

STANDING COMMITTEE ON PROGRAMMES AND FINANCE

Thirty-first Session

**SEVENTH UPDATE ON THE APPLICATION OF THE
INTERNAL GOVERNANCE FRAMEWORK**

SEVENTH UPDATE ON THE APPLICATION OF THE INTERNAL GOVERNANCE FRAMEWORK

Introduction

1. This report provides an update to the information provided by the Administration to the Thirtieth Session of the Standing Committee on Programmes and Finance on its progress in applying the IOM Internal Governance Framework (IGF) (document S/30/INF/2).
2. The Administration remains committed to a dialogue with Member States regarding the progress made in applying the Framework, as well as funding needs and priorities, as appropriate. The Administration will continue to report on progress made in this regard, including key achievements, at each session of the Standing Committee.
3. This report follows the structure of the IGF Workplan (*Application of the Internal Governance Framework Work Plan*) to simplify and standardize the reporting process, which will also facilitate monitoring of progress. As such, this report is presented using the four workstreams:
 - (a) Workstream 1: Foundational components
 - (b) Workstream 2: Strengthening existing business processes
 - (c) Workstream 3: Business Transformation (including the introduction of a new enterprise resource planning system)
 - (d) Workstream 4: Internal justice

Recent key achievements

4. Further progress has been made towards achieving the organizational reform objectives through the application of the IGF Workplan. As of August 2022, 53 out of the total of 73 work items had been completed across workstreams 1, 2 and 4, or transferred to the Business Transformation (workstream 3). Of the 20 remaining work items, 11 are scheduled to be completed by the end of 2022. The largest outstanding item is the Business Transformation, including the development of a new enterprise resource planning (ERP) system. This work remains on schedule for completion in 2024.
5. This update outlines a selection of recent key achievements that are contributing to the realization of a modern, fit-for-purpose internal governance system. It does not reflect the full scope of work; a comprehensive progress report on the application of the IGF was provided to Member States in December 2021 and another report will be shared later in 2022.

Workstream 1: Foundational components

Work items 1.2.1 and 1.2.2: Implementing the evaluation and monitoring strategy for IOM, and Conduct and planning of evaluations related to the central evaluation function's mandate and capacities

6. While these work items are ongoing in nature, several outcomes are expected from the activities conducted within the framework of the OIG Monitoring and Evaluation Strategy 2021–2023. IGF funding has strengthened organizational capacities to monitor and evaluate evidence-based results and extract and use lessons learned, which are passed on to decision makers at all levels through standards-based approaches. It has also made it possible to enhance institutional

accountability, learning and decision-making through central evaluations, as described in the IOM Central Biennial Evaluation Plan 2021–2022. Recent developments include:

- Publication of the 2021 IOM Monitoring and Evaluation Guidelines in French and Spanish, allowing wider use in IOM’s three official languages;
- Finalization of two guidance documents: Guidance on the use of evaluations and follow-up of evaluation recommendations and Guidance on quality management of IOM evaluations, as recommended in the report published in 2019 by the Multilateral Organisation Performance Assessment Network (MOPAN) and the peer review completed in 2021 by the United Nations Evaluation Group and the Development Assistance Committee Evaluation Network of the Organisation for Economic Co-operation and Development;
- Reinforcement of results-based management throughout monitoring and evaluation, and enhancement of the evaluation culture within IOM, including in relation to decision-making, through regular capacity-building activities.

Work item 1.4: Rethinking the IOM core funding model through the budget reform

7. At the Thirtieth Session of the Standing Committee on Programmes and Finance, Resolution No. 31 of 28 June 2022 on investing in the core structure of IOM was adopted. This historic decision represents a major step forward in strengthening the Organization, ensuring better services for Member States and migrants, and enhancing oversight and accountability mechanisms. The Resolution amends the definition of the core structure to include leadership positions in country offices, approves an increase in the Administrative Part of the Budget of USD 60 million to be implemented gradually over the next five years and requests the Director General to allocate USD 5 million to invest in a private sector strategy and create a Goodwill Ambassadors programme. The Resolution also recalls that core structure costs not otherwise covered may be funded by alternative means, including voluntary contributions. It should be noted, however, that the Resolution does not affect the projected model of the Organization, which is at the heart of its agile, responsive and innovative approach.

