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A brief on two Review Reports of the Joint Inspection Unit of the United Nations for the attention of Member States of the UN-Habitat Executive Board

April 2021

1.   Introduction

The Joint Inspection Unit (JIU) is the only independent external oversight body of the United Nations system mandated to conduct evaluations system-wide. As part of its mandate, in this year 2021, the JIU has, so far, shared two review reports with the participating organizations, including UN-Habitat. These reports are:(i) Blockchain applications in the United Nations system: towards a state of readiness (JIU/REP/2020/7), and (ii) Mainstreaming environmental sustainability across organizations of the United Nations system (JIU/REP/2020/8).

In accordance with the provisions of article 11(4) of the JIU statute, upon receipt of the report immediate action is expected to distribute it to the governing bodies of participating organizations for consideration. UN-Habitat is therefore please to share with you briefs of the two reports. The full reports in English version are also shared. They can be accessed through the JIU website - www.unjiu.org

2.   Summary of blockchain applications in the United Nations system: towards a state of readiness (JIU/REP/2020/7)

What did JIU review?

Blockchain is among the technologies whose interaction and blending of physical, digital and biological systems define the profile of the fourth industrial revolution. The 2030 Agenda and the strategic calls for innovation prompted some organizations to take the lead and pilot blockchain applications, mostly for operational activities. There is considerable work in progress in the United Nations system: standards are being developed, legal aspects examined and blockchain pilots carried out. Some organizations use blockchain applications for different types of projects and operations, individually and in collaboration. This review was intended to provide a contribution to the collective efforts triggered by recent overarching strategies on new technologies and the future of work, which address the issue of innovation and the use of digital technologies by the United Nations system in an action-oriented approach.

What did JIU find?

The review found that ongoing blockchain applications are still at an experimental stage in the United Nations system. Some assumptions with respect to its benefits are not yet confirmed, while others require further testing. There is an increasing interest in this technology, but also awareness of specific risks involved. The ongoing blockchain applications do not offer a critical mass, quantitatively and qualitatively, to demonstrate the usability and relevance of blockchain in its specific core features. Some assumptions are not confirmed yet; characteristics such as immutability and decentralization need more testing. A real state of readiness in using blockchains, when needed, should be irreversibly built on inter-agency cooperation. In this regard, there is still a need for: minimum policies and standards, building of in-house technical expertise, use of open source blockchain solutions, blockchain's network vocation supporting interagency collaboration and partnerships, a culture change towards innovation and collaborative approach, and decision-making matrix for blockchain as practical guide.

What did JIU Recommend?

The review report includes eight formal recommendations. Two recommendations are addressed to the governing bodies, one to the Secretary-General of the United Nations, and five to the executive heads of the United Nations system organizations. The recommendations are:

Recommendation 1: The governing bodies of the United Nations system organizations should ensure that the use of blockchain applications will be integrated, together with other digital technologies, into the innovation strategies and policies adopted by their respective organizations.

Recommendation 2: The executive heads of the United Nations system organizations should make sure that the examination of possible blockchain user cases will be based on assessments of project risks, including with respect to relevant organizational policies and regulations on privileges and immunities, data protection, confidentiality, cybersecurity, system integrity, and reputation.

Recommendation 3: The executive heads of the United Nations system organizations, if they have not already done so, should endorse the Principles for Digital Development by the end of 2022, as a first step to ensuring a general common understanding of digital transformation at the organizational level, including the possible use of blockchains

Recommendation 4: The executive heads of the United Nations system organizations should ensure that any decision on using blockchain should be based on an appropriate determination of the business case and of the most suitable solution, using as guidance a decision-making matrix.

Recommendation 5: The Secretary-General, in consultation with the executive heads of the United Nations system organizations, and with support from the International Telecommunication Union, should assign, by the end of 2021, to a United Nations representative in charge of digital technologies and related issues, the task of following the development of blockchain interoperability standards and open-source projects aimed at blockchain interoperability, as part of an overall consideration of the policy implications of the technology, and to work with all organizations accordingly.

