United Nations

Fund of the United Nations Environment Programme

Financial report and audited financial statements

for the year ended 31 December 2024

and

Report of the Board of Auditors

General Assembly
Official Records
Eightieth Session
Supplement No. 5G

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Report of the Board of Auditors

United Nations • New York, 2025

Note

Symbols of United Nations documents are composed of letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

[23 July 2025]

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Letters of transmittal

Letter dated 31 March 2025 from the Executive Director of the United Nations Environment Programme addressed to the Chair of the Board of Auditors

In accordance with regulation 6.2 and rule 106.1 of the Financial Regulations and Rules of the United Nations, I have the honour to transmit the financial report and accounts of the United Nations Environment Programme, including associated trust funds and other related accounts, for the year ended 31 December 2024, which I hereby approve on the basis of the attestations of the Chief Finance Officer, the United Nations Office at Nairobi and the Chief, Financial Management Services, United Nations Environment Programme.

Copies of these financial statements are made available to both the Advisory Committee on Administrative and Budgetary Questions and the Board of Auditors.

(*Signed*) Inger **Andersen**
Executive Director
United Nations Environment Programme

Letter dated 23 July 2025 from the Chair of the Board of Auditors addressed to the President of the General Assembly

I have the honour to transmit to you the report of the Board of Auditors, together with the financial report and the audited financial statements of the United Nations Environment Programme, for the year ended 31 December 2024.

Pierre **Moscovici**
First President of the French Cour des comptes
Chair of the Board of Auditors

Chapter I

Report of the Board of Auditors on the financial statements: audit opinion

Opinion

We have audited the financial statements of the Fund of the United Nations Environment Programme (UNEP), which comprise the statement of financial position (statement I) as at 31 December 2024 and the statement of financial performance (statement II), the statement of changes in net assets (statement III), the statement of cash flows (statement IV) and the statement of comparison of budget and actual amounts (statement V) for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of UNEP as at 31 December 2024 and its financial performance and cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (IPSAS).

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing and the International Standards of Supreme Audit Institutions. Our responsibilities under those standards are described in the section below entitled "Auditor's responsibilities for the audit of the financial statements". We are independent of UNEP, in accordance with the ethical requirements relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditor's report thereon

The Executive Director of UNEP is responsible for the other information. The other information comprises the organization's IPSAS sustainability plan and overview of the financial statements for the year ended 31 December 2024, contained in chapter IV below, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, on the basis of the work that we have performed, we conclude that there is a material misstatement in the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

The Executive Director of UNEP is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS and for such internal control as management determines to be necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability of UNEP to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going-concern basis of accounting unless management intends either to liquidate UNEP or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of UNEP.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation or the overriding of internal control;

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of UNEP;

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

(d) Draw conclusions as to the appropriateness of management’s use of the going-concern basis of accounting and, on the basis of the audit evidence obtained, whether a material uncertainty exists in relation to events or conditions that may cast significant doubt on the ability of UNEP to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause UNEP to cease to continue as a going concern;

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Furthermore, in our opinion, the transactions of UNEP that have come to our notice or that we have tested as part of our audit have, in all significant respects, been in accordance with the Financial Regulations and Rules of the United Nations and legislative authority.

In accordance with article VII of the Financial Regulations and Rules of the United Nations, we have also issued a long-form report on our audit of UNEP.

Pierre **Moscovici**
First President of the French Cour des comptes
Chair of the Board of Auditors

Hou Kai
Auditor General of the People's Republic of China
(Lead Auditor)

Vital **do Rego Filho**
President of the Brazilian Federal Court of Accounts

23 July 2025

Chapter II
Long-form report of the Board of Auditors

Summary

The Board of Auditors has audited the financial statements and reviewed the operations of the United Nations Environment Programme (UNEP) for the year ended 31 December 2024, in conformity with article VII of the Financial Regulations and Rules of the United Nations and the annex thereto and with the International Standards on Auditing, as well as with the International Standards of Supreme Audit Institutions. The interim audit was conducted in Nairobi at UNEP headquarters, in New York at New York Office, in Bangkok at Regional Office for Asia and the Pacific, and in Geneva at Secretariat of Minamata Convention from 22 October to 22 November 2024. The final audit was conducted from April to May 2025 at UNEP headquarters in Nairobi.

Audit opinion

In the Board's opinion, the financial statements present fairly, in all material respects, the financial position of UNEP as of 31 December 2024 and its financial performance and cash flows for the year then ended in accordance with the International Public Sector Accounting Standards (IPSAS).

The Board also performed an annual audit of the six trust funds of the Global Environment Facility (GEF) and issued an unqualified opinion on their financial statements for the year ended 31 December 2024. The management issues of UNEP-GEF are also consolidated in the present report.

Overall conclusion

The Board did not identify significant errors, omissions or misstatements from the review of financial records of UNEP for the year ended 31 December 2024. However, the Board identified scope for improvement, especially in the management of finances and budgeting, programmes and projects, partnerships, procurement, and human resources.

Key findings

Disposition of unspent balances in closed grants

The Standard Operating Procedure requires that grants be financially closed only after all transactions are completed, final reports issued, and unspent balances either refunded or reprogrammed based on written donor instructions. As of 31 December 2024, UNEP had financially closed 781 grants with unspent balances totalling $25.72 million, classified as reprogrammable, pending donor decision, or refundable. The Board reviewed 46 closed grants totalling $6.09 million and noted that 19 grants, representing $2.87 million, lacked supporting documentation for their assigned category. While UNEP explained that classifications were made for reporting purposes based on available information, obtaining timely donor confirmations and ensuring proper documentation would enhance the reliability of financial disclosures in alignment with applicable procedures.

Insufficient Sustainability of Planetary Funds

The Planetary Funds, launched in 2022 as a flexible, softly earmarked mechanism to support the UNEP 2022-2025 Medium-Term Strategy, aimed to mobilize $90 million. By April 2025, only $31.2 million had been raised, with annual contributions declining from $13.3 million in 2022 to $8.8 million in 2024. Of the total of $31.2 million, $21.6 million came from a single donor that reallocated funding from UNEP's technical cooperation trust fund as per the donor agreement, resulting in a limited net increase in the overall funding base. Furthermore, the 2022-2023 programme performance report lacked the early implementation insights and lessons learned of the fund as required by the Operations Manual.

Inadequate utilization and insufficient documentation of the Umoja Integrated Planning, Monitoring and Reporting (IPMR)

UNEP's Programme and Project Management Manual requires full use of the IPMR system for project management and reporting since June 2023. However, the Board identified three main shortcomings: (i) documentation gaps across project stages. Among 162 projects reviewed, 23 (14.2 per cent) lacked approval files, while 35 (21.6 per cent) lacked progress reports or final closure reports; (ii) insufficient monitoring. Of 409 projects established since 2022, 22 (5.38 per cent) lacked indicator progress data and 43 (10.51per cent) had updates without supervisor approval. Among 491 legacy projects, 107 (21.79 per cent) lacked indicator reporting and 271 (55.19 per cent) had no supervisor approvals; (iii) data quality issues, including missing budget entries in 148 projects and incomplete project manager information in 100 ongoing projects. These gaps undermine the integrity of project monitoring, timely reporting, and managerial accountability in IPMR.

Need for performance analysis of the Green Climate Fund readiness portfolio and the ongoing funded activity projects

Since becoming an Accredited Entity of the Green Climate Fund (GCF) in 2015, UNEP has been responsible for the management, implementation, and oversight of GCF activities, primarily through readiness and funded activity projects. The Board noted that the performance of UNEP-GCF projects had lagged behind UNEP overall portfolio, with 62.5 per cent rated "red" as of the end of 2024. A review of 22 completed readiness projects revealed significant delays (55 per cent) with an average of 584 days, low budget utilization (50 per cent projects below 90 per cent). For eight ongoing funded activity projects, the Integrated Project Manager's Dashboard reported 352 activities, whereas annual performance reports listed only 97 activities, 61 of which delayed, revealing discrepancies in reporting completeness and timely project implementation. Although UNEP ceased new readiness engagements in 2024 due to structural challenges, 34 readiness and nine funded activity projects remain active, warranting enhanced performance analysis to improve delivery and accountability.

Deficiencies in control over implementing partners selection

UNEP Programme and Project Management Manual requires implementing partners to be selected through a comparative review of at least three candidates, with written justification if non-competitive methods are used. In the absence of a complete list of solicitation methods, the Board sampled 21 agreements (valued at $27.46 million) and found that 19 were awarded non-competitively, with six lacking required justification, two without due diligence records and ten relying on generic rationales without evidence of market research or open solicitation to confirm the absence of alternative providers. Furthermore, UNEP signed three UN-to-UN agreements with UNOPS between 2022 and 2024, under which $34.46 million in grants were awarded to UNEP pre-selected implementing partners. However, three partners were unregistered in the UNEP Partners Portal, and no supporting documentation was available to confirm proper competitive selection or due diligence had been performed.

Main recommendations

In the light of the findings mentioned above, the main recommendations of the Board are that UNEP:

Disposition of unspent balances in closed grants

(a) **undertake a comprehensive review on unspent balances of closed grants as of 31 December 2024 and follow up on their disposition in consultation with the relevant parties and/or donors, as appropriate and in accordance with the terms of the respective agreement/fund;**

Insufficient Sustainability of Planetary Funds

(b) **adjust funding strategy of Planetary Funds based on the evaluation of the past funding performance and ensuring alignment with the objectives of the Medium-Term Strategy 2026-2029;**

Inadequate utilization and insufficient documentation of the Umoja IPMR

(c) **update the necessary project data in IPMR and address the data gaps related to the approved budget, project indicator, and name of project manager to enhance project data quality;**

(d) **issue notes on semi-annual basis to encourage project managers to capture all information approved by Project Review Committee including the approved budget and indicators in IPMR, and to report against all indicators with supervisor approval recorded in the system, and to monitor progress across all ongoing Project Review Committee-approved projects in the IPMR;**

Need for performance analysis of the Green Climate Fund readiness portfolio and the ongoing funded activity projects

(e) **conduct a performance analysis of Green Climate Fund readiness projects and funded activity projects currently under implementation in alignment with its annual performance reporting cycle.**

Deficiencies in control over implementing partners selection

(f) **maintain sufficient documentation for the selection of pre-selected grantees, undertake a structured review of identified deficiencies in implementing partner selection process and enhance staff training, with particular focus on improving documentation, strengthening justification for non-competitive selections, and fostering compliance with established procedures.**

Follow-up of previous recommendations

As of 31 December 2024, of the 40 outstanding recommendations up to the financial year ended 31 December 2023, 24 (60 per cent) had been implemented, 10 (25 per cent) were under implementation, six (15 per cent) had been overtaken by events.

Key facts	
$3,784.50 million	Total assets
$590.10 million	Total liabilities
$3,194.40 million	Net assets
$1,101.84 million	Revenue
$832.08 million	Expenses
$269.76 million	Surplus
$119.96 million	Original Environment Fund and regular budget
$129.96 million	Final Environment Fund and regular budget
1,383	Staff members

A. Mandate, scope and methodology

1. The Board of Auditors has audited the financial statements of the Fund of the United Nations Environment Programme (UNEP) and reviewed its operations for the financial period ended 31 December 2024 in accordance with General Assembly resolution 74 (I) of 1946. The audit was conducted in conformity with the Financial Regulations and Rules of the United Nations as well as the International Standards on Auditing and the International Standards of Supreme Audit Institutions for the financial audit of public sector entities. The Standards require that the Board comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

2. The audit was conducted primarily to enable the Board to form an opinion as to whether the financial statements present fairly the financial position of UNEP as at 31 December 2024 and its financial performance and cash flows for the financial period then ended, and that they have been properly prepared in accordance with the International Public Sector Accounting Standards (IPSAS). The audit included an assessment as to whether the expenses recorded in the financial statements had been incurred for the purposes approved by the governing bodies, and whether revenue and expenses had been properly classified and recorded in accordance with the Financial Regulations and Rules of the United Nations. It also included a general review of financial systems and internal controls and a test examination of the accounting records and other supporting evidence to the extent that the Board considered necessary to form an opinion on the financial statements.

3. The Board also reviewed UNEP operations under regulation 7.5 of the Financial Regulations and Rules, which allows the Board to make observations on the efficiency of the financial procedures, the accounting system, the internal financial controls and, in general, the administration and management of UNEP operations.

4. The present report covers matters that, in the opinion of the Board, should be brought to the attention of the General Assembly. The Board’s observations and conclusions were discussed with UNEP management, whose views have been appropriately reflected in the report.

