

15 September 2022

Submitted Via Electronic Mail

Dr. Achim Steiner, Administrator
United Nations Development Programme

Re: Recommendations for the selection process for the future Director of the Office of Audit and Investigation

To Administrator Steiner:

I. Introduction and Background

The undersigned are civil society organizations and professionals focused on building and maintaining effective independent accountability mechanisms (IAMs) accessible to communities seeking to prevent and remedy environmental and social harm in international development. The UNDP's Social and Environmental Compliance Unit (SECU), positioned within the Office of Audit and Investigation (OAI), is a critical mechanism that provides communities impacted by UNDP projects an opportunity to have their concerns heard and bolsters project sustainability. Several of our organizations submitted recommendations during the consultations for the creation of the SECU as well as the Stakeholder Response Mechanism,¹ and we have a continued interest in ensuring that the mechanisms operate according to international best practice for accountability offices.² Since the SECU's creation, we have also periodically called on the mechanism and UNDP leadership to ensure the full implementation of its policies to better serve its intended users, namely communities impacted by UNDP activities.³ Further, we have advised communities as they navigate the SECU case process.

In short, we are champions for an effective accountability process at SECU and expect for the next Director of the OAI to be as well.

We understand that a new Director of the OAI, whose office oversees the SECU, will be selected and appointed for a term beginning next year. In that regard, we write to urge:

- (1) The job description to include an express reference to the Director of the OAI's interaction with the SECU, as well as requisites related to experience investigating**

¹ See Comments on the Draft Standard Operating Procedures for the UNDP Social and Environmental Compliance Unit (Apr. 2014), available at <https://www.accountabilitycounsel.org/wp-content/uploads/2017/08/Civil-society-comments-on-UNDP-compliance-procedures.pdf>.

² See, e.g., Good Policy Paper: Guiding Practice from the Policies of Independent Accountability Mechanisms (Dec. 2014), available at <https://accountabilitycounsel.org/wp-content/uploads/2021/12/good-policy-paper-final.pdf#page=20>.

³ See, e.g., Stakeholder Response to Draft Compliance Review Report #SECU0003 (Feb. 2018), available at <https://www.accountabilitycounsel.org/wp-content/uploads/2018/12/2-12-18-response-to-draft-report-secu0003-1.pdf>; Joint Letter Re SECU investigations pending review and decision (Dec. 2018), available at <https://www.accountabilitycounsel.org/2018/12/accountability-counsel-submits-joint-letter-to-undp-administrator/>.

alleged violations of environmental and social safeguards and a demonstrated commitment to communities seeking justice; and

(2) External stakeholder involvement in the selection process of the Director to promote transparency, trust, and the perceived legitimacy of leadership governing the SECU.

II. Referencing the SECU and requiring experience in environmental and social grievance handling within the job announcement for Director of the OAI

Because the Director of the OAI oversees the SECU, it is critical that the Director possess knowledge, experience, and an appreciation for providing project-impacted communities with grievance redress and accountability, which is distinct from the handling of internal complaints and investigations. Communities must be able to trust that the leadership overseeing IAMs possess impartiality and sufficient expertise to fairly address their concerns. The job announcement should state as much. We recommend language in an addendum to this letter.

III. External stakeholder participation in the selection process

In our experience, external stakeholder involvement in the selection process for leadership governing IAMs, including through participation in selection panels, is crucial to enhance effectiveness, independence, and legitimacy. Peer development institutions recognize this as well, and thus seek to draw on the perspectives and expertise of civil society and other external stakeholders to identify the requisite qualifications that Directors and Heads must possess to run IAMs effectively.⁴

We recommend that the UNDP create numerous opportunities for, and proactively seek, the input of civil society and other external stakeholders throughout the hiring process. The existing Recruitment and Selection Framework Policy of the UNDP seems to support our request, as it allows for various strategies, methodologies, and techniques to recruit and select the most suitable candidates for a position depending on the type of post and post requirements.⁵

We extend our appreciation to Mr. Helge Osttveiten for his tenure as the Director of OAI. We look forward to working with the next Director of the OAI as well. If you would like to discuss our

⁴ See, e.g., Policy of the Compliance Advisor Ombudsman of the International Finance Corporation, para. 15 (“To maintain the independence of the CAO [Director General (DG)], a selection committee will be established to conduct an independent, transparent, and participatory selection process that involves stakeholders from diverse regional, sectoral, and cultural backgrounds, including civil society and business communities. CAO, IFC, and MIGA will solicit nominations for the selection committee from stakeholders and forward them to the CODE Chair and Vice-Chair for their consideration. The CODE Chair and Vice-Chair will appoint six people to form the selection committee, including two Executive Directors, two senior representatives from the global business community, and two senior representatives from the civil society community, and appoint one of these Executive Directors as chair of the selection committee.”); see also Policy of the Independent Consultation and Investigation Mechanism of the InterAmerican Development Bank, para. 53(a); Policy of the Project Complaint Mechanism of the European Bank for Reconstruction and Development, para. 57.

