



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION



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COVID-19 LESSONS LEARNED

ADVISORY ENGAGEMENT

COVID-19 LESSONS LEARNED

Advisory Engagement



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION

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- All colleagues who participated in our focus group meetings, and in particular the seven field office representatives who helped us gain insight and feedback from the field network.

And finally, special thanks to all colleagues who participated in our survey and shared their opinions and feedback in this way.

2. Executive Summary

REPORT IN-BRIEF

INTRODUCTION

Background

At the beginning of 2020, a global pandemic of the coronavirus broke out and caused a public health emergency worldwide. Following the guidance of the host country authorities, the first lockdown in March 2020 caused a great challenge for UNIDO as regular “working from home” or “working remotely” arrangements have so far not been considered as part of UNIDO’s human resources policies and procedures, and related support systems and tools. Therefore, UNIDO used existing tools in IT and remote access to the IT systems. Further, due to the current IT equipment capacity, only a limited number of employees were furnished with laptops; and, where existing procedures could not be followed in a “remote working” mode, work processes were changed and workarounds introduced.

Joint Advisory Engagement of Internal Audit and Evaluation

This engagement was conducted as an advisory service and as a joint activity of the evaluation and internal audit functions.

The information and findings of this report are based on triangulated sources, including primary and secondary evidence, such as documents review, feedback received in interviews, a survey, and focus group discussions.

Advisory Objectives

The objective of the advisory engagement is to assess how the pandemic affected UNIDO as an Organization and its core function of technical cooperation, in selected segment(s) of the TC cycle. The purpose is to identify lessons learned, areas where improvements are needed, as well as best practices, which may be replicated within the Organization, to improve processes, be better prepared to address any future disruption of operations, and consider adopting in the future “normal” operations.

The advisory seeks to provide advice and recommendations to the Director General, senior management and/or managers responsible for business processes.

Advisory Scope

Considering the limited resources in the Office of Evaluation and Internal Oversight for the internal audit and the evaluation functions, the scope of this engagement was limited to selected processes and functions. The scope of this engagement focused on technical cooperation (TC) and selected TC and supporting processes.

EXECUTIVE SUMMARY

In accordance with the objectives and the scope of this engagement, this report captures the most prominent lessons that UNIDO learned and/or is learning from the still ongoing COVID-19 crisis experience. Notwithstanding the numerous challenges, improvements and adjustments which occurred in the Organization's day-to-day activities in all areas and processes during the crisis, this report singles out the key lessons which could be the basis for further institutional learning and improvement, and contribute to a more effective, efficient, resilient and impactful organization.

In this context, a key overarching observation is the fact that UNIDO demonstrated that it can work remotely despite internal constraints, challenges and obstacles posed by the global pandemic. To ensure actual learning and long-term benefits of this valuable experience, UNIDO should consider adopting teleworking within the broader policy framework for flexible working arrangements, and keep exploring, developing and innovating to incorporate modern and up-to-date working models. Risks associated with teleworking, as well as additional needs of field offices with regard to teleworking should be taken into consideration.

Further, the COVID-19 crisis proved that consistent and timely investment in IT infrastructure and equipment is not only a prerequisite to modernization and digitalization, but it was also the critical factor for enabling UNIDO personnel at large to work remotely during the crisis. In these terms, UNIDO management needs to continue to support investments and/or funds raising for modernizing its IT infrastructure (hardware and software) to provide for a flexible, scalable and secure IT environment. The strategy of gradual transfer from fixed to mobile working places/stations would be a key factor for efficiency, resilience and agility of the Organization in crisis and beyond.

Additionally, due to the COVID-19 crisis, efforts to review and digitalize the processes through creation of workflows and replacing hard copies with digitally signed documents were intensified in order to continue performing and delivering. This is a trend, which should be continued, as digitalized processes provide for increased efficiency, flexibility and agility. In this context, management should identify, prioritize and support initiatives to further enhance process reviews and digital transformation as well as implementation of electronic workflows in enterprise resource planning (ERP) and in corporate systems (including the UNIDO Service Portal) as much as resources allow. It is suggested to also provide for administrative issuances on the use of electronic and digital signatures.