United Nations Environment Programme: background

5. UNEP is the designated authority of the United Nations system with respect to environmental issues at the global and regional levels. Its mandate is to coordinate the development of environmental policy consensus by keeping the global environment under review and bringing emerging issues to the attention of Governments and the international community for action. The mandate and objectives of UNEP emanate from General Assembly resolution 2997 (XXVII) of 15 December 1972 and subsequent amendments adopted at the United Nations Conference on Environment and Development in 1992, the Nairobi Declaration on the Role and Mandate of UNEP, adopted at the nineteenth session of the UNEP Governing Council, and the Malmö Ministerial Declaration of 31 May 2000. It was founded as a result of the United Nations Conference on the Human Environment held in June 1972 and has its headquarters in Nairobi.

6. UNEP is the leading global environmental authority that sets the global environmental agenda, promotes coherent implementation of the environmental dimension of sustainable development within the United Nations system and serves as an authoritative advocate for the global environment. UNEP works through its divisions, regional, liaison and out-posted offices, plus a growing network of collaborating centers of excellence. UNEP also hosts several secretariats of environmental conventions, and inter-agency coordinating bodies.

7. The United Nations Office at Nairobi provides administrative and financial services to UNEP, including procurement, human resources and information and communications technology (ICT). Many of the recommendations made by the Board to UNEP require joint action with the United Nations Office at Nairobi.

Global Environment Facility

8. UNEP is one of the implementing agencies of the Global Environment Facility (GEF), which funds projects in developing countries on biodiversity, climate change, international waters, land degradation, ozone layer depletion and persistent organic pollutants. GEF receives contributions from 40 donor countries. The adoption and evaluation of the programmes of GEF are the responsibility of its Council.

9. UNEP manages the funds allocated to it by GEF through six trust funds, which are subject to annual audits by the Board. For the financial year ended 31 December 2024, the trust funds collected total revenue of $253.46 million and incurred total expenses of $148.14 million. The Board also provides an annual audit opinion on these trust funds at the request of UNEP and the World Bank, which is the GEF Trustee.

Multilateral environmental agreements

10. At the request of the Conference of the Parties to the multilateral environmental agreements, UNEP provides secretariat functions to 15 agreements and discloses in its financial statements the transactions of the trust funds that it manages directly, in support of the activities of the agreements and conventions. The Board's audit of UNEP includes an examination of balances relating to its secretariat functions for multilateral environmental agreements.

B. Findings and recommendations

1. Follow-up of previous years' recommendations

11. There were 40 outstanding recommendations up to the financial year ended 31 December 2023, of which 24 (60 per cent) had been implemented, 10 (25 per cent) were under implementation, and six (15 per cent) had been overtaken by events. Details are provided in the annex to chapter II of the present report.

12. The Board carried out an analysis regarding the 10 recommendations that were under implementation and noted that three (30 per cent) were related to programme and project management; two (20 per cent) were related to financial and budget management; two (20 per cent) referred to Partnership management; two (20 per cent) referred to information and communications technology; and one (10 per cent) was related to strategy management.

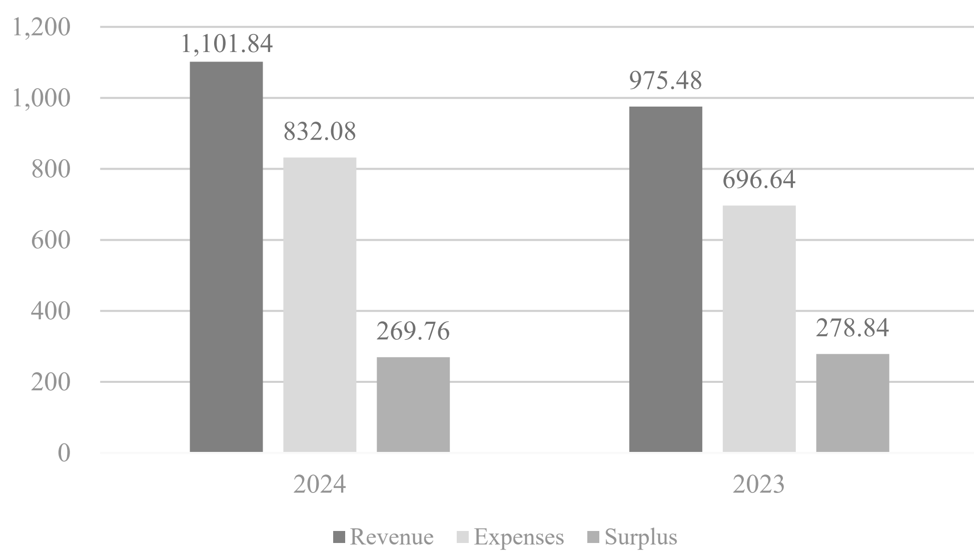
13. With regard to the age of the recommendations, it was observed that five (50 per cent) had been made one year ago; three (30 per cent) were two years old; two (14 per cent) had remained open for three years.

2. Financial overview

14. In 2024, UNEP reported total revenue of $1,101.84 million (2023: $975.48 million) and total expenses of $832.08 million (2023: $696.64 million), resulting in a surplus of $269.76 million (2023: $278.84 million). Total assets as at 31 December 2024 amounted to $3,784.50 million (2023: $3,485.44 million), comprising current assets of $2,323.57 million (2023: $2,317.42 million) and non-current assets of $1,460.93 million (2023: $1,168.02 million). Total liabilities amounted to $590.10 million (2023: $541.33 million), resulting in net assets of $3,194.40 million (2023: $2,944.11 million).

15. A comparison of revenue and expenses for the financial years 2024 and 2023 is illustrated in figure II.I.

Figure II.I
Financial performance pattern, 2024 and 2023
(Millions of United States dollars)



Source: UNEP financial statements for 2024 and 2023.

Revenue analysis

16. During 2024, UNEP received total contributions of $643.50 million (2023: $653.87 million), of which $387.61 million (2023: $411.48 million), equivalent to 60 per cent, represented voluntary contributions from various donors. In 2024, voluntary contributions decreased by $23.88 million (5.8 per cent). The remaining $255.89 million (2023: $242.39 million), equivalent to 40 per cent, represented

assessed contributions from the Member States. The total revenue increased by $126.36 million (13 per cent) in 2024, primarily driven by higher allocations from United Nations internal funds, which rose by $110.95 million (49.3 per cent), and a $26.86 million (34 per cent) increase in investment revenue which is attributed to relatively high rates of return. This growth was partially offset by a $23.88 million decline in voluntary contributions.

Expense analysis

17. During 2024, grants and other transfers amounted to $363.33 million (2023: $306.74 million), which accounted for 44 per cent of the total expenses of $832.08 million (2023: $696.64 million). The reported amount of grants and transfers included outright grants and transfers to implementing agencies, partners and other entities, as well as quick-impact projects. The total expenses increased by $135.44 million (19.4 per cent) in 2024, primarily due to the accelerated implementation of projects, which led to an increase of $56.59 million (18.5 per cent) in grants and other transfers. It was further compounded by a rise in other operating expenses amounting to $39.19 million (60.4 per cent), as well as an increase of $38.34 million (13.7 per cent) in employee and non-employee compensation.

Ratio analysis

18. The table below contains key financial ratios for UNEP.

Ratio analysis

Description of ratio	*31 December 2024*	*31 December 2023*
Cash ratio[a]		
Cash plus investments: current liabilities	4.45	4.83
Quick ratio[b]		
Cash plus investments plus accounts receivable: current liabilities	5.58	6.20
Current ratio[c]		
Current assets: current liabilities	6.52	7.22
Solvency ratio[d]		
Total assets: total liabilities	6.41	6.44

Source: UNEP 2024 financial statements.

[a] The cash ratio is an indicator of an entity's liquidity by measuring the amount of cash, cash equivalents or invested funds that are in current assets to cover current liabilities.

[b] The quick ratio is more conservative than the current ratio because it excludes inventory and other current assets, which are more difficult to convert into cash; a higher ratio means a more liquid current position.

[c] A high ratio (defined as greater than 1:1) indicates an entity's ability to pay off its short-term liabilities.

[d] A high ratio is a good indicator of solvency.

19. The ratios above indicate a healthy financial position for UNEP as at 31 December 2024. UNEP maintains strong liquidity position, as indicated by current, quick and cash ratios. In addition, the solvency of UNEP remains strong, as measured by the ratio of total assets to total liabilities. The decline in the liquidity ratios reflected a moderate rise in liabilities relative to liquid assets, mainly due to higher commitments and disbursement timing variations in voluntary contributions. Despite this decline from 2023 levels, UNEP's liquidity and solvency remained sound, with minimal change in the solvency ratio confirming sustained long-term financial strength.

3. Financial and budget management

Disposition of unspent balances in closed grants

20. The Standard Operating Procedure (SOP) 114 on Financial Closure of Projects and Grants of the United Nations Office at Nairobi (UNON) stipulates that financial closure of a grant can only be completed once all technical and financial transactions for the donor agreement(s) are completed, a final financial report is issued to the donor and any unspent balance is refunded to the donor, or (if the donor approves) reprogrammed to another project or transferred to another grant.

21. SOP 114 further states that certifying officers are also responsible for ensuring that the donor decisions on how to utilize the unspent balance are received in writing and adhered to. Otherwise, the balances must be deposited to the donor's bank account upon confirmation of the donor bank details on the prescribed UN treasury form.

22. In accordance with the year-end closing procedures, UNEP categorized unspent balances from closed grants into three categories: reprogrammable, pending donor decision, and refundable. Only the balances classified as refundable are recognized as payables and accrued liabilities in the financial statements. UNEP informed the Board that at year-end, UNON undertakes a review of closed grant balances, and UNEP Funds Management Officers classify them appropriately in the IPSAS-compliant financial statements on a case-by-case basis.

23. As at 31 December 2024, 782 grants had been financially closed with a total unspent balance of $25.75 million. Of these, 335 grants totaling $12.70 million were categorized as reprogrammable. Donor decisions were still pending regarding potential reallocation or refund of funds for 301 grants amounting to $7.71 million. The remaining 145 grants, with a total unspent balance of $5.30 million, were designated for refund to donors.

24. To test the accuracy of grant classification, the Board sampled 32 closed grants with unspent balances totaling $2.22 million. Of these, 17 grants were classified as reprogrammable, and the corresponding seven grants' agreements (totaling $486,548) explicitly required the return of unspent balances to the donor or stipulated that disposition was pending donor consultation. Of the remaining 15 grants classified as pending donor decisions, five grants' agreements, with a total value of $212,955, also explicitly required the return of unspent funds. These cases suggested that the current classifications of the grants unspent balances may not fully align with the terms set out in the respective grant agreements.

25. UNEP clarified that the high number of closed grants has resulted from UNEP's enhanced efforts to close old grants, issue final donor reports and ensure accountability for unspent balances. Even though the agreements stipulated a refund, the treatment of the remaining funds needed to take into account the terms of reference (ToRs) of the trust fund and may need further consultation with the donors. For the 32 sampled closed grants with unspent balances, donor consultations may still be ongoing, with related documentation not yet available.

26. To assess compliance with documentation requirements, the Board further reviewed another 46 closed grants with a total unspent balance of $6.09 million that required written confirmation from donors for unspent balance disposition and noted that, for 19 of these grants, with a total balance of $2.87 million, UNEP was unable to provide supporting documents for their classification.

27. UNEP clarified that none of the balances of the 46 grants were actually reprogrammed or refunded, and that the classifications were made solely for financial reporting purposes based on the best available information and historical relationships

with individual donors. Beyond the classification for financial reporting purposes, UNEP obtains donor confirmation before any decision on disposition of the balance is taken.

28. The Board is of the view that, while UNEP has made efforts to close old grants, further alignment with the provisions of SOP 114 would contribute to improved transparency and operational consistency. In particular, earlier engagement with donors and timely documentation of their decisions regarding the disposition of unspent balances, where feasible, would help strengthen the basis for financial classification, enhance the reliability of year-end reporting, and support adherence to applicable procedures and donor agreements.

29. **The Board recommends that UNEP undertake a comprehensive review on unspent balances of closed grants as of 31 December 2024 and follow up on their disposition in consultation with the relevant parties and/or donors, as appropriate, in accordance with the terms of the respective agreement/fund.**

30. UNEP accepted the recommendation.

Weaknesses in allocating and refunding interest income

31. Article 6.2 of the Guidelines for Acceptance of Voluntary Contributions issued by the Department of Management Strategy, Policy and Compliance requires that the contribution agreement shall include provisions for the treatment of interest. Interest can only be refunded upon the closure of the project.

32. The Board noted that from 2021 to 2024, UNEP financially closed 6,245 grants, while allocating interest income to merely 56 grants totaling $2.17 million, mainly for reprogramming to activities. The remaining $193.16 million interest accrued was allocated to mandatory grants for holding transactions at the fund level and to the fund level - in the non-grant trust funds, and no reimbursements to donors were made.