Recommendation 6: The governing bodies of the United Nations system organizations should encourage Member States to engage with the United Nations Commission on International Trade Law in its exploratory and preparatory work on legal issues that relate to blockchain in the broader context of the digital economy and digital trade, including on dispute resolution, which is aimed at reducing legal insecurity in that field.

Recommendation 7: The executive heads of the United Nations system organizations that have developed blockchain applications - in line with the call by the Secretary General in his Roadmap for Digital Cooperation for the United Nations to deploy digital public goods – should follow, whenever possible, open-source principles when they develop software, and make available the codes to other United Nations organizations.

Recommendation 8: The executive heads of the United Nations system organizations, through the relevant coordination mechanisms, including with support from the United Nations International Computing Centre, should consider the adoption of a non-binding interagency blockchain governance framework for use by interested organizations, with a view to ensuring coherent and consistent blockchain approaches across the system by the end of 2022, including for projects that may involve multiple United Nations organizations.

How did UN-Habitat Respond to the review?

UN-Habitat management welcomed the JIU report and is going to implement the five recommends addressed to the Executive Director. UN-Habitat would like to encourage the Executive Board to take action on the two recommendations addressed to the governing bodies of UN-Habitat.

3.   Summary of mainstreaming environmental sustainability across organizations of the United Nations system (JIU/REP/2020/8).

What the JIU review?

Ever since the 1972 United Nations Conference on the Human Environment, organizations of the UN system have accorded a high priority to protection of the natural environment and related areas. The 2030 Agenda for Sustainable Development and its Sustainable Development Goals (SDGs) highlighted the importance of environmental sustainability, emphasizing mainstreaming sustainable policies and practices in organizations of the UN system. In May 2019, the United Nations System Chief Executives Board for Coordination (CEB) endorsed the

Strategy for sustainability management in the UN system (2020–2030). The strategy is aimed at aligning internal operations of UN system organizations with the relevant elements of the 2030 Agenda. It outlines objectives, commitments and indicators for identified management functions (procurement, human resources, facilities management, conference management, and information and communications technology services, and travel) with regard to enhancing environmental sustainability as well as environmental governance and environmental impacts.

The JIU review addressed the internal management of corporate environmental sustainability to determined the extent to which environmentally sustainable policies have been developed and respond to needs and objectives of the United Nations system and of the 28 JIU participating organizations, Including UN-habitat. It also examined the implementation of environmentally sustainable operations and practices at the organizational and system-wide levels, assessed the readiness of selected functional areas (such as procurement, human resources, facilities management, travel, conference services and ICT) to implement the Strategy, and considered effectiveness of governance, accountability, coordination, risk management and oversight mechanisms in supporting the implementation of environmentally sustainable operations and practices

What did JIU find?

The review found that most participating organizations do not specifically employ the term "environmental sustainability" but consider it to be partially or fully embedded within the frameworks of their policies, regulations, rules and procedures. And while many policies with a direct or indirect bearing on environmental sustainability are in place, the JIU could not identify any reviews undertaken to assess the effectiveness of their implementation.

The challenges identified by organizations in establishing a policy on environmental sustainability included lack of interest or indifference from the leadership, resistance from Member States and staff members or associations who perceived it negatively, administrative barriers from organizational rules and staff regulations (human resources policies) that made it difficult to adopt an environmental sustainability policy.

The review also found that there are no international standards or benchmarks on environmental sustainability that are accepted and used on a system-wide basis by the UN organizations. Their absence leads to variations in practices and implementation at headquarters and in field presences. Such variations make the task of measuring and reporting on implementation of mainstreaming environmental sustainability challenging.