Work items 1.9.1, 1.9.2 and 1.9.3: Managing risks in the field and decentralized organizations, Risk information system and Risk appetite statement development, roll-out and communication

8. IOM continues to embed effective risk management practices and processes throughout the Organization as part of a dynamic, integrated approach that aims to identify and manage risks at multiple levels, from country and regional offices to Headquarters. The fast-evolving pace of emerging risks has put additional pressure on the Organization to establish a pragmatic risk management framework that is clearly linked to the objectives of the IOM Strategic Vision 2019–2023, driving performance, transparency and accountability as a foundational component of the governance pillars.

9. With the revision of the risk management framework and policy in 2022, critical updates have been launched to harmonize and standardize risk management practices across IOM. In designing and developing the framework and policy, the Risk Management Unit sought to follow applicable international standards and United Nations guidance and best practice, and undertook extensive consultation with IOM field offices. Roll-out of the revised framework and policy will be the first step in a dynamic risk management process that will be supplemented with dedicated implementation guidance and risk appetite statements, which are in the final stage of internal consultation prior to endorsement by IOM leadership.

10. Following the selection of the new enterprise resource planning system, which will feature a robust, fully integrated risk management module, work item 1.9.2 relating to the risk information system has been transferred to workstream 3: Business Transformation. Although research initially focused on potential risk management systems that could function on a stand-alone basis, the integration of the risk management module into the new enterprise resource planning system will bring substantial improvements by increasing efficiencies and streamlining processes. The Risk Management Unit has been actively involved in designing the features of the new enterprise resource planning system, paying particular attention to the linkages between modules. The Unit will continue to work closely with the Business Transformation team throughout 2023 to fine-tune the risk management module in line with IOM's needs.

Workstream 2: Strengthening existing business processes

Work item 2.2.2 Implementation of the new United Nations system-wide financial reporting standards and other United Nations development system reform-related reporting requirements

11. IOM has proactively participated in the United Nations efficiency agenda, reporting on implementation efforts through its governing bodies and United Nations reporting mechanisms. In 2022, the Organization also became co-chair of the United Nations Sustainable Development Group task team on efficiency impact reporting, jointly with UNICEF. Harmonization with the United Nations system is one of the key principles guiding the application of the IGF Workplan, and this principle will continue to apply in IOM's future work. Following the completion of this work item, IOM is now able to comply with the latest United Nations system-wide financial reporting requirements.

12. The Strategic Results Framework is enabling IOM to measure and demonstrate results more effectively in response to the needs of migrants, displaced persons and communities. The Framework also allows the Organization to meet internal and external reporting obligations – including United Nations system-wide and cross-cutting obligations in areas such as gender, disability, inclusion, the humanitarian–development–peace nexus and youth – and to comply with overarching frameworks such as the Sustainable Development Goals, the Global Compact for Safe, Orderly and Regular Migration, and the quadrennial comprehensive policy review of operational activities for development of the United Nations system. In addition, IOM is developing a new organizational effectiveness and efficiency results framework to support results-based reporting on all 10 strategic goals of the Strategic Vision.

Work item 2.2.10: Strengthening IOM capacities in electronic document management (eFiling)

13. As part of IOM's efforts to streamline workflows, mitigate risks and improve productivity, a new eFiling solution has been introduced under work item 2.2.10 to enable the mass uploading of procurement and accounting documents, providing a unified solution for IOM offices, particularly those in high-risk security areas. The improved system has been rolled out to 174 IOM offices and over 1,000 members of staff have been trained in its use. With the support of robotic processing automation, the eFiling solution enables the systematic, secure archiving of over 30,000 accounting and procurement documents each month and has reduced processing time by two minutes per file uploaded. In addition, the eFiling solution enables IOM missions to store electronic copies of critical documents related to financial and non-financial transactions, while preventing unauthorized access and protecting them from loss and damage. By allowing remote access to documents, eFiling also facilitates remote auditing.

Work item 2.4.6: Online purchase requisition

14. In 2021, IOM procured services and goods worth almost USD 1 billion, including life-saving medical supplies and shelter and non-food items. With close to 130,000 purchase requests in the same year, the use of the online purchase requisition application (Online PR App), which was launched in 2020 to digitalize IOM's procurement process, has yielded significant time savings for the Organization. By reducing the internal processing time for purchases by close to 20 per cent, IOM can respond faster to the needs of the people it serves, especially in emergencies.