33. As per the general provisions of the Terms of Reference (TORs) of UNEP individual trust funds, "*Contributions received into the Trust Funds that are not immediately required to finance activities shall be invested at the discretion of the United Nations, and any income shall be credited to the Trust Funds*". The Board was informed that both the TORs of the trust fund and the donor agreement or allocation letter serve as the primary reference for interpreting terms of the contributions.

34. The Board noted a legal inconsistency between the trust fund TORs and the provisions of donor agreements that require interest to be refunded. The Board conducted a substantive review of 12 closed grants relating to 10 trust funds, which had collectively received contributions totaling $3.34 million. For three of these grants, involving a total contribution of $2.36 million, the donor agreements explicitly stipulated that the interest income shall be refunded. Given the contradiction between donor agreements and trust fund TORs, UNEP credited the interest to the trust funds as per the TORs and did not refund or allocate interest to these grants.

35. UNEP explained that even when donor agreements contain provisions regarding interest income, it still needs to review the governance structures of the relevant trust funds and the specific terms of the financing arrangements, such as pooled funding mechanisms. Due to the absence of system controls that automatically ensure alignment between the TORs of trust funds and the provisions of corresponding donor agreements, some donor agreements may include provisions that were not fully consistent with the TORs. These discrepancies could result from oversight during the review or approval process. UNEP has taken steps to strengthen controls and reduce the risk of such occurrences.

36. UNEP informed the Board that it had undertaken a comprehensive analysis of all aforementioned 56 grants where interest income allocations occurred between 2021 and 2024. Two cases were identified as erroneous allocations made contrary to the TORs of the trust funds of which one whose grant has not been closed is currently under review for corrective action.

37. The Board is of the view that, in cases where there is a conflict between the agreement and the trust fund TORs, communication and formal confirmation with donors could be further enhanced. Additionally, it was noted that the relevant provisions of the trust fund TORs were not always explicitly reflected in the agreements at the time of signature. Enhanced classification, oversight and compliance mechanisms would support more effective resource management under trust funds.

38. The Board is concerned that, in the absence of clearly defined written procedures or documentation to address potential conflicts between trust fund TORs and donor agreements, a risk of misalignment with agreed contractual terms may arise if such obligations are not fully identified and operationalized at the time of grant closure.

39. **The Board recommends that UNEP issue guidance to clarify the treatment of interest income at grant closure, including the procedures to follow in cases where there is a potential conflict between the provisions of donor agreements and the Terms of Reference of the trust funds.**

40. UNEP accepted the recommendation.

Insufficient consideration of prior targets achievements in Program of Work and Budget formulation

41. The introduction of decision 5/4 on the provisional agenda, dates and venue of the sixth session of the United Nations Environment Assembly (UNEP/EA.6/13) states in Section 2 that "*The annexed document implements decision 5/4, in which the United Nations Environment Assembly extended the programme of work for the period 2022–2023 by two years, to the end of 2025, and called for prorating of the targets of the budget and programme of work.*" Section 4 also states that "*The process of prorating the targets in the programme of work included a review of the baseline for each indicator, the previously agreed targets for 2022 and 2023, the progress made in achieving the targets for the first two years, and the expectations for 2024–2025 based on achievements and the budget in 2022–2023*".

42. The Regulations and Rules Governing Programme Planning and UNEP's management manual mandate that programme planning reflect prior achievements, adhere to Results-Based Management and Results-Based Budgeting principles (justifying resources via expected results and measuring performance through objective indicators), and establish monitoring-evaluation mechanisms for strategic decision-making.

43. The Board noted that the indicators set in the 2022-2025 Programme of Work were the same as the 2022-2023 Programme of Work. Among the 51 indicators under the Programme of Work, the target of 24 indicators had not been adjusted compared to those of 2022-2023. The Board further identified that among the 27 quantitative targets set for the prorated 2024-2025 Programme of Work and Budget, ten indicators for 2024 and four for 2025 had already been met by the end of 2023, as reported in UNEP Programme Performance Report 2022-2023. Through a comparison with the 2022 Programme Performance Report, that four indicators had already been fully achieved by the end of 2022.

44. For instance, under the Nature Action subprogramme, the cumulative target for *"financial institutions that have a set of biodiversity targets for their impact*" and *"public- and private-sector entities that consider biodiversity and ecosystem services in their financial decision-making and risk management frameworks"* was set at 80 for 2024 and 122 for 2025. However, the actual figure had already reached 236 by the end of 2022. This suggested that past achievements were not adequately factored into the Programme of Work, leading to targets that underestimated the pace of progress.

45. The Board is concerned that improper setting of targets would weaken the relevance, effectiveness, alignment in supporting results-based planning, budgeting, and performance monitoring.

46. **The Board recommends that UNEP review existing performance indicators and actual performance and formulate indicators for the next Programme of Work 2026–2027 in a relevant and aligned manner.**

47. UNEP accepted the recommendation.

Insufficient Sustainability of Planetary Funds

48. The Planetary Funds, initially launched as Thematic Funds in March 2022 during UNEP's 50th anniversary celebrations, were established as a new financing mechanism to support the implementation of the Medium-Term Strategy 2022–2025 through more flexible, softly earmarked contributions. They were designed to complement UNEP's Environment Fund and other tightly earmarked trust funds, and to shift the organization's financing structure away from projects towards more strategic and holistic programme delivery addressing the triple planetary crisis. In 2023, UNEP formally rebranded the Thematic Funds as the Planetary Funds to reflect their collective strategic alignment.

49. The governance and operational frameworks for the Planetary Funds, outlined in an Operations Manual adopted in early 2024, emphasize the need to reduce reliance on tightly earmarked funds which historically comprised approximately 80 per cent of UNEP's income, and promote pooled, flexible funding arrangements. According to a memo from the United Nations Controller dated 15 August 2022, UNEP was expected to mobilize approximately $90 million over the Medium-Term Strategy 2022–2025 period for the Planetary Funds.

50. The Board noted that the total contributions received for the three Planetary Funds between 2022 and April 2025 amounted to $31.2 million, significantly below the expected target of $90 million, reflecting limited donor expansion and the reallocation of existing funds. From 2022 to 2024, the Planetary Funds contributions received amounted to $13.3 million, $9.1 million, and $8.8 million respectively, indicating a decreasing trend. Moreover, only five Member States had contributed to the funds during the Medium-Term Strategy 2022–2025 period, and the donor base did not expand. The largest donor, while committing to multi-year contributions to the Planetary Funds since 2022, has discontinued providing funding for UNEP's Technical Cooperation Trust Fund. This reflects a realignment rather than an expansion of UNEP's overall resource base.

51. The Board also noted that while UNEP published the 2023-2024 Planetary Funds report in October 2024, the 2022–2023 program performance report lacked early implementation insights such as initial results and lessons learned as required by the Operations Manual. Furthermore, no evaluations of the Planetary Funds have been conducted since their launch, though the assessment of performance was required during each Medium-Term Strategy cycle. UNEP informed the Board that an evaluation is scheduled for the last quarter of 2025.

52. The Board is of the view that UNEP needs to seek more innovative resource mobilization initiatives, such as expanding partnerships with non-traditional donors, to enhance the effectiveness of the Planetary Funds as a mechanism for flexible, efficient, and strategic pooled funding. Systematically applying evaluation outcomes would strengthen the Funds' strategic positioning, operational effectiveness and donor attractiveness, ultimately contributing to donor base diversification.

53. **The Board recommends that UNEP adjust funding strategy of Planetary Funds based on the evaluation of the past funding performance and ensuring alignment with the objectives of the Medium-Term Strategy 2026-2029.**

54. UNEP accepted the recommendation.

Inadequate maintenance of asset records and user accountability

55. Section 4.4 of administrative instruction ST/AI/2015/4 on the management of property in the United Nations states that "all non-capitalized property and expendable property of the United Nations shall be subject to the recording and tracking procedures." Guidance on assignment of property to an end-user further states that "the name of the organizational unit representing the group of United Nations personnel (office responsible) that uses the property should be identified and documented in the system of record."

56. According to the Policy and Guidance on Physical Verification of Property, capitalized property and non-capitalized property which serialized for stewardship purposes shall be physically verified at least once per year. During the physical verification process, the existence of the property was checked while the details of the property, such as end-user details, manufacturer serial number, and the office responsible for shared property, were cross-checked for accuracy and confirmed against system records.

57. The Board analyzed the list of assets provided by UNEP and noted that, as of 30 September 2024, there were 4,744 items of IT equipment, machines, and vehicles. etc., with a total acquisition value of $7,746,340.93. The Board identified the following deficiencies:

(a) Incomplete equipment records

58. 1,503 items of IT equipment, machines, and vehicles, valued at $2,287,624.77, were noted without a record of serial numbers, and 386 items of property, valued at $553,923.11, with no record of user assignment, which run the risk of obsolescence, overstock, duplicate purchase, etc.

(b) Delays in updating user accountable

59. Sixty-one items of communication and IT equipment, valued at $77,875.69, had been assigned to 27 users who had separated from UNEP (due to resignation, retirement, etc.) before September 2024. Moreover, 309 computers and laptops were assigned to one asset focal point, and two other asset focal points each had more than 100 computers and laptops recorded under their custody.

60. UNEP explained that laptops used by United Nations Volunteers, interns, consultants, or individual contractors were assigned to their direct supervisors, and laptops that were under the write-off process, or kept in storage pending future assignment to end users would be assigned to Designated Equipment Focal Points. The above-mentioned three users were all asset focal points from different offices. 309 computers and laptops mentioned above were assigned to one asset focal point, and the other two users each with more than 100 computers and laptops mentioned above were in the same situation, of which one was the asset focal point in one office and another user was the Information and Communication Technology Service focal

point in the service provider UNON pending allocation to UNEP users. UNEP also explained that the update of serial numbers and the assignment of the property had not yet been completed, and the collection of information was still in progress as part of the 2024 physical verification exercise.

61. The Board is of the view that detailed information on properties should be regularly reviewed and updated to reflect accurate assignment and status information. Incomplete and inaccurate information of large amount of properties may compromise effective property management and increase the risk of asset misappropriation or underutilization.

62. **The Board recommends that UNEP reinforce the management of property by ensuring that the essential information of the properties is regularly updated to ensure the integrity and accuracy of property information.**

63. UNEP accepted the recommendation.

Deficiencies in advance management to implementing partners

64. The Financial Management and Oversight of UNEP Partnership Policy and Procedures, reaffirmed in its 2024 version, states that a key consideration for the effective management of implementation agreements is the level of operational advances paid to implementing partners. Apart from the initial installment, requests for subsequent advances must be accompanied by financial reports detailing expenditures by budget line. UNEP retains 10 per cent of the project value until it has received verified expenditure reports covering 90 per cent of total disbursements (audited reports for non-United Nations entities).

65. The Board noted that as of the end of 2024, there were 78 financially closed implementation agreements with outstanding advances balances totalling $2.64 million. In addition, 21 implementation agreements with end dates in 2022 retained outstanding advance balances totalling $761,021.64, of which eight had been outstanding for more than four years, totaling $322,000.

66. The Board further noted that, during the 2023–2024 period, UNEP disbursed $10.84 million in advance under 27 implementation agreements to non-governmental organizations, exceeding the 90 per cent of the total value of implementation agreement at $11.04 million. This 98.2 per cent advance ratio violates the policy requirement to retain 10 per cent until verified expenditure reports are received.

67. From a sample of 14 agreements, the Board noted that four agreements, with disbursements amounting to $830,404, were made without meeting contractual provisions, including one agreement based on a lump-sum payment modality, one agreement with a one per cent final payment retention clause, and two amended agreements lacking clearly defined deliverable-based payment terms.

68. UNEP explained that it reviewed all 78 agreements and updated their status and balances in Umoja, with $530,232.15 remaining outstanding on 20 agreements as of 30 April 2025, while balances on closed agreements under resolution by UNON. UNEP also highlighted progress in strengthening advance management, including consistent advance utilization above 90 per cent, and an implementing partner compliance rate of 86 per cent in 2024, reflecting improved oversight and accountability.

69. While acknowledging the progress made by UNEP in strengthening advance management, the Board is concerned that prolonged outstanding advance balances may weaken UNEP’s ability to ensure accountability for the use of funds under implementation agreements. Moreover, exceeding the recommended advance-to-

transfer ratio may limit UNEP's capacity to effectively mitigate risks of under-performance and to ensure delivery of agreed results.

70. **The Board recommends that UNEP establish a systematic monitoring mechanism within its implementation agreement management systems to identify and flag long-outstanding advances based on defined aging thresholds and assign corresponding risk ratings to inform future funding decisions and enhance oversight.**

71. UNEP accepted the recommendation.

Delays in clearing commitments from expired purchase orders

72. According to the instructions for year-end accounts closure and preparation of IPSAS financial statements for the year ending 31 December 2024, "*All outstanding purchase orders, funds commitments and pre-commitments, certified and approved travel requests should be reviewed by the responsible Certifying Officers for their validity and accuracy. Any commitments or balances on commitments no longer required should be closed promptly to allow for proper budget usage/monitoring*".

