official partnership with UNESCO and individuals can submit complaints to the Executive Board's Committee on Conventions and Recommendations (CRE).

Every two years, a Youth Forum is organized prior to, but as an integral part of each regular session of the General Conference. The conclusions and recommendations of this Forum are submitted to the General Conference Plenary and discussed by Member States.

9.6 Are norms and standards developed and monitored in a transparent and unbiased way, including through clearly distinguishing between independent experts and government representatives?

Yes, such arrangements exist. In the case of the 1972 Convention, three international non-governmental or intergovernmental organizations are named in the Convention to advise the Committee, composed of Member States, in its deliberations:

- The International Union for the Conservation of Nature (IUCN) is an international, non-governmental organization that provides the World Heritage Committee with technical evaluations of natural heritage properties and, through its worldwide network of specialists, reports on the state of conservation of listed properties. With more than 1000 members, IUCN was established in 1948 and is located in Gland, Switzerland.
- The International Council on Monuments and Sites (ICOMOS) provides the World Heritage Committee with evaluations of cultural and mixed properties proposed for inscription on the World Heritage List. It is an international, non-governmental organization founded in 1965, with an international secretariat in Paris.
- The International Centre for the Study of the Preservation and Restoration of Cultural Property (ICCROM) is an intergovernmental body which provides expert advice on how to conserve listed properties, as well as training in restoration techniques. ICCROM was set up in 1956 and is located in Rome.

World Heritage has over time played a crucial role in standard setting and policy development, both at national level and global scale – and as such was influenced both by representatives of Member States and independent experts. A case in point is the *“Policy document on the impacts of climate change on World Heritage properties”*, adopted by the 16th General Assembly of States Parties to the World Heritage Convention in 2007, which was developed with the support of the United Kingdom and with the participation of relevant climate change experts and practitioners of heritage conservation and management, appropriate international Organizations, and civil society. The document now assists national authorities and site managers with regard to suitable responses to climate change and adaptation strategies.

On the occasion of the Convention’s 40th anniversary an in-depth reflection on the *“Future of the World Heritage Convention”* was undertaken to respond to emerging challenges and opportunities. This also included an independent evaluation by UNESCO’s external auditor on the implementation of the *Global Strategy* from its inception in 1994 to 2011 as well as the *Partnerships for Conservation Initiative (PACT)*. The Vision for the Future and the Strategic Action Plan 2012-22 was adopted by the 18th session of the General Assembly (UNESCO, 2011). The General Assembly of State Parties further decided to establish an open-ended working group including experts from the different geographic regions, in order to produce an implementation plan for the recommendations.

Another example is the 2005 Convention on the Protection and Promotion of the Diversity of Cultural Expressions, UNESCO's most recent culture convention. This Convention is of high relevance in today's globalized world, reflected also by its high ratification rates in several regions. Recognizing the novel and complex nature of the Convention, its implementation is challenging. It requires coordination and cooperation with stakeholders across sectors and effective mechanisms to ensure civil society involvement at the local level.

The International Fund for Cultural Diversity (IFCD) became operational in March 2010 as an operational mechanism to implement the Convention by financing innovative initiatives to foster the emergence of dynamic cultural sectors in developing countries. To date, the IFCD provides support for projects from developing countries that impact cultural policies and strengthen local and regional cultural industries. The ownership of the projects is promoted through reinforcing local capacities. All projects take root because they are locally owned and led. Capacity-building is a core element of the IFCD projects whose aim is to empower local actors.

An evaluation of the Fund by UNESCO's Internal Oversight Service (IOS) found that the majority of completed projects had attained their expected results and that they address the specific needs of the target groups and the beneficiary countries. The evaluation concluded that overall the IFCD is a highly relevant and unique mechanism that can help stakeholders better understand the relationship between culture and sustainable development, showcase civil society involvement, a generator of best practices, as well as a mechanism for the promotion of South-South and North-South-South cooperation.