Workstream 3: Business Transformation (including the introduction of a new enterprise resource planning system)

15. Following the selection of the Cloud ERP solution from Oracle in February 2022, the first step of the implementation phase of the Business Transformation is drawing to a close. This step, utilizing a fit-gap/solution strategy approach, has informed the development of the overall high-level design and solution strategy. It has also facilitated preparations for the upcoming meetings with business process owners to sign off on the implementation scope. Development took place through 73 co-design sessions known as conference room pilots, which involved mapping out the key relevant business processes within IOM, identifying gaps and planning the configuration of the enterprise resource planning system. These were attended by a total of 146 field colleagues, including 86 from regional and country offices.

16. At the end of August, IOM successfully concluded the contracting process with Oracle Consulting for full implementation of the project. In addition to the fit-gap/solution strategy work, Oracle has begun work on wave 1, which will support the go-live of the human resources performance management component scheduled for January 2023. Core implementation work will begin in October 2022 following the conclusion of the fit-gap work.

17. Critically, given the size and complexity of the project to introduce a new enterprise resource planning system, an initiative of this type needs a committed, stable funding source during the transformation project phase. The ongoing operating costs of the enterprise resource planning system are estimated to be in the order of USD 7 million to USD 8 million per year. This new estimate is based on the expanded scope of the Business Transformation design, which now incorporates extensions for travel management and the more widespread use of customer relationship management solutions. It also covers increased software subscription fees to take into account projected IOM staff growth based on the past 10 years. In addition, these ongoing operating costs include software subscriptions, technical maintenance, user support and the business experts required to operate and continuously improve the system, and ensure it remains aligned with IOM's business needs.

Workstream 4: Internal justice

Work item 4.1: Review and strengthening of the IOM internal justice system

18. During the reporting period from September 2021 to August 2022, the Office of the Inspector General continued to reduce the backlog of cases handled by the investigation function. At the end of the reporting period, the backlog of 511 cases that existed in November 2019 had been completely eliminated, while only 25 cases under investigation predated 2021. More than 98 per cent of cases were processed through the intake stage within three months during the reporting period; only three cases currently at the intake stage are older than three months.

19. During the same reporting period, the number of open cases under investigation decreased from 162 to 102, while the number of open cases at the intake stage increased from 49 to 124. The increase in the number of allegations at the intake stage is attributable to the continued increase in allegations reported, which reached 1,184 as compared to 979 during the previous reporting period, 715 during the 2019–2020 reporting period and 325 during the 2018–2019 reporting period. The number of allegations received during the last three months alone was 384.

Work item 4.2: Misconduct platform, We are all in

20. IOM's misconduct platform – We are all in – makes it possible to submit complaints and allegations of misconduct quickly, simply and confidentially. It is currently available in English, French, Spanish and Arabic, and will shortly be updated to include Dari, Pashto, Swahili, Russian and Ukrainian. It is clear that greater awareness of sexual misconduct and increased trust and confidence in IOM's misconduct reporting mechanisms, combined with the growth in scope of the Organization's work, has led to a rise in the number of allegations against IOM personnel, which increased by 50 per cent between 2017 and 2022. The number of allegations against IOM implementing partners rose by more than 168 per cent over the same time frame. The misconduct platform is being further supplemented to provide the Organization with sufficient capacity to review and investigate allegations, impose disciplinary measures and manage an increased number of appeals by staff members against disciplinary measures imposed on them.

21. Additional work to strengthen the internal justice system is being carried out by all relevant entities, including the Office of Ethics and Conduct, the Department of Legal Affairs, the Office of the Inspector General, the Prevention of Sexual Exploitation and Abuse and Sexual Harassment Unit and the Gender and Diversity Unit, together with Global Staff Association Committee and the Office of the Ombudsperson and Mediation Services. This work involves mapping key areas of processes within formal and informal resolution mechanisms and clarifying the roles and responsibilities of each stakeholder. In the meantime, the We are all in team is cooperating with the Accountability to Affected Populations and the Prevention of Sexual Exploitation and Abuse and Sexual Harassment teams to increase awareness about misconduct and provide tailored support to field colleagues and country missions in this regard.

Conclusion

22. The Administration is fully committed to the continued dialogue with Member States on the application of the IGF. It would like to commend Member States for their continued involvement, in particular those that have provided unearmarked or softly earmarked contributions for this purpose. The Administration will provide another update on the application of the Framework at the Thirty-second Session of the Standing Committee on Programmes and Finance in mid-2023.