73. The Board noted that as of 31 December 2024, UNEP had total outstanding commitments of $69.31 million related to purchase orders. The Board sampled purchase orders issued from 2019 to 2024 and identified that $5.31 million in commitments remained tied to 727 expired purchase orders.

74. The Board is concerned that retaining commitments in expired purchase orders indicates weaknesses in procurement oversight, compromises effective budgetary control and negatively impact the fund utilization efficiency.

75. **The Board recommends that UNEP conduct annual reviews of purchase orders for goods and services to identify those that have exceeded latest delivery date indicated in the purchase order by at least one quarter.**

76. UNEP accepted the recommendation.

4. Programme and project management

Inadequate utilization and insufficient documentation of the Umoja Integrated Planning, Monitoring and Reporting (IPMR)

77. The UNEP Programme and Project Management Manual stated that the IPMR solution is a holistic end-to-end system designed to manage the full lifecycle of United Nations programmes and projects, linking resources to results and enabling evidence-based oversight. A joint memorandum issued by the Policy and Programme Division and the Corporate Services Division on 12 May 2023 stated that, as of 1 June 2023, UNEP had phased out the previous Project Implementation and Monitoring System (PIMS) and fully transitioned to the use of IPMR for all project management and reporting functions.

78. The Board conducted a review of the project data and documents recorded in IPMR and made the following main findings:

(a) Incomplete documentation in IPMR across project life-cycle stages

79. The UNEP Programme and Project Management Manual outlines the required documentation across key stages of the project cycle within IPMR. Specifically, it states that the Project Review Committee must assess the quality of proposals before formal approval of the Project Document and donor submission. The Project Preparation Proposal stage initiates implementation planning and reporting in IPMR. During implementation, project managers are required to record legal agreements, reporting formats, and quality standards in IPMR. At closure, final reports, evaluation

reports, and other outputs must be uploaded, transitioning from PIMS to IPMR as part of system migration to the Umoja Dashboard.

80. As per the requests of critical project cycle in the Programme and Project Management Manual, the Board took project approval documents as milestone file for the project review stage and approval; monitoring indicators, supporting evidence and progress report were treated as key files of stage of implementation, monitoring and reporting; and in the stage of operational and financial closure, the final report would be the key file.

81. As of November 2024, 162 projects in IPMR had actual start dates between 1 January 2023 and 15 November 2024. Of these, 148 projects were recorded as "approved", while 14 were marked as "operationally closed". Analysis of the IPMR records revealed documentation gaps: 23 ongoing projects (14 per cent) lacked uploaded project approval documents; 17 projects (10 per cent) had missing or delayed indicator reporting; 23 projects (14 per cent) lacked uploaded supporting documents for the data entered; 21 projects (13 per cent) lacked progress reports; and 14 operationally closed projects lacked final closure reports.

(b) Inadequate monitoring and supervision of project indicators in IPMR

82. UNEP Programme and Project Management Manual states that "*Project/Task Managers: report with supporting evidence on a six-monthly basis in the relevant reporting platform...on progress toward project Outputs and Outcomes and contribution to Programme of Work outcomes/direct outcomes" and "Supervisor: Approve the periodic reporting of the Project/Task Manager on IPMR. Clear the annual reporting and approve any other report documents" and "For the delivery of the MTS 2022-2025 and the PoW 2022-2023, all new projects will be created, and managed, using IPMR, and active projects in PIMS are being migrated to IPMR during 2023*".

83. UNEP Programme and Project Management Manual also states that "*Internal Performance Reporting: UNEP project performance reporting is conducted through IPMR in Umoja every six months. Reporting deadlines are 30 June and 31 December of every year. At the output and outcome level, the following information is required...Indicator data: Cumulative interim progress toward achieving each indicator target"* and *"Operational Closure Report: The project manager further acquires the relevant approvals from the supervisor and head of branch and submit the reports in IPMR effectively changing the status of the project from ongoing to operationally closed.*"

84. The Board noted that, as of 31 March 2025, of the 409 projects established by UNEP between 2021 and 2024, 388 projects had defined performance indicators, while 22 projects (6 per cent) lacked progress data. Of the 360 projects with recorded and updated progress information, 43 projects (12 per cent) had not been reviewed or approved by project supervisors after the mandatory reporting deadline.

85. The Board further reviewed 491 legacy projects migrated from the PIMS to IPMR with established performance indicators and noted that 107 projects (22 per cent) did not include reports on the achievement of performance indicators. Among the 384 projects with updates, 271 projects (71 per cent) lacked approval of supervisors, including 149 projects (39 per cent) that were expected to be approved before the end of 2024. Notably, 112 of these were financially closed without any validation of the reported progress by project supervisors.

(c) Shortcoming in the quality of data in IPMR

86. UNEP Programme and Project Management Manual states that "*When monitoring in IPMR is launched, the Monitoring application in the Strategic Management*

Application (SMA) module will be used to monitor and capture data on project performance. It will serve as a continuous assessment tool that aims at providing managers the ability to proactively track and measure the indicators and risks of their project plan to determine if the project is being implemented according to plan. Project Managers will use substantive and financial reports from their partners to enter monitoring and reporting data into SMA."

87. The Board noted that the Planning module managed 1,673 projects, while the Monitoring module managed 706 projects as of 18 November 2024. In addition, missing of key project data were identified: for 148 ongoing projects (21 per cent), the project budget field did not reflect the Project Review Committee-approved budget; for 72 ongoing projects (10 per cent), the indicator field value was recorded as zero; for 100 ongoing projects (14 per cent), the project manager field was missing.

88. The Board is of the view that while IPMR is a critical tool for managing complex projects, insufficient data entry and irregular updates across project phases undermine its effectiveness. Data quality is essential for tracking implementation, measuring progress, and informing strategic decisions. Gaps in documentation compromise the reliability of quarterly business reviews and hinder performance evaluation. As monitoring is a continuous process, timely and accurate reporting in IPMR is crucial. Weaknesses in data recording and supervisory review increase the risk of implementation failures and jeopardize the achievement of UNEP's strategic objectives.

89. **The Board recommends that UNEP update the necessary project data in IPMR and address the data gaps related to the approved budget, project indicator, and name of project manager to enhance project data quality.**

90. **The Board also recommends that UNEP issue notes on semi-annual basis to encourage project managers to capture all information approved by Project Review Committee including the approved budget and indicators in IPMR, and to report against all indicators with supervisor approval recorded in the system, and to monitor progress across all ongoing Project Review Committee-approved projects in the IPMR.**

91. UNEP accepted the recommendations.

Need for performance analysis of the Green Climate Fund readiness portfolio and the ongoing funded activity projects

92. The Accreditation Master Agreement signed between Green Climate Fund (GCF) and UNEP in July 2023, stipulates in Clause 8.01 that "*The Accredited Entity shall be responsible for the overall management implementation and supervision of each funded activity in line with its own internal rules policies and procedures including administering and managing the use of GCF Proceeds, as well as the monitoring, evaluation and reporting responsibilities as set forth in the relevant Funding Proposal and FAA*."

93. The UNEP Programme and Project Management Manual states that progress toward results and resource consumption should be monitored using appropriate indicators and evidence sources, with information from monitoring used to improve project performance and to report on achieved results and resources based on evidence. Furthermore, it emphasizes that all project monitoring and reporting must occur within the Umoja IPMR, including GCF projects.

94. The Monitoring and Accountability Framework for Accredited entities issued by the GCF stipulates that "*the contents of annual performance reports should include a narrative report (with supporting data as needed) on implementation progress based on the logical framework submitted in the funding proposal and considerations on the*

ongoing performance of the project/programme against the GCF investment framework criteria, including updates on the indicators."

95. UNEP became an Accredited Entity of the GCF in 2015. Its engagement with the Fund is largely through readiness projects and funded activity projects (full-size projects). To assess the performance of GCF projects, the Board reviewed a sample of 22 readiness projects marked as operationally or financially closed and noted the following deficiencies:

(a) 12 projects (55 per cent) were completed beyond their estimated end dates, with an average delay of 584 days and the longest delay reaching 1,272 days.

(b) 11 projects (50 per cent) had a budget utilization rate below 90 per cent, with the lowest recorded at 25.9 per cent.

(c) Completion reports for 17 projects showed that 77 of 280 planned activities (27.5 per cent) were either partially completed or lacked sufficient implementation evidence.

(d) Completion reports for 5 projects (22.7 per cent) were not submitted within six months of project closure, contrary to GCF agreement requirements.

96. The Board analyzed data from the Integrated Project Manager's Dashboard and the annual performance reports of eight ongoing funded activity projects and noted the following discrepancies:

(a) As of May 2025, Integrated Project Manager's Dashboard, which consolidates data including project status details from multiple information systems, reported 352 activities relating to the eight projects. Of these, 32 activities (9.1 per cent) were pending updates, 229 (65.1 per cent) had updated statuses but remained unapproved, and only 91 (25.8 per cent) had been formally approved. These figures indicated delays in supervisory review and validation; and

(b) In contrast, the annual performance reports for the eight projects issued in 2024 listed only 94 activities with updated status. Among these, only two (2.1 per cent) were reported as complete, 30 (31.9 per cent) as on track, 61 (64.9 per cent) as delayed, and four (4.3 per cent) as not yet started. This reflected both incomplete reporting in annual performance reports and unsatisfactory projects progress. The discrepancies in the number of activities reported between the dashboard and the reports indicated incomplete or inconsistent status reporting in annual performance reports. Moreover, the high proportion of delayed activities revealed weaknesses in project implementation and raises concerns regarding the overall performance of ongoing GCF funded activity projects.

97. Additionally, the Board noted that GCF projects faced more significant performance challenges than UNEP's overall portfolio. As reported in the UNEP Quarterly Business Review as at the end of 2024, 25 out of 40 GCF projects (62.5 per cent) were rated as "red", compared to 255 out of 724 projects (35.2 per cent) across UNEP's broader portfolio.

98. UNEP informed the Board that, by decision of its Executive Director, it had discontinued its engagement with the GCF readiness portfolio in 2024 due to structural and operational limitations, which included insufficient management fees to support oversight, complex reporting cycles and the disproportionate administrative burden relative to the limited scale of activities. UNEP has shifted its strategic focus to funded activity projects, which provide more substantive content, integrated design, and sufficient management cost coverage for effective oversight.

99. Noting UNEP's strategic shift, the Board observed that 34 readiness projects and nine funded activity projects remain under implementation. As these projects fall

under UNEP's fiduciary responsibility, appropriate oversight and reporting arrangements should have remained in place until their formal closure.

100. The Board is of the view that lessons should have been learned from the observed non-compliance to avoid recurrence, facilitate corrective measures, strengthen accountability and ensure programme delivery.

101. **The Board recommends that UNEP conduct a performance analysis of Green Climate Fund readiness projects and funded activity projects currently under implementation in alignment with its annual performance reporting cycle.**

102. UNEP accepted the recommendation.

Revision or termination of project targets without authorization

103. The UNEP Programme and Project Management Manual states that the overriding principle for all UNEP projects is to be completed and achieve targets within the planned timeframe and budget. It also states that the responsibility of Project Review Committee Secretariat includes "*Convenes the Project Review Committee to review substantive changes, if needed.*"

104. According to Programme and Project Management Manual, the Project Steering Committee provides overall guidance and strategic direction, with authority to approve substantive changes to project designs. Project Managers are tasked with monitoring project performance, continuously assessing the project's business justification, and adapting management to achieve intended results. The manual clarifies the types of revision requests and project revision workflows, requiring formal approval by division directors under UNEP's delegation of authority when a project revision is proposed.

105. The Board noted that, although UNEP Programme and Project Management Manual contains the regulations for the review and approval of substantive changes, the standards of "substantive" have not been clearly defined yet. The absence of clear criteria for determining the materiality of project modifications, such as indicator terminations or revisions, may result in inconsistent application of governance procedures and insufficient oversights.

106. The Board also noted that, as of 16 April 2025, a total of 27,857 indicators were recorded in IPMR, with 374 indicators (covering 69 projects) marked as terminated. A sample review of 242 terminated indicators relating to 19 projects (each with a termination ratio exceeding 10 per cent) revealed that none of the termination had been approved by the Project Steering Committee or verified by the Project Review Committee. During the audit period, UNEP provided termination reasons for 18 indicators as samples, citing factors such as insufficient funding, migration errors in PIMS, and impacts of the COVID-19 pandemic, etc. However, no supporting documents were provided to demonstrate that the termination of any of the 18 indicators was formally approved.

107. The Board is of the view that indicators are a critical component of project planning and implementation, as they are reviewed and approved by Project Review Committee. Each indicator represents a measurable step toward achieving the project's overall objectives. The termination or modification of approved indicators should be supported by clear approval procedure.