While all entities of the United Nations system are advocates of the 2030 Agenda, not all of them have incorporated the same message in their internal management functional areas. As the custodian of conventions, treaties, and norms and standards in the realms of climate change, environmental protection, the pollution of air, water, and oceans, and related areas, and as the chief advocate of sustainable development, it is imperative that the system be practicing internally what it preaches to the outside world.

Among the challenges confronting an organization when paying attention to environmental sustainability management, the inadequacy of resources emerged as the most recurring concern. Budgetary processes and short-term cycles act as obstacles to promoting environmental sustainability, discouraging upfront investments.

What did JIU Recommend?

The review report contains 10 recommendations, of which one is addressed to the legislative organs and governing bodies and nine are addressed to the executive heads of JIU participating organizations. The recommendations are:

Recommendation 1: The executive heads of United Nations system organizations that have not yet done so should, by the end of 2022, develop an organization-wide policy for environmental sustainability in the areas of internal management functions.

Recommendation 2: The legislative organs and governing bodies of the United Nations system organizations that have not yet done so should, by the end of 2022, direct the executive heads to embed environmental sustainability considerations into the management of their organizations and request them to include in the

annual report on the work of the organization the results of efforts to mainstream environmental sustainability in the internal management functions of the organization.

Recommendation 3: The executive heads of the United Nations system organizations should, by the end of 2022, devote adequate resources in specific budget plans, including by better utilizing existing available resources, to mainstreaming environmental sustainability in their respective organizations, and report on the implementation to their legislative organs and governing bodies from 2023.

Recommendation 4: The executive heads of the United Nations system organizations that have not yet done so should, by the end of 2022, task procurement offices with incorporating specific provisions for integrating environmental sustainability considerations into procurement policies, procedures, manuals and guidelines, including through the relevant inter-agency mechanisms.

Recommendation 5: The executive heads of the United Nations system organizations should, by the end of 2022, ensure that all recruitment and selection processes, as well as performance appraisal systems, incorporate and give adequate weight to environmental sustainability understanding and behaviours, and report on the implementation to their legislative organs and governing bodies from 2023.

Recommendation 6: The executive heads of the United Nations system organizations should, by the end of 2022, with the support of the resident coordinator system and the United Nations country team mechanisms, strengthen the coordination between the headquarters and field agencies, as well as among field agencies, in pursuing measures to reduce the environmental impact of field presences, and report on the implementation to their legislative organs and governing bodies from 2023.

Recommendation 7: The executive heads of the United Nations system organizations should, by the end of 2022, make all conferences, events and meetings organized by their respective organizations "paper smart", while providing printed material only upon official request and with adequate cost recovery measures following a differential pricing system in respect of different customer groups.

Recommendation 8: The executive heads of the United Nations system organizations that have not yet done so should, by the end of 2022, task the relevant offices responsible for organizing conferences, meetings and events with developing a policy for incorporating provisions relating to environmental sustainability considerations into policies, procedures, manuals and guidelines.

Recommendation 9: The executive heads of organizations of the United Nations system should ensure that, by the end of 2022, information and communications technology services' actions and projects comply with environmental sustainability considerations, including ensuring that greenhouse gas emissions are at a level compatible with the United Nations Framework Convention on Climate Change Paris agreement.

Recommendation 10: The executive heads of the United Nations system organizations should, by the end of 2022, make all official documentation, publications, brochures, and communication and advocacy materials available online, including through online conferencing applications or other information technology means, and report on the implementation to their legislative organs and governing bodies from 2023.

How did UN-Habitat Respond to the review?

UN-Habitat management welcomed the review findings and the 10 recommendations. The organization has in place and is currently implementing the environmental and social safeguards with the intent of complying with the commitment to **"do no harm. "**and to align with environment and social requirements of the UN system. As such most of the given recommendations are implemented or in progress of implementation. Regarding recommendation 2, addressed to the governing bodies, UN-Habitat will ensure that results of efforts to mainstream environmental sustainability in the internal management functions will be included in its annual performance reports on the work of the organization.