⁵ See UNDP Recruitment and Selection Framework Policy, para. 45, available at https://popp.undp.org/UNDP_POPP_DOCUMENT_LIBRARY/Public/HR_Appointment%20and%20Promotion_Reruitment%20and%20Selection%20Framework.docx.

recommendations, please reach out to Gregory Berry (gregory@accountabilitycounsel.org), who can coordinate.

Sincerely,

Accountability Counsel
Center for International Environmental Law
Fundeps (Foundation for the Development of Sustainable Policies)
Inclusive Development International
NGO Forum on ADB
urgewald e.V.

Addendum

Proposed language for the job description

We propose the following edits to the 2013 job announcement for the Director of the OAI:⁶

Background

Investigations

OAI conducts investigations into allegations of fraud, corruption and other wrongdoing committed by UNDP personnel, such as workplace harassment and abuse of authority, or retaliation on whistleblowers. OAI also conducts investigations into allegations of fraud and other financial irregularities committed by contractors, implementing partners and other third parties, deemed detrimental to UNDP. OAI has the sole responsibility for the conduct of all investigations within UNDP. OAI is also principally responsible for supporting the effective operation of the UNDP independent accountability mechanism, the Social and Environmental Compliance Unit (SECU), which investigates allegations that UNDP projects are noncompliant with environmental and social standards.

Duties and Responsibilities

The Director's main responsibilities include, but are not limited to, the following:

- *Directs and leads OAI in implementing agreed corporate goals as they relate to internal audit and investigations. This includes managing an audit portfolio with offices in more than 130 countries and an annual expenditure volume of more than \$6 billion, ensuring adequate audit coverage.*
- *Ensures that internal audit activities are in general conformity with the Standards for the Professional Practice of Internal Auditing.*

⁶ Director of the OAI Job Posting (2013), available at https://jobs.undp.org/cj_view_job.cfm?cur_job_id=28843.

- *Develops new audit approaches in response to risks identified and taking into account the assurance and information needs of senior management, Member States, donors and other stakeholders.*
 - *Ensures the capacity of the UNDP to enable remedy for environmental and social harm through investigations conducted by the Social and Environmental Compliance Unit (SECU), and that the SECU is well-equipped and resourced to provide UNDP project-affected communities with redress.*
 - *Actively supports UNDP's commitment to transparency through the disclosure of audit and investigation reports, as appropriate, and interacts, in that regard, with members of the UNDP Executive Board and donors.*
 - *Promotes and leads joint and coordinated audit activities with other organizations of the United Nations system.*
 - *Ensures that allegations of wrongdoing are swiftly assessed and investigated, preparing the basis for decisions on disciplinary or administrative actions.*
 - *Ensures that investigation activities are in conformity with the "Uniform Principles and Guidelines for Investigations" and with the UNDP Legal Framework for Addressing Non-Compliance with the United Nations Standards of Conduct.*
 - *Promotes cooperation in investigations, as appropriate, with other international organizations, donor agencies and national law enforcement authorities.*
 - *Ensures, through reporting, follow up and advisory services, that recurring or systemic weakness identified from audits and investigations result in improving processes and strengthening management throughout the organization.*
 - *Effectively leads and manages the staff members and other personnel assigned to OAI.*
 - *Effectively manages the financial resources allocated to OAI.*
 - *Assists the Audit Advisory Committee by providing the Committee's Secretariat and logistical support.*
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"Required Skills and Experience

- *At least 15 years of progressively responsible experience and demonstrated technical competence in public sector audit, a significant part of it in an international environment. Experience in managing investigations, as well as experience in environmental, social, and sustainability policy compliance and grievance handling is desirable.*
- *Demonstrated commitment to accountability and access to remedy for project affected people.*
- *Demonstrated ability to manage a large complement of multi-disciplinary staff in a multi-cultural environment.*
- *Sound knowledge of general management practices and techniques, including results based management principles, governance and accountability, use of*

information and communications technology, and techniques of quality assurance and risk management is required.

- *Skills and knowledge should include an extensive understanding of global financial and operational risk, international auditing standards and international public sector accounting standards (IPSAS).*
- *Audit experience with the United Nations system or a multilateral or bilateral development organization is an advantage.”*