9.7 Does the MO have systems and tools to ensure adequate participation of disaster/conflict-affected groups in needs assessments, monitoring and evaluation?

Yes. UNESCO applies the harmonized UN system-wide tools for its post-conflict and post-disaster action, notably the Post-Conflict Needs Assessment (PCNA) toolkit and guidance, developed by the UN Development Group, the World Bank and partners, as well as the inter-agency Post Disaster Needs Assessment (PDNA) framework. The PCNA, the PDNA and related tools pursue a participatory approach, involving disaster/conflict affected groups and stakeholders at planning and implementation phases, and focusing action on the most vulnerable.

UNESCO is a member of the inter-agency groups developing these tools and guidance.

MAR component 5: Strategic and performance management

5.5 Do its HR policies encourage good performance? Does it award jobs transparently and on the basis of merit and experience?

Several HR policies/programmes have been put in place to encourage and foster good performance:

- Performance management policy: the process is interactive/participatory, allowing for dialogue, feedback and coaching. It allows to differentiate between levels of performance, including good and very good/outstanding performance. It integrates a process for identifying areas for improvement/learning to encourage and allow staff to enhance their skills and thus making them more competitive when applying to higher-graded positions.
- A new web-based tool for performance management, which includes a 90°, 180° and 360° feedback has been acquired, with a target date for full implementation of end 2013. The results from these evaluations can then be used by the staff receiving the feedback to plan and map specific paths and advancement in their career development. These tools, and the feedback obtained also contribute to enhance staff overall performance.
- Promotion Policy, either by:
 - a rigorous and transparent competitive recruitment process, where the criteria for selection are based first and foremost on competence and merit as well as proven experience and demonstrated results/performance.
 - Post reclassification where the criteria for promotion require evidence of performing the functions, satisfactorily, at a level higher than the staff member's present post for at least one year.

Pilot Recognition programmes such as Merit-Based Promotion and Team Awards implemented in 2008/2009:

- Merit-Based Promotions are granted on the basis of objective criteria such as demonstrated results, performance, ability to perform at a higher level. Awarded to limited number of staff in recognition of their outstanding performance and/or exceptional contribution to the Organization. (*This programme has been temporarily suspended.*)
- The Team Award (non-monetary) established to provide "public" recognition of an outstanding contribution to UNESCO's mission and objectives by a team whose performance has been exceptional. A limited number of Team Awards are granted by the Director-General every biennium.

UNESCO as a part of the UN system is bound by the common system framework of pay and benefits which includes the awarding of within-grade salary increments. These increments are granted on an annual basis to staff on the basis of

satisfactory performance [*every two years for those staff having reached certain steps within certain grades*]. Please note that all grades have a maximum step.

Mobility policy/short-term assignments: provides staff with the opportunity to gain experience of working in different duty stations (in particular away from HQ). Such experience is a criterion for Merit-Based Promotion and is considered a valuable asset when applying for higher-graded posts in the Organization. These also contribute to good performance.

5.7 Does it have an effective evaluation function?

UNESCO's evaluation function is part of the Internal Oversight Service (IOS). The evaluation unit enables UNESCO to meet its mandate by providing credible and evidence-based information to feed into decision-making processes on managing for results. IOS performs evaluations in accordance with the United Nations Evaluation Group (UNEG) *Norms and Standards for Evaluation in the UN System* as a set of guiding principles to regulate the conduct of evaluation.

UNESCO has an independent Oversight Advisory Committee – referred to already earlier - comprised of four external experts in evaluation, audit and oversight issues. Their role, inter alia, is to advise the Director-General on the adequacy and effectiveness of the Internal Oversight Service (IOS) and its strategies, priorities and work plans.

