

Terms of Reference
External Review to Assess UNDP's Handling
of the Global Environmental Facility (GEF) financed
Standards and Labels for Promoting Energy Efficiency in Russia Project

April 2020

Background

From 2010-2017, the UNDP oversaw a nationally implemented project called the "Standards and Labels for Promoting Energy Efficiency in Russia" (S&L Project). The goal of the S&L Project was to set new energy efficiency standards for lighting and household appliances (e.g., refrigerators and AC units). The S&L Project was approved and financed with \$7.8 million from the Global Environment Facility (GEF). In line with GEF Council Policies and UNDP Policies and Procedures, the Project was executed by the Russian Education Ministry, with project cycle management services (i.e. oversight) by UNDP. The Project was completed in June 2017.

At the request of several member states, UNDP is initiating a review of the handling of the S&L Project. The purpose is to review the governance, risk management and controls in place for S& L during its design and implementation phase up to its closure in 2017, including reviewing associated evaluations, audits and investigations. The review may assist UNDP to further refine controls, risk management and governance arrangements established by UNDP for the GEF funded projects since the closure of the S & L project. The review is aligned with the UNDP Accountability System, including its Oversight policy and Legal Framework in which the UNDP Administrator has the sole responsibility for holding UNDP staff accountable for misconduct following legal advice and UNDP Office of Audit and Investigation (OAI) has the sole responsibility to investigate alleged individual misconduct in UNDP. The review is motivated to determine whether UNDP had the right tools to manage, escalate or investigate the S&L Project from a governance perspective.

Scope

These terms of reference entail a post-facto, independent review of UNDP's handling of the S&L Project. The scope of the assignment is to review:

- Whether the UNDP S&L Project was managed effectively to ensure that it met its objectives.
- Whether the correct processes were followed to ensure that fiscal resources for the project were prudently managed. This will include a review on the scope and outcomes of the OAI investigation into the S&L project.
- If UNDP's management of the S&L Project was appropriate and existing oversight and accountability policies were effectively implemented at the country, regional and head office. This will include a review of whether conflicts of interest and alleged fraud were sufficiently managed and escalated in the S&L Project.

- How and when, where applicable, deficiencies in the S&L Project were escalated and why deficiencies in the S&L Project were not raised earlier at a senior management level and communicated to stakeholders.
- UNDP's existing whistleblower and non-retaliatory policies and their application in the context of whistleblower(s) linked to the S&L Project have been applied effectively and concerns raised by whistle-blowers have been satisfactorily assessed by the Ethics Office to determine if there is prima facie evidence to be investigated.
- Whether any red flags were raised during the course of the S&L Project and if so, whether they were appropriately addressed in the Project's Terminal Evaluation.

The above review will provide UNDP with important information to determine:

Whether the S&L Project is indicative of systemic mismanagement issues, or lack of oversight and accountability.

Review method

- Examine relevant project documentation from the S&L Project and other documentation as relevant, including case material secured by the Office of Audit and Investigations during its investigation into the S&L project. The Office of Audit and Investigation will share such material following the consent by the provider of the information as per the confidentiality requirements of UNDP/OAI policies.
- Undertake interviews with relevant and former UNDP personnel as relevant at the country, regional and head office, including the Bureau of Policy and Programme Support, Regional Bureau for ECIS, the Executive Office, GEF Finance Unit, OAI and the Ethics Office, on the basis of strict confidence.
- Undertake interviews with those specific member states that have voiced concerns over UNDP's management and oversight over the S&L Project.
- Undertake interviews with other stakeholders as necessary (e.g. independent evaluators, project managers, consultants, former staff members).
- Provide a mechanism for whistleblowers to provide anonymised information directly to the review team, on the basis of strict confidence.

Deliverables

A final report that includes:

- Review of steps taken by UNDP country, regional and head office to ensure that the S&L Project met its objectives including steps taken by UNDP country, regional and head office for adaptive management and adequately escalated towards senior management. This should include findings concerning the relevance and quality of the technical reports produced by the S&L Project.
- Findings on the appropriateness of the scope and process adopted by UNDP and the OAI to manage and provide oversight over the S&L Project. The report should reflect on whether UNDP's handling of the S&L Project was appropriate in the circumstances and oversight and accountability policies at the time were effectively implemented.

- A review of whether fiscal resources for the project were utilized in line with the GEF approved project document and applied sound procurement processes in line with UNDP policies and processes, based on a review of the audit history of the S&L Project as well as findings of any OAI investigation(s) and evaluations of the Project.
- Findings concerning UNDP's oversight mechanisms for the S&L Project including, if any, recommendations for strengthening oversight of projects implemented at national, regional and global levels, especially in the context of managing conflicts of interest and preventing, minimizing and addressing procurement fraud.
- Findings concerning the application of UNDP's whistleblower policy in the context of the S&L Project.
- The review should examine the history of whistleblowers involved in the S&L Project and actions that UNDP undertook with respect to whistle-blower protection and implementation of non-retaliatory policies and measures. UNDP's practices in the context of the S&L Project should be compared against best practices in the industry. Findings should determine if the whistleblower policy should be updated.
- Recommendations for UNDP management to strengthen and improve above mentioned oversight and accountability mechanisms as required.
- Written comments and responses provided by UNDP.

Timeframe and quality assurance

- The review will be conducted over a period of at least 6 weeks starting May , 2020.
- The review will be commissioned by the Executive Office of UNDP.
- The Executive Office, through the direct supervision of the Associate Administrator of UNDP, will select, on the basis of an impartial selection process the independent review team to conduct the review. The independent review team will remain at all times functionally independent from the Executive Office of UNDP.
- Once the independent review team has completed its report, it will be provided to UNDP senior management for it to provide a written management response.
- The final report and the UNDP senior management response will be shared with the GEF Secretariat and Member States simultaneously. An abstract with key findings (without confidential or sensitive information) will be published on UNDP's website by UNDP senior management.
- Once the final report is issued, the independent review team will make itself available for a Member States only briefing.

Technical background of independent review team

- External experienced professional(s) with audit background from outside the UN Secretariat, Agencies, Funds and Programmes and with experience in the management of complex projects overseen by UN Agencies.
- Technical knowledge and experience relating to Standards and Labelling of appliances will be required in the review team.
- The review will be conducted in English, although some of the inquiries may require professional Russian language skills.

Competencies

Core Values and Ethics:

- Demonstrates integrity and fairness
- Supports corporate goals
- Complies with UNDP rules, regulations and code of conduct

Task Management Skills:

- Produces timely, quality outputs
- Exercises sound judgment/analysis

Communications:

- Writes clearly and effectively
- Speaks clearly and convincingly Listens actively and responds effectively