108. **The Board recommends that UNEP update the Programme and Project Management Manual and Integrated Project Management and Reporting step-by-step manual to clarify the definition and procedure for revising project indicators and targets during implementation to ensure that any target changes are formally approved for ongoing and future projects.**

109. UNEP accepted the recommendation.

Projects targets not fully achieved due to design and oversight gaps

110. The UNEP Programme and Project Management Manual adopts the United Nations' widely accepted definition of Results-Based Management, which is a management strategy focusing on achieving desired results, and it supports the realization of the United Nations Secretary General's Reform Agenda. In UNEP projects, results include outputs, outcomes, intermediate state results, and long-term impact, which are presented through a results chain showing causal relationships and hierarchical promotion. Project implementation, under the responsibility of managers, covers activity delivery, change response, and performance assessment. Financial resources, crucial for project delivery, should be properly managed throughout the project cycle.

111. Based on available data from Umoja, the Board noted that there were 590 projects operationally closed or financially closed, with a total budget of $4.29 billion as of 25 April 2025. The Board sampled 33 projects, each with a budget of $20 million or more and a total budget of $2.05 billion, and identified 25 uncompleted indicators (including outcomes, outputs, or activities) across 11 projects.

112. An analysis of the documented reasons for non-completion revealed that 13 indicators were not achieved due to weaknesses in project design and development, including limited partner capacity, overlap with other UNEP initiatives, and inadequate feasibility studies. In addition, 12 indicators were not completed due to insufficient monitoring and reporting during project implementation, primarily resulting from the departure of the Project Manager without a timely replacement being assigned.

113. UNEP stated that it had recognized the need to enhance the quality of project implementation through strengthened mechanisms with strong management oversight, adaptive management, adequate monitoring and reporting during project implementation.

114. The Board is of the view that proper project design and development, monitoring and reporting during project implementation, in line with Programme and Project Management Manual, are essential to fully achieve project objectives and improve fund utilization efficiency.

115. **The Board recommends that UNEP conduct root cause analysis on the uncompleted indicators of all closed projects and develop targeted action plans to strengthen project design, monitoring and reporting skills in alignment with the Programme and Project Management Manual.**

116. UNEP accepted the recommendation.

5. Procurement management

Low roll-out rate of UNEP Supply Chain Planning and Management solution

117. The United Nations Procurement Manual requires UNEP to formulate procurement plans prior to procurement activities. In 2023, the Office of Internal Oversight Services recommended UNEP to develop acquisition plans to enhance procurement efficiency and effectiveness. UNEP indicated that the development of acquisition plans would be implemented through the UNEP Supply Chain Planning and Management solution (ETIMA), a centralized repository for supply chain service requests within UNEP. This system empowers the UNEP Supply Chain Management Team to gather essential data for trend analysis.

118. The Board noted that as of April 2025, the ETIMA system recorded only 46 procurement requests (12 in 2023 and 34 in 2024), of which 27 requests (58.7 per cent) could not be linked to acquisition plans. The inconsistencies were due to two primary reasons: the relevant offices did not submit acquisition plans within the designated timeframe, and certain requests were ad-hoc requirements not covered by acquisition plans. Additionally, a significant discrepancy existed between procurement data in Umoja and ETIMA. In 2024, Umoja recorded 2,401 procurement orders valued at $39.39 million for UNEP, while only 34 requests were logged in ETIMA. For 2025, Umoja recorded 608 procurement orders valued at $10.1 million, whereas none was found in ETIMA.

119. UNEP explained that ETIMA planning module was launched in the last quarter of 2023 for 2024 planning, with 17 offices submitting 797 planning lines. For 2025, 15 entities submitted 907 lines totaling $47.69 million, indicating strong adoption. While the planning module went live in 2023, the request module became operational only from 15 November 2024 with anticipated full compliance from January 2025.

120. The Board is of the view that despite UNEP's reporting of high volumes of planning lines in ETIMA, significant misalignment remains between procurement requests and acquisition plans. The gaps indicated limited integration between planning and procurement functions and do not demonstrate full implementation of the acquisition planning process required under the United Nations Procurement Manual.

121. The Board is concerned that, although the roll-out rates of the planning module were positive, the adoption rate of request module remains low as of April 2025, which may hinder the fulfillment of its intended purpose of streamlining supply chain processes from planning to delivery, and UNEP may continue to operate without a reliable mechanism to forecast and consolidate procurement needs, which could lead to ad-hoc, uncoordinated purchases, and diminished value for money. Long-term low utilization rates of the request module may also undermine accountability and adversely affect UNEP's efforts to strengthen its procurement management process.

122. **The Board recommends that UNEP conduct a comparative assessment of the efficacy of the current supply chain and other applicable procurement planning tools available within the United Nations Secretariat, and determine the measures needed to enhance oversight of acquisition planning and procurement activities.**

123. UNEP accepted the recommendation.

6. Partnership management

Deficiencies in control over implementing partners selection

124. In the section on partnership determination and approval of the UNEP Programme and Project Management Manual, it is stated that the "*selection of implementing partners starts with a comparative review process that involves at least three candidate organizations. When comparison does not produce relevant results, a written justification should be provided in the file for the consideration of the Division Director or Regional Director and the Partnership Committee, together with the recommendation of the most suitable partner*".

125. In the absence of a complete list of solicitation methods used for implementing partner selection, the Board sampled 21 implementing partnership agreements signed between 2023 and 2024, with total agreement value of $27.46 million, of which 19 agreements (representing $26.72 million) were awarded through a non-competitive process. The following deficiencies were identified:

(a) Two agreements (totaling $3.36 million) involved partners for whom valid due diligence records were not available at the time of engagement as required by UNEP Partnership Policy and Procedures requiring. One of the two partners was also not registered in the UNEP Partner Portal.

(b) UNEP Partnership Policy and Procedures requires written justification for non-competitive selection of partners. For six of the sampled agreements (totaling $4.16 million), such justification was not provided. Notably, two of these agreements represented first-time partnerships with UNEP, which posted higher inherent risks and would have particularly warranted competitive selection.

(c) For ten agreements, the rationale recorded in Umoja grantor module and UNEP Partners Portal for non-competitive selection included general statements such as “valid due diligence”, “leading entity”, “aligned with the project goals and objectives”, “possessing the necessary technical capacities”, etc. However, there was limited evidence of market research or a call for expressions of interest had been conducted that would support the assessment that no alternative providers were available.

126. In parallel, the Board noted that UNEP signed three UN-to-UN agreements with UNOPS between 2022 and 2024 to engage UNEP pre-selected entities for the implementation of certain UNEP projects. Under the terms of these agreements, it was explicitly recognized that grantee was pre-selected by UNEP, and that UNOPS was exempt from liability for the performance of the pre-selected grantee. By the end of 2024, a total of $34.46 million in grants had been awarded through these agreements to nine implementing partners pre-selected by UNEP.

127. While UNEP Partnership Policy and Procedures require that all implementing partners be registered in the UNEP Partners Portal, three of the nine implementing partners were not registered at the time of review. Moreover, although UNEP indicated that three implementing partners had been competitively selected and had undergone due diligence, no supporting documentation could be provided to substantiate this process. This raised concerns that either the required procedures were not followed, or relevant records were not retained in accordance with policy.

128. UNEP stated that it was committed to full compliance with the 2024 Partnership Policy, which is expected to be fully operational by the last quarter of 2025. The new policy introduces stronger controls, including enhanced risk management measures and a greater role for the Partnership Committee in assessing partner capacity and risks. To support implementation, the Corporate Services Division conducted a mid-term review to identify gaps and improve oversight. A multi-track process has been launched to strengthen compliance with selection and documentation procedures for pre-selected grantees. In addition, the 2024 Framework Memorandum of Understanding with UNOPS reflects lessons from the 2014 version and includes clearer requirements for financial agreements, particularly those involving implementing partner services.

129. The Board is concerned that, without adequate review, UNEP may face potential risks such as insufficient assessment of partner capacity, suboptimal use of resources, and weakened project performance and institutional accountability. The lack of documentation and the absence of some pre-selected grantees from the UNEP Partners Portal create risks of non-compliance with partnership policies and may compromise core principles of integrity, objectivity, fairness, and transparency in partner selection.

130. **The Board recommends that UNEP maintain sufficient documentation for the selection of pre-selected grantees, undertake a structured review of identified deficiencies in implementing partner selection process and enhance staff training, with particular focus on improving documentation, strengthening justification**

for non-competitive selections, and fostering compliance with established procedures.

131. UNEP accepted the recommendation.

Strengthen guidance on private sector engagement

132. UNEP Strategy for Private Sector Engagement published in October 2019 states that "*The 2030 Agenda for Sustainable Development and the Sustainable Development Goals; the Paris Agreement building upon the United Nations Framework Convention on Climate Change; and the Addis Ababa Action Agenda of the Third International Conference on Financing for Development; as well as relevant multilateral frameworks under environmental agreements on biodiversity, chemicals and waste and ozone-depleting substances, all recognize and call for a strengthened relationship with the private sector, including the adoption of more innovative approaches to promote private sector sustainability, transformation and the leveraging of private sector technical expertise and financial resources*".

133. 2022 Annual Report to the Committee of Permanent Representatives on Private Sector Engagement states that "*UNEP recognizes the importance of monitoring and evaluation to assess the impacts of its private sector partnerships and has launched a new monitoring and reporting mechanism to track the results of partnerships on a quarterly basis*".

134. As per Guidelines for the use of UNEP's Standard Legal Instruments, *"a Memorandum of Understanding is to be seen as a framework of commitments in which the parties confirm that they share a common understanding and endeavour... Where a Memorandum of Understanding has been signed, relevant implementation agreements are still required to detail financial and programmatic/administrative arrangements, if resources are to be transferred between the parties*".

135. Based on the analysis of data collected from UNEP Partners Portal, the Board noted that a total of 60 private sector entities had been approved for partnership with UNEP since 2020, of which 32 entities (53.33 per cent) had not entered into any legal instruments with UNEP as of the end of 2024. In parallel, UNEP had signed 55 legal instruments with 50 private sector entities since 2020, including entities that had been approved both before and after 2020. Among these 50 entities, 35 (70 per cent) had entered into only a single Memorandum of Understanding.

136. The Board further reviewed 15 of the 35 Memorandum of Understandings mentioned above and noted that each Memorandum of Understanding had included the article stating that "*The Parties will develop a plan under the present Memorandum of Understanding, including specific activities, projects and programmes, whose definition and implementation shall be subject to detailed separate agreements*".

137. Additionally, the Board noted that the "Partnership Results and Impacts" section of the UNEP Partners Portal, established as a monitoring and reporting mechanism for partnerships, was not effectively utilized. Of the 15 partnerships reviewed, 11 had no progress updates in the section, and the remaining four recorded only one update each. None of the partnerships met the requirement for quarterly reporting as stipulated by the mechanism.

138. UNEP explained that the approach for the monitoring and reporting of private sector partnerships would be further revamped under the context of the 2024 Partnership Policy, including any required changes to UNEP's systems to enable the revised approach.

139. The Board is of the view that while the efforts to revise the monitoring and reporting framework under the 2024 Partnership Policy represent a positive step, the

effectiveness of UNEP's engagement with the private sector would benefit from more consistent operationalization of commitments. Systematic and timely performance tracking are essential to realizing the intended impact of such partnerships.

140. **The Board recommends that UNEP put in place guidance for partner leads to ensure that partnerships with private sector entities contribute to objectives and results as outlined in the 2030 Agenda for Sustainable Development and the Sustainable Development Goals.**

141. UNEP accepted the recommendation.

7. Human resource management

Not fully reporting the positions at D level

142. In section III of the Report of the Fifth Committee on the proposed programme budget for 2023 (A/77/672), the Fifth Committee stresses that all extra-budgetary posts must be administered and managed with the same rigor as regular budget posts.

143. The Board reviewed the organizational structure and post distribution in the proposed programme budget for 2024 (A/78/6) and noted that 45 D-1 positions, including 11 funded by regular budget and 34 by extra-budget, and six D-2 positions funded by regular budget and extra budget, were reported.

144. The Board compared the 2024 proposed programme budget (A/78/6) with actual positions as of September 2024 and noted that four D-1 level positions and three D-2 level positions, all funded from extra-budgetary resources, were not reflected in the proposed budget.

145. UNEP explained that among the three D-2 positions, the one with Intergovernmental Science Policy Platform on Biodiversity and Ecosystem Services was related to a Multilateral Environmental Agreement and should not be counted. UNEP also explained that the D-1 and above positions presented in Annex I of the proposed programme budget were positions approved in UNEP's Programme of Work 2024-2025, which was an extension of the Programme of Work 2022-2023 as per the United Nations Environment Assembly Resolution 5/4 of 2 March 2022 amidst the COVID-19 context, and did not reflect the changes thereafter. Specifically, there were a D-2 Director position and a D-1 position for the new Climate Change Division that were created on 1 February 2024, and a D-2 position and a D-1 position for the Plastic Pollution Intergovernmental Negotiating Committee (INC) Secretariat that were established through the United Nations Environment Assembly Resolution 5/14 on 7 March 2022.