In its most recent report to the Executive Board in April 2011 (document 186 EX/INF.14), the Committee made the following observations with respect to the functioning of the evaluation section:

- The Committee observed that much progress has been achieved in developing the Section's operating standards and profile within the Organization; the Section also has been enhanced and strengthened as a result of its involvement in the recently completed Independent External Evaluation (IEE) and its contribution to, amongst other things, the establishment of the Organization's risk management framework.
- Evaluations have been carried out on a large scope of UNESCO activities, i.e. on all UNESCO Strategic Programme Objectives and on a number of field offices. The evaluations reviewed by the Committee used adequate methodologies and provided useful and achievable recommendations. The Evaluation Section's activities complied with UNEG Standards.
- The work plan for 2011/12 of the Evaluation Section is sound and in line with the Organization's risks and priorities.

5.8 Are evaluations acted upon?

Yes. As prescribed in the UNESCO Evaluation Policy, upon completion of an evaluation report, the responsible management unit submits a management response to the recommendations contained within indicating whether these are accepted or not. For all accepted recommendations, the responsible unit also submits an Action Plan, which constitutes a baseline against which future progress is measured. Action Plans are made available at the IOS website www.unesco.org/ios IOS monitors progress on the implementation of evaluation reports recommendations and reports thereon to the Executive Board.

IOS evaluations of the field office network over the past years provide a strong example of how evaluation findings have informed decision-making at a strategic level. Evaluations have consistently pointed to the need for decentralized programmes to achieve greater focus and overall coherence, to improve reporting lines and accountabilities, and to strengthen both technical and financial capacities. The Director-General's proposed reform of the field network which is currently being implemented as a priority in Africa addresses directly these challenges.

Examples of recent evaluations leading to policy changes in UNESCO are:

- The evaluation of UNESCO prizes in 2011 (led *inter alia* to a new strategy on prizes and stricter application criteria for eligibility of prizes);
- The evaluation of Priority Africa in 2012 (which led *inter alia* to a strategic reflection on clarifying the roles and responsibilities of different UNESCO entities, and a strengthening of capacities in the field);
- The evaluation of Category I Institutes in 2012 (ongoing; the collaborative effort between IOS and the Education sector immediately triggered changes in modalities of collaboration between the Sector and the Institutes and is likely to lead to several important strategic changes both at HQ and Institute level).

ANNEXES

Annex 1. Cash received for extrabudgetary activities and institutes, including evolution of self-benefitting funds in UNESCO

Annex 2. (separate document) Additional data on efficiencies - evolution over time in:

- UNESCO budget
- UNESCO overhead rates
- Management structures
- Progress in gender equality

Annex1

Cash Received for Extra-Budgetary Activities and Institutes (in US \$),
including evolution of self-benefitting funds in UNESCO

| | Comparison at June | | Yearly comparison | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| | Jun-11 | Jun-12 | 2009 | 2010 | 2011 |
| Governmental sources | 94,509,351 | 128,288,032 | 194,571,141 | 204,715,732 | 195,324,650 |
| Other sources (including EX, dev banks and private sources) | 22,119,386 | 19,104,527 | 43,469,890 | 32,238,385 | 64,191,747 |
| UN sources | 22,039,202 | 14,642,200 | 55,497,393 | 45,906,921 | 34,660,103 |
| TOTAL | 138,667,939 | 162,034,759 | 293,538,424 | 282,861,038 | 294,176,500 |
| of which Emergency Fund | 0 | 17,972,509 | 0 | 0 | 20,270,126 |
| TOTAL without Emergency Fund | 138,667,939 | 144,062,250 | 293,538,424 | 282,861,038 | 273,906,374 |
| of which Self-Benefiting Funds* | 23,104,892 | 28,215,970 | 34,068,426 | 42,655,561 | 45,556,137 |

| | | | | | |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|
| Contributions assessed (receipts) | 168,228,628 | 216,290,655 | 295,939,553 | 271,147,353 | 247,594,014 |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|

* The table shows that self-benefitting funds are growing both in size (34% from 2009 to 2011) and as a proportion of total extrabudgetary funds (12% to 17%). The June 2012 cf June 2011 increase of 22% indicates that this may be a continuing trend.