With regard to lessons learned in area of TC project implementation during crisis, it was found that while UNIDO's mandate and expertise proved to be relevant for immediate crisis support and early work on economic recovery, developing a clear crisis strategy and adequate crisis procedures and protocols would certainly improve UNIDO's COVID-19 response. It is to be noted that not all lessons learned in the technical cooperation area are result of the COVID-19 crisis only. Some lessons relate to previously existing issues that only amplified due to the COVID-19 crisis, still these are marked as areas for improvement and management is encouraged to address these in the relevant functions and processes, as appropriate.

Finally, the crisis made the importance of consistent and timely internal communication in UNIDO for the overall staff morale and wellbeing clearly more visible. Communication at all levels, between co-workers, manager- employee communication, as well as senior management's "tone at the top" is appreciated as it ensures that personnel stay abreast of developments and prevents feelings of working in isolation during prolonged teleworking. In this regard, management is advised to systematize guidance and ensure internal communication with all personnel, thereby ensuring adequate content, timeliness and frequency of top management communications with a view to engaging and motivating personnel, and further building a culture of trust. For this purpose, workshops and trainings in relation to skills and approaches for remote working and management, as well as mental health during crisis should be enhanced. Particular emphasis should be laid on a tailor made, interactive training framework and providing guidance on appropriate management styles and observing boundaries, customized to all levels of the Organization, including field offices and giving due consideration to inclusive communication and additional needs.

In addition to the key points mentioned above, several other interconnected areas for improvement are identified as learning opportunities in terms of COVID-19 experience. The short outline of all identified lessons learned is provided in the summary below and further details can be found in section 6 of this report.

SUMMARY OF LESSONS LEARNED AND AREAS FOR IMPROVEMENT

Lesson 1: UNIDO proved that it can work remotely

Although UNIDO does not have a teleworking policy, the advisory team concluded that there was no major negative impact of the teleworking arrangements on the delivery of the supporting processes, which were within the scope of the advisory. With regard to the project implementation, the implementation rate for 2020 is circa 7% lower than for 2019 (measured by expenditures). Additionally, based on the interviews and focus group meetings, feedback from staff suggested that the productivity during the work from home period in UNIDO was generally not affected, which coincides with published research.

It was also noted that there are still challenges related to teleworking, which should be addressed, such as increased workload, measuring and monitoring of performance, regulating teleworking and provision of IT equipment to personnel.

Area for improvement 1: Senior management should consider adopting teleworking as part of the flexible working arrangements, providing the policy framework, and keep developing and innovating to incorporate modern and up-to-date working models. Risks associated with teleworking, as well as additional needs of field offices with regard to teleworking should be taken into consideration.

Lesson 2 Digitalization of processes generates efficiencies, flexibility and agility, and contributes to overall resilience

The advisory team found that during the crisis, processes, which were supported by existing IT systems, had fewer challenges with remote working modalities than the processes, which are not integrated in the system. In this context, several initiatives for the process digitalization were implemented or started during the COVID-19 crisis, which should lead to increase of efficiency, flexibility and agility of the processes.

In addition, UNIDO gained valuable experience with remote communication tools and virtual formats particularly with trainings, capacity-building, virtual meetings, virtual project site visits, which can be retained as good practice and used wherever appropriate.

Area for improvement 2: Management should support initiatives to further enhance digitalization as well as integration of workflows in SAP and in corporate systems as much as resources allow. Process owners should be requested to continue analysing respective work processes with a view to creating digitalized and integrated workflows where possible and appropriate.

Lesson 3. The process of moving away from hard copies and hand-signatures should be continued

During the COVID-19 crisis, processes that entailed hard copy documents and hand signatures, had to switch quickly to electronic alternatives (e-mail, workflows, scanned signatures) in order to ensure business continuity. E-mails and workflows provide adequate solutions for replacing hard copy internal documents even beyond the crisis. As for third party-related documents (contracts and agreements), an electronic signature solution is being piloted.

Area for improvement 3: Process owners should be encouraged to fully replace hard copies, hand signed internal documents with electronic workflows and e-mail communication. For third party-related documents, features and usage possibilities of different electronic signature solutions should be presented