146. The Board is of the view that the newly established D-2 position for the new Division may not have been foreseen in the budget proposal for 2024. However, the INC Secretariat was established in 2022, and the D-1 and the D-2 positions should have been included in Annex I of proposed programme budget for 2024 during its preparation in early 2023 for review by legislative bodies.

147. **The Board recommends that UNEP ensure all positions at D-1 and above level funded by regular budget and extrabudgetary resources, as reasonably projected at the time of preparing the proposed programme budget, are fully reflected in the proposed programme budget.**

148. UNEP accepted the recommendation.

Not fully adopted with United Nations Budget Guide in Multilateral Environmental Agreements posts proposal

149. United Nations Environment Assembly resolution 2/18 stipulates that UNEP hosts the secretariats of 15 Multilateral Environmental Agreements (MEAs), and that

when the governing bodies of these MEAs request UNEP to provide secretariat services, they accept that the secretariats shall be subject to the United Nations administrative and financial regulations and rules applicable to UNEP, as supplemented by the MEAs' own financial procedures.

150. It is stated in the United Nations Budget Guide on the proposed programme budget for 2023 and 2024 that "*A complete organigramme includes the following: Number of established and/or temporary posts (excluding GTA) by grade and source of funding (regular budget, other assessed, and voluntary contributions) for each of the boxes (organizational units)*." The Fifth Committee, in section III of its report on proposed programme budget for 2023 (A/77/672), stressed that all extrabudgetary posts must be administered and managed with the same rigour as regular budget posts.

151. UNEP Corporate Services Division issued a memo in 2018 to clarify that UNEP's role in preparing, implementing and monitoring the budget of MEAs was to provide technical review of administrative support and budget-related documents for the MEA secretariats before presentation to the Conference of the Parties to ensure that they comply with applicable United Nations Financial Regulations and Rules and related guidelines.

152. The Board reviewed 15 MEAs' respective budget proposal for their Programme of Work for the year 2024 and noted that seven MEAs had not complied with the United Nations Budget Guide to present the number of established and/or temporary posts by grade and funding source to inform the review and decision by legislative bodies. As to the remaining eight MEAs, by comparing the budget proposal and positions list as of 30 September 2024, the Board noted that 48 posts of four MEAs were not fully presented in their respective 2024 budget proposals.

153. UNEP explained that although the Fifth Committee stressed that extra budget posts must be administered and managed in the same rigor as regular budget posts, this requirement does not mean the presentation of extra budget posts in their budget shall be the same as regular budget.

154. **The Board recommends that UNEP provide guidance to UNEP-administered MEAs' secretariats to comply with the United Nations Budget Guide to present the number of posts, including established and temporary posts by grade and source of funding, in their respective budgets.**

155. UNEP accepted the recommendation.

C. Transmissions of information by management

1. Write-off of cash, receivables and property

156. In accordance with Rule 106.7 in United Nations Financial Regulations and Rules, UNEP reported that in 2024, there were write-offs in accounts receivable amounting to \$1672.02 and write-offs in Property amounting to \$62065.96, and no write-offs in cash assets.

2. Ex gratia payments

157. UNEP reported no ex gratia payments in 2024.

3. Cases of fraud and presumptive fraud

158. In accordance with the International Standards on Auditing (ISA 240), the Board plans its audits of the financial statements so that it has a reasonable expectation of identifying material misstatements and irregularities (including those resulting from

fraud). The audit, however, should not be relied upon to identify all misstatements or irregularities. The primary responsibility for preventing and detecting fraud rests with management.

159. During the audit, the Board made enquiries of management regarding its oversight responsibility for assessing the risks of material fraud and the processes in place for identifying and responding to the risks of fraud, including any specific risks of fraud that management has identified or that have been brought to its attention.

160. The Board also enquired whether management had knowledge of any actual, suspected or alleged fraud. In 2024, UNEP reported 21 cases of fraud and presumptive fraud, seven of which were under investigation and 14 of which were closed. The estimated total financial loss for 2024 is $30,600 and KES 241,000, and the amount recovered during 2024 is KES 979,000.

D. Acknowledgement

161. The Board wishes to express its appreciation for the cooperation and assistance extended to its staff by the Executive Director and staff members of the United Nations Environment Programme.

Pierre **Moscovici**
First President of the French Cour des comptes
Chair of the Board of Auditors

Hou Kai
Auditor General of the People’s Republic of China
(Lead Auditor)

Vital **do Rego Filho**
President of the Brazilian Federal Court of Accounts

23 July 2025

Annex

Status of implementation of recommendations up to the financial year ended 31 December 2023

No.	Audit report year	Report reference	Board's recommendation	UNEP response	Board's assessment	Status after verification: Implemented	Under implementation	Not implemented	Overtaken by events
1.	2018	A/75/5/Add.7, chap. II, para. 79	The Board recommends that UNEP carry out a review and consolidation of all current UNEP-GEF projects, with the necessary information to ensure adequate accountability and programme management.	Management has committed to the Board its intention to fully implement Integrated Project Management and Reporting (IPMR) as a central tool for results management, dedicating substantial resources to integrate the GEF portfolio into the system.	As the ongoing GEF projects are managed in the integrated planning, management and reporting solution, this recommendation is considered to be implemented.	X			
2.	2019	A/75/5/Add.7, chap. II, para. 98	The Board recommends that UNEP coordinate with the Regional Office for Latin America and the Caribbean and the Regional Office for Africa in order to take liaison measures with the external institutions involved in project implementation, aiming to improve the efficiency of the project implementation process.	After rigorous consultations across the house, including with the Regional Office for Latin America and the Caribbean and the Regional Office for Africa, the UNEP partnership policy was approved on 29 June 2024 and entered into force on 29 September 2024. The procedures include clear guidance on monitoring partners aiming to improve the efficiency of the project implementation process.	Given that the UNEP Partnership Policy was in force on 29 September 2024, this recommendation is considered to be implemented.	X			
3.	2019	A/75/5/Add.7, chap. II, para. 170	The Board recommends that UNEP establish the proper liaison between its headquarters and the Executive Secretary of the Convention on Biological Diversity and its Protocols in order to agree on the procedures and responsibilities that each entity shall assume with regard to the provision of secretariat services to the Conference of the Parties to the Convention on Biological Diversity,	An internal review was conducted, involving consultations within UNEP, UNEA, and the Convention on Biological Diversity (CBD) Secretariat, which included careful review of the existing policies, administrative arrangements and the delegation of authority framework, and UNEA resolutions. Following this, affected entities concluded that the 2018 Corporate Services Division Memo and 2010 Administrative Arrangements already clearly define service provisions. As to non-administrative functions, substantive and programmatic support are	Considering the results of the internal review involving consultations within UNEP, UNEA, and the Convention on Biological Diversity (CBD) Secretariat and that the existing mechanisms are robust and no risk areas or elements of non-compliance have been identified, this recommendation is considered to be overtaken by events.				X

No.	Audit report year	Report reference	Board's recommendation	UNEP response	Board's assessment	Status after verification: Implemented	Under implementation	Not implemented	Overtaken by events
			including the aspects related to non-administrative functions.	provided systematically in response to decisions of the governing bodies of CBD and its protocols that call for action by UNEP. Information on substantive and programmatic activities conducted by UNEP are documented in the reports of UNEP on its activities to support the implementation of the Convention on Biological Diversity and its Protocols presented to the CBD governing bodies. The review related to administrative services included the development of the 2018 CSD Memo, which outlines the services provided by UNEP and other service providers to the secretariats of MEAs. The memo complements the revised Administrative Arrangements signed in 2010 between UNEP and the CBD Executive Secretary, which became effective upon endorsement by the CBD COP at COP10. The UNEP Delegation of Authority Policy and Framework for MEAs also clearly outlines responsibilities and ensures accountability of the CBD Executive Secretary regarding the management and administration of the CBD Secretariat. It explicitly respects: a. the legal autonomy of the MEAs; b. ensures both managerial autonomy and efficiency of the MEAs Secretariats, and c. accountability of Executive Heads of MEA Secretariats to their respective bodies – Conference/Meeting of the Parties – for programme delivery and policy related outputs/outcomes as well as for resources management, and to the					

No.	Audit report year	Report reference	Board's recommendation	UNEP response	Board's assessment	Status after verification: Implemented	Under implementation	Not implemented	Overtaken by events
				Executive Director of UNEP for managing resources, including trust funds, in accordance with UN and UNEP regulations, rules, related-administrative issuances and, where applicable, policies. To further ensure efficient and effective service delivery between UNEP and MEA Secretariats, in 2018, the UNEP Executive Director established a dedicated unit within the Corporate Services Division. This unit, in close consultation with CSD functional units and in accordance with the 2018 CSD Memo, supports policy interpretation, human resources, budget and finance administration, corporate legal advice, supply chain management, audit coordination, risk management, ICT. Given the smooth operation of the CBD Secretariat, the clear understanding between the CBD Secretariat and UNEP, and of the COP, regarding procedures, roles and responsibilities, UNEP and the CBD Secretariat jointly confirm that no further instrument is required. The existing mechanisms are robust, and no risk areas or elements of non-compliance have been identified by the CBD Secretariat, or UNEP. Therefore, the recommendation is considered overtaken by events.					
4.	2019	A/75/5/Add.7, chap. II, para. 171	The Board recommends that UNEP liaise with the Executive Secretary of the Convention on Biological Diversity to propose to the Conferences of Parties to the Convention on	An internal review was conducted, involving wide consultation. In light of such review, it was decided that there is no need to establish a regulatory framework that further supplements existing mechanisms (see UNEP response at No.3 above),	Considering the results of the internal review involving consultations within UNEP, UNEA, and the Convention on Biological Diversity (CBD) Secretariat and that the existing mechanisms are robust				X

No.	Audit report year	Report reference	Board's recommendation	UNEP response	Board's assessment	Status after verification: Implemented	Under implementation	Not implemented	Overtaken by events
			Biological Diversity and its Protocols the adoption of a memorandum of understanding. If agreed, this instrument shall include the arrangements for the provision of secretariat functions by UNEP, aiming to establish a regulatory framework that sets out clear responsibilities, transparency, guidance and accountability among the Parties and Member States.	in the form of a memorandum of understanding (MOU). Since neither UNEP nor SCBD has identified any risk areas or elements of non-compliance, UNEP is of the opinion that the recommendation is overtaken by events.	and no risk areas or elements of non-compliance have been identified, this recommendation is considered to be overtaken by events.				
5.	2020	A/76/5/Add.7, chap. II, para. 168	The Board recommends that UNEP accelerate the clean-up of legacy matters and complete the closure procedures for delayed projects as soon as possible.	UNEP requests the closure of this recommendation, which has been overtaken by events following the decommissioning of the Performance Information Management System (PIMS). UNEP's project information system has been the IPMR since 1 July 2023.	UNEP's project information system has been the Integrated Planning, Monitoring and Reporting module since 1 July 2023. The project status in the PIMS had not be applicable. Therefore, this recommendation is considered to be overtaken by events.				X
6.	2021	A/77/5/Add.7, chap. II, para. 28	The Board recommends that UNEP develop corporate guidance in its monitoring policy on when and how to collect relevant data to establish baselines for programme of work indicators.	The draft Monitoring and Reporting Policy includes a specific reference to baselines. Additional guidance is also provided in the draft Monitoring and Reporting Framework. In the absence of further feedback from the auditors, both documents will be finalized accordingly.	UNEP has drafted relevant documents and in the process of finalization, this recommendation is considered to be under implementation.		X		
7.	2021	A/77/5/Add.7, chap. II, para. 59	The Board recommends that the secretariat of the Convention on Biological Diversity make efforts to mobilize voluntary contributions to improve the level of adequate, predictable, effective and efficient programme	The Secretariat of the Convention of Biological Diversity (SCBD) was successful in mobilizing voluntary contributions for the Open-Ended Working Group meetings on the post-2020 global biodiversity framework (GBF) respectively and other related meetings and workshops. The Secretariat continues to monitor the spending in the Overhead Trust	The Secretariat continues to monitor the spending in the Overhead Trust Account (OTA) closely and pursues its efforts to remain within the approved allocation. Therefore, the recommendation is considered to be implemented.	X			

No.	Audit report year	Report reference	Board's recommendation	UNEP response	Board's assessment	Status after verification: Implemented	Under implementation	Not implemented	Overtaken by events
			support cost funding for its administrative activities.	Account (OTA) closely and pursues its efforts to remain within the approved allocation. Which significantly reduced the OTA overrun during the 2022-2023 biennium from $0.65 million in 2020-2021 to $0.010 million in 2022-2023.					
8.	2021	A/77/5/Add.7, chap. II, para.65	The Board recommends that UNEP review ageing and not expensed advance transfers to implementing partners on a case-by-case basis and clear those pending advances in coordination with the United Nations Office at Nairobi.	UNEP has thoroughly reviewed each outstanding advance and actively coordinated with relevant personnel in the relevant offices and divisions. This has ensured that implementing partners reported their expenses against the advances. As of 9 October 2024, advance balances for 61 implementing partners, as identified by the auditors in the referenced document numbers, have been fully cleared.	The outstanding items had been addressed. Therefore, this recommendation is considered to be implemented.	X			
9.	2021	A/77/5/Add.7, chap. II, para. 78	The Board recommends that the secretariat of the Convention on Biological Diversity actively communicate with donors in a timely manner and expedite the process of clearing up the outstanding balances of closed grants.	Since early 2024, the SCBD, in close collaboration with UNEP, has closed over 64 grants. This effort is in line with the UNEP Executive Director's directives to accelerate the closure of old grants and to further support the process by the recruitment of an Associate Finance Officer in June 2024. This additional capacity will help drive the acceleration of pre-inception activities and promote the effective implementation of the approved projects. The Secretariat will continue in this process with the full implementation.	Given that the Secretariat will continue in this process with the full implementation expected in the second quarter of 2025, this recommendation is considered to be under implementation.		X		
10.	2021	A/77/5/Add.7, chap. II, para. 94	The Board recommends that UNEP ensure that the prescribed comparative analysis be properly conducted in conformity with UNEP policy.	The UNEP Partnership Policy was approved on 29 June 2024 and entered into force on 29 September 2024. The procedures include clear guidance on competitive selection, including criteria for exceptions to	Given that the UNEP Partnership Policy was in force on 29 September 2024, this recommendation is considered to be implemented.	X			

No.	Audit report year	Report reference	Board's recommendation	UNEP response	Board's assessment	Status after verification: Implemented	Under implementation	Not implemented	Overtaken by events
				competitive selection. UNEP requests closure of this recommendation.					
11.	2021	A/77/5/Add.7, chap. II, para. 120	The Board recommends that UNEP update active projects with supporting implementation files in the integrated planning, management and reporting module, and review and standardize project cycle management tools as a complement to the module.	Management has committed to the Board its intention to fully implement IPMR as a central tool for results management, dedicating substantial resources to integrate the GEF portfolio into the system. Given the large number of completed and pending closure projects in the GEF portfolio, as noted in the BOA's other open recommendations, and the significant resource and technical challenges involved in migrating older (closed) projects, management decided to prioritize the migration of ongoing projects that were still operational when IPMR was rolled out.	The Board reviewed the supporting documents in the IPMR and raised a new recommendation on it. Therefore, this recommendation is considered to be overtaken by events.				X
12.	2021	A/77/5/Add.7, chap. II, para. 133	The Board recommends that UNEP take effective action to accelerate the pre-inception activities of UNEP-Green Climate Fund projects and promote the approved projects' implementation.	The Green Climate Fund Coordination Unit developed a systematic approach. Guidance on re-inception activities was added to the UNEP Programme and Project Management Manual (PPMM) for project consistency and internal reference.	Given that the UNEP PPMM 2024 edition has been finalized to enhance approved project implementation during pre-inception and inception stages, this recommendation is considered to be implemented.	X			
13.	2022	A/78/5/Add.7, chap. II, para. 43	The Board recommends that UNEP, in coordination with Regional Office for Europe, analyze the assets wrongly recorded, and adjust them to the appropriate cost center.	The equipment list of UNEP Europe Office has been fully reviewed and adjustments are completed. The valid list is provided as supporting document. The Regional Office for Europe analyzed the assets wrongly recorded and adjusted them to the appropriate cost center.	The Regional Office for Europe analyzed the assets wrongly recorded and adjusted them to the appropriate cost center. Therefore, this recommendation is considered to be implemented.	X			
14.	2022	A/78/5/Add.7, chap. II, para. 71	The Board recommends that UNEP, in coordination with the Ozone Secretariat, undertake an internal assessment before the next	In conjunction with preparing a comprehensive report to the 13th meeting of the Conference of the Parties to the Vienna Convention, the Secretariat carried out an internal	Given the Secretariat carried out an internal assessment and report to the Conference of the Parties, this recommendation is considered to be implemented.	X			

No.	Audit report year	Report reference	Board's recommendation	UNEP response	Board's assessment	Status after verification: Implemented	Under implementation	Not implemented	Overtaken by events
			Conference of the Parties on how fund raising may be further improved.	assessment on the impact of the Advisory Committee's work on fundraising under the General Trust Fund for Financing Activities on Research and Systematic Observations Relevant to the Vienna Convention as per the recommendation. Further background and evidence have been provided in the supporting documents. In sum, UNEP undertook an internal assessment on how fundraising may be further improved which was presented to Conference of the Parties.					
15.	2022	A/78/5/Add.7, chap. II, para. 80	The Board recommends that UNEP reinforce its procedures for the review of critical risk level entities in compliance with the regulation of the updated Programme and Project Management Manual and revised Partnership Policy and Procedures, rigorously form the partnership in accordance with the results of due diligence and risk assessment to reduce the likelihood of reputational risk posed to UNEP.	The UNEP partnership policy was approved on 29 June 2024 and entered into force on 29 September 2024. The procedures include clear guidance on risk treatment and monitoring.	Given that the UNEP Partnership Policy was in force on 29 September 2024, this recommendation is considered to be implemented.	X			
16.	2022	A/78/5/Add.7 ,chap. II, para. 89	The Board recommends that UNEP establish a standard template for partner review by Partnership Committee with explicit criteria for review comments included.	The UNEP partnership policy was approved on 29 June 2024 and has entered into force on 29 September 2024. The new Terms of Reference for the Partnership Committee include clear review criteria.	Given that the UNEP Partnership Policy was in force on 29 September 2024, this recommendation is considered to be implemented.	X			
17.	2022	A/78/5/Add.7, chap. II, para. 111	The Board recommends that UNEP performs terminal assessment on the seven completed PIMS projects	For the 47 sampled projects, - 32 projects have either a medium-term review, a terminal review or a form of independent evaluation /	Given that the 47 projects had been reviewed case by case,	X			

No.	Audit report year	Report reference	Board's recommendation	UNEP response	Board's assessment	Status after verification: Implemented	Under implementation	Not implemented	Overtaken by events
			sampled and that respective managing divisions provide or perform mid- term assessments on the 47 sampled PIMS projects with a duration of four years or more as required.	review / assessment completed. See evidence in the supporting documents folder. - 15 projects that do not have any form of review or assessment evaluation / review / assessment completed however have an explanation provided.	this recommendation is considered to be implemented.				
18.	2022	A/78/5/Add.7, chap. II, para. 118	The Board recommends that UNEP assess the workload of incumbent task managers of GEF projects and formulate a response plan to mitigate the potential imbalance of project allocations.	UNEP senior managers are currently conducting a review of Global Environment Fund (GEF) operations within UNEP to better understand how value is created, delivered, and captured. As part of this broader assessment, they are also considering the workload of incumbent Task Managers of GEF projects to identify and address any potential imbalances in project allocations.	UNEP is conducting a review and considering the workload to meet the recommendation, this recommendation is considered to be under implementation.		X		
19.	2022	A/78/5/Add.7, chap. II, para. 126	The Board recommends that UNEP formulate more specific guidelines on no-cost extension and encourage project/task managers to minimize the need for project extensions.	UNEP is addressing the no-cost extension guidance at the corporate level in the 2024 edition PPMM. When updating it, UNEP reorganized the project cycle management chapter to align with corporate concepts and procedures. The project extension section, especially on no-cost extension, is elaborated for a unified approach and consistent oversight across all projects and funding sources. The 2023 edition PPMM only focused on project extensions in the revision part. However, the 2024 edition, which is completed, extensively details the project extension section, clarifying definitions, best practices, and review processes. It also points out the hidden costs of 'no-cost extension' to the organization.	UNEP has updated the PPMM to 2024 edition and extended and refined relevant regulations concerning project extension, this recommendation is considered to be implemented.	X			

No.	Audit report year	Report reference	Board's recommendation	UNEP response	Board's assessment	Status after verification: Implemented	Under implementation	Not implemented	Overtaken by events
20.	2022	A/78/5/Add.7,chap. II, para. 144	The Board recommends that UNEP complete the data enrichment of ongoing projects in the Integrated Planning, Management and Reporting module according to the transition plan.	UNEP completed enrichment of ongoing projects in IPMR under its management during the transition period which ended on 31 January 2024. The enclosed corporate memo titled "Full implementation of the monitoring and reporting functionality in the integrated planning, management and reporting (IPMR) solution" outlines the transition period of 6 months starting 1 June 2023.	The Board reviewed the data enrichment in the IPMR during this audit and raise a recommendation on it. Therefore, this recommendation is considered to be overtaken by events.				X
21.	2022	A/78/5/Add.7, chap. II, para. 167	The Board recommends that UNEP consider publishing 75 per cent of active projects' information and conducting a quarterly review on the updating of Open Data portal content to help ensure the integrity, accuracy and consistency of the voluntary information disclosures.	A consultant was engaged in July 2024 to lead the revamp of the Open Data Portal. The scope includes automating the publication process for project data and conducting a review of all currently published data to enhance accuracy and consistency. The updated portal is scheduled for launch in June 2025, with planned quarterly reviews to ensure data integrity and alignment with voluntary disclosure standards. UNEP anticipates meeting the target of this recommendation as part of this initiative and proposes closure of this recommendation following the portal's relaunch.	Given UNEP has engaged a consultant to revamp of the Open Data Portal, and updated portal is planned for launch in June 2025, this recommendation is considered to be under implementation.		X		
22.	2022	A/78/5/Add.7, chap. II, para. 168	The Board recommends that UNEP disclose the safeguard information and information on Sustainable Development Goals when the safeguards and gender online system and the integrated planning, management, and reporting solution, respectively, are ready.	In response to the United Nations 2.0 Digital Policy, UNEP management decided to "streamline the project process in one automation system, integrating all aspects of particular project-specific requirements and related processes, with emphasis on Safeguards and Gender Online system (SAGE)". As a result of this strategic shift, the development of the	Given the situation that UNEP had decided the strategic shift, but online system was delayed, this recommendation is considered to be under implementation.		X		

No.	Audit report year	Report reference	Board's recommendation	UNEP response	Board's assessment	Status after verification: Implemented	Under implementation	Not implemented	Overtaken by events
				Safeguards and Gender Online System (SAGE) was delayed.					
23.	2022	A/78/5/Add.7, chap. II, para.183	The Board recommends that UNEP develop a plan to monitor the pre-selected vendor modality.	This recommendation refers to one case from 2022. Since then, no recurrence has been recorded. An operational guidance was issued, under which it is required to submit requests for approval of pre-selected vendors for prior approval.	An operational guidance was issued, and regulations have been established for the approval process of pre-selection. Therefore, this recommendation is considered to be implemented.	X			
24.	2022	A/78/5/Add.7, chap. II, para. 193	The Board recommends that UNEP establish a long-term strategic clean fleet management plan, including a replacement plan for its old vehicles and a procurement plan for accelerating the transformation to zero-emission vehicles.	In December 2024, the UNEP Executive Director issued a memo outlining a strategic plan and procedures for UNEP fleet management aligned with the broader Strategy for Sustainability Management in United Nations System 2020-2030. Per the memo, any new vehicle purchase, including the replacement of existing fleet vehicles, requires approval from the Executive Director and must adhere to a provided checklist. This checklist includes prioritization of Zero-Emission Vehicle (ZEV) Procurement, when feasible. This memo also tasked the Corporate Services Division to undertake a review to evaluate each vehicle's age and usage for the preparation of a disposal or replacement plan for hybrid or zero-emission vehicles. This exercise, as per the plan in the memo, has already commenced.	Given that the strategic plan had been carried out and the corresponding actions were formally approved by the Executive Director on 15 May 2025, this recommendation is considered to be implemented.	X			
25.	2023	A/79/5/Add.7, chap. II, para. 25	The Board recommends that UNEP undertake an investigation to clarify the procedures for managing open long outstanding commitments and enhance review of open	This is a joint UNON-UNEP issue that is being addressed through the development of a user-friendly report within Umoja Analytics. The report is designed to flag long outstanding commitments in Umoja and help reconcile discrepancies between ECC	Given that the review and management of open commitments, particularly during year-end closing processes, are currently being carried out by developing a user-friendly report within the Umoja Analytics, this		X		

No.	Audit report year	Report reference	Board's recommendation	UNEP response	Board's assessment	Status after verification: Implemented	Under implementation	Not implemented	Overtaken by events
			commitments within the year end closing processes.	and Umoja Analytics regarding commitment balances. Once finalized, this tool will support more effective review and management of open commitments, particularly during year-end closing processes, in line with the Board's recommendation.	recommendation is considered to be under implementation.				
26.	2023	A/79/5/Add.7, chap. II, para. 32	The Board recommends that UNEP review the 30 grants case by case to record the Controller approval information in Umoja and take measures to ensure each special Programme Support Costs rate of a grant be approved by the Controller in the future.	UNEP has thoroughly reviewed each grant and provided supporting documentation for all the grants that had non-standard Programme Support Costs (PSC) rates. UNON updated the master data, and all the relevant supporting documents were attached. UNEP also noted that in future all the grants with non-standard PSC should be backed up with approved memo from the controller.	Given that each grant and provided supporting documentation for all the grants that had non-standard PSC rates, this recommendation is considered to be implemented.	X			
27.	2023	A/79/5/Add.7, chap. II, para. 38	The Board recommends that UNEP review the 24 items on a case-by-case basis and identify the reasons for the lack of compliance with the provision of installments and financial reporting, accelerate the implementation of 24 agreements and increase UN entities' awareness of financial reporting.	UNEP reviewed all 24 agreements on a case by case basis, thus accelerating implementation through cognizant offices. Advances for 23 agreements were fully reported and recorded, while the advance under Agreement 2000016641 was reduced from $42,750 to $1,407, with the remaining balance to be offset against future advances under the Full-Size Project due to cost-inefficiency in returning it. To reinforce installment payments, the Corporate Services Division issued a memo on 12 April 2023, instructing Fund Management and Administrative Officers to ensure legal agreements reflect installment-based disbursements.	Given that UNEP reviewed all 24 agreements on a case-by-case basis, the Corporate Services Division issued a memo on 12 April 2023, this recommendation is considered to be implemented.	X			
28.	2023	A/79/5/Add.7, chap. II, para. 44	The Board recommends that UNEP document, in form of Standard Operation	UNEP, in collaboration with UNON, developed a Standard Operating Procedure to document the process	Given that UNEP and UNON developed a SOP, which was approved by the Deputy	X			

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			Procedures, the process for the estimates provided by programme managers, record the expenditures and document any exceptional cases.	for estimates provided by programme managers, record expenditures, and any exceptional cases. It was approved by the Deputy Director of the Corporate Services Division on 20 January 2025 and disseminated to UNEP staff.	Director of the Corporate Services Division on 20 January 2025, this recommendation is considered to be implemented.				
29.	2023	A/79/5/Add.7, chap. II, para. 50	The Board recommends that UNEP review the implementation plans for UNEA resolutions 5.4, 5.5, 5.7 and 5.8 to include implementation timelines, data accuracy and clear internal accountability, and that Resolution Focal Points upload them in the Monitoring and Reporting Portal.	In 2024, UNEP conducted training for all resolutions focal points focused on improving data quality. It also included special targeted capacity building briefings on these four resolutions leading to improved reporting quality for two resolutions (UNEA5/7 and UNEA 5/8) during the reporting cycle covering July-December 2024. Resolution 5/4 was closed as it was superseded by another resolution (UNEA 6/13) while UNEA 5/5 was also closed as its mandate was completed. The UNEA resolutions as indicated by the auditors (5/4, 5/5, 5/7, and 5/8) have been addressed in accordance with the Board's recommendation.	UNEP provided screenshots from the Monitoring and Reporting Portal and submitted training materials demonstrating improvements in reporting quality, including elements of timelines, data accuracy, and internal accountability. These actions are assessed to meet the intent of the recommendation. This recommendation is considered to be implemented.	X			
30.	2023	A/79/5/Add.7, chap. II, para. 58	The Board recommends that UNEP conduct an in-house inventory on all Sendai Framework-related projects and activities across the UNEP Programme of Work.	UNEP's work concerning Disaster Risk Reduction is explained at https://www.unep.org/topics/disasters-and-conflicts/disaster-risk-reduction. In UNEP, these projects have different divisions and offices as lead depending on expertise required. UNEP has concluded its in-house inventory of all Sendai Framework-related projects and activities across the Programme of Work.	UNEP has concluded its in-house inventory of all Sendai Framework-related projects and activities across the Programme of Work. Therefore, this recommendation is considered to be implemented.	X			
31.	2023	A/79/5/Add.7, chap. II, para. 64	The Board recommends that UNEP reduce by 30 per cent the percentage of projects that have been expired and are pending	The recommendation referred to 140 aging and expired projects in 2023 and recommended to operationally closure before 2025. During the year of 2024, 20 projects have been	Given the 120 projects had been operationally closed, this recommendation is considered to be implemented.	X			

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			operational closure for more than two years by April 2025.	financially closed while 120 have been operationally closed. This progress resulted from a dedicated data cleansing exercise targeting the closure of expired and closed projects mistakenly converted to IPMR during the transition period. The closure rate of aging projects far exceeded the recommended 30 per cent and UNEP's continued vigilance in following up on this issue.					
32.	2023	A/79/5/Add.7, chap. II, para. 65	The Board also recommends that UNEP reduces the percentage of projects pending financial closure for more than two years.	A joint task force between the Policy and Programme Division and the Corporate Services Division has been established. A consultant is currently being recruited to assist with the closure of projects. UNEP continues to explore all potential solutions to reduce the percentage of projects pending financial closure for more than two years, in line with the Board's recommendation.	Given that UNEP is currently recruiting a consultant to assist with the closure of projects and will continue to explore all possible solutions, this recommendation is considered to be under implementation.		X		
33.	2023	A/79/5/Add.7, chap. II, para. 71	The Board recommends that UNEP update guidance on the project asset management and develop a tracking tool for monitoring the submission of the inventory of non-expendable equipment by implementing partners, in line with the requirements of the respective legal instruments.	At UNEP's request, "PP&E Report" and "Final PP&E Report" were added to the Grantor Module Report Schedule section. This addition helps offices define periodic and final reporting needs for non-expendable equipment in Implementing Partner agreements with inventory and asset budgets. Moreover, Umoja Analytics now has a tracking tool for monitoring Implementing Partners' submission of non-expendable equipment inventories. This tool enables UNEP to methodically track reporting compliance against agreement terms. The 2024 edition PPMM Financial Management chapter states Implementing Partners must submit	UNEP has developed the function concerning PPE Report in information systems, and clarified relevant regulations in the 2024 edition PPMM, this recommendation is considered to be implemented.	X			

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				periodic PP&E reports along with financial and substantive reports as per legal agreements.					
34.	2023	A/79/5/Add.7, chap. II, para. 77	The Board recommends that UNEP ensure management actions to track the implementation status of UNEP-wide evaluation recommendations.	The Evaluation Office continues to collect recommendations from project-level evaluations that relate to issues and/or systems outside the authority of the Project Manager. These "UNEP-wide" recommendations are consolidated and summarized for Senior Management's attention. To ensure ongoing oversight, the Evaluation Office has been included in the Senior Management Team (SMT) meeting agenda on 12 May 2025 to present the most recent summary of UNEP-wide recommendations. This consolidated summary for management is scheduled to be submitted to Senior Management on 30 April 2025. UNEP is committed to strengthening management actions to track the implementation status of these recommendations in line with the Board's recommendation. UNEP Management has taken action to track the implementation status of UNEP-wide evaluation recommendations through consolidated reporting and periodic review at Senior Management level.	Considering that the "UNEP-wide" recommendations were duly consolidated and presented to Senior Management, that the agreed course of action is clearly documented in the SMT meeting minutes, including the designation of a responsible division to oversee and track implementation on behalf of UNEP, this recommendation is considered to be implemented.	X			
35.	2023	A/79/5/Add.7, chap. II, para. 85	The Board recommends that UNEP consider a targeted training session or seminar to raise the awareness and competency of its technical staff in integrating sustainability further in GEF projects within the available resources.	To raise awareness and competency of UNEP technical staff in further integrating sustainability in GEF projects, a consultant was hired on 17 March 2025 and will roll out the recommended targeted training/seminar within two months following some preparatory work and analysis. The consultant will be	UNEP signed the contract with consultants to deliver tailored training sessions with relevant staff, this recommendation is considered to be implemented.	X			

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				responsible for delivering a tailored training session in close collaboration with key units, including the Evaluation Office, to ensure a more consistent application of sustainability principles across future projects.					
36.	2023	A/79/5/Add.7, chap. II, para. 91	The Board recommends that UNEP specify in its Programme of Work document that the detailed evaluation plan for a subprogramme is in the form of a Term of Reference, which will be prepared annually and will cover the requisites of an evaluation plan.	The recommended specification has been incorporated into the recent submission from the Evaluation Office to the Policy and Programme Division as text to be added as Annex 1 in the next Programme of Work. The inserted text reads: "A Subprogramme evaluation is launched through a Terms of Reference, which covers the requisites of an evaluation plan. The intended sequence of subprogramme evaluations, typically launched on an annual basis, is as follows.... (a provisional plan of subprogramme evaluations follows in the Programme of Work Annex)."	UNEP has submitted draft language and a provisional evaluation plan for inclusion in the 2026–2027 Programme of Work, clarifying that subprogramme evaluations will be launched through Terms of Reference. However, the final Programme of Work document incorporating this annex had not been issued by the reporting date. This recommendation is considered to be under implementation.		X		
37.	2023	A/79/5/Add.7, chap. II, para. 108	The Board recommends that UNEP formulate framework to regulate its engagement with Collaborating Centers including their establishment, management, and operation issues.	UNEP has allocated additional resources to ensure the full implementation of this. Work is underway to develop a framework to regulate UNEP's engagement with Collaborating Centers, covering their establishment, management, and operational aspects. A preliminary draft is expected to be shared with the Executive Office for review by mid-May 2025.	Given that work is underway to develop a framework to regulate UNEP's engagement with Collaborating Centers, this recommendation is considered to be under implementation.		X		
38.	2023	A/79/5/Add.7, chap. II, para. 116	The Board recommends that UNEP prepares an update report on the implementation of the Interim Memo on the	A consultation was held with the Private Sector Unit and the Procurement and Partnerships Unit to ensure that partnerships with the private sector entities contribute to	Considering that the update report is currently being prepared, this recommendation is considered to be under implementation.		X		

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						Implemented	Under implementation	Not implemented	Overtaken by events
			Integration of the Digital Monitoring and Reporting Mechanism in the Partners Portal for Private Sector Partnerships, including monitoring of risk elements.	objectives and results as outlined in the UNEP's Medium-Term Strategy and Programme of Work. While the 2024 Partnerships Policy supports bilateral partnerships with private sector entities, in May 2023, the Senior Management Team approved a recommendation for UNEP to transition from bilateral partnerships with businesses for project implementation to platforms, coalitions, and alliances, fostering greater collaboration to accelerate impact and drive transformation at scale. Additionally, with the 2024 Partnership Policy 2024 implementation, there is a reinforced risk assessment and mitigation approach to private sector entities. An update report, summarizing the outcome and a way forward, is currently being prepared, and UNEP will provide further clarification once it is issued.					
39.	2023	A/79/5/Add.7, chap. II, para. 124	The Board recommends that UNEP requests GRID Geneva to complete the hand-over process of the WESR data platform, including the data source used in the WESR-CCA and other technical and management aspects.	UNEP has requested in writing and speech the handover in accordance with the auditor's recommendations. UNEP can only be held accountable for its own actions, and the action as recommended by the Board, namely, to request the handover, has been completed in full. The request was made and there is no further action to be taken by UNEP. As a mitigation strategy, UNEP is redesigning the solution from scratch using different and more up to date data sources. UNEP has moved ahead with the Country Environment Dashboard (CED) project and decided to take a different approach to the	Given the alternative data sources were selected, and CED was established by UNEP, the necessity of transferring WESR-CCA and data is relatively low, this recommendation is considered to be overtaken by events.				X

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				indicators needed for the dashboards. The CED will use a new set of environmental indicators, taken from United Nations Stats and other established sources, and provide a simplified view of the state of the environment in each country. The data will be gathered and the tool built in-house by UNEP to ensure continuity and continued access to information.					
40.	2023	A/79/5/Add.7, chap. II, para. 132	The Board recommends that UNEP introduce a standard template for procurement planning which may accompany the Project Documentation depending on the size, and high-risk profile of the project.	UNEP has drafted and promulgated a standard template for procurement planning, which has been uploaded to the supporting document folder. This demand plan is used in support of the ETIMA app, which allows for effective procurement planning	Given that the standard template for procurement planning has been formulated, this recommendation is considered to be implemented.	X			
	Total number of recommendations				**40**	**24**	**10**	**0**	**6**
	Percentage of the total number of recommendations				**100**	**60**	**25**	**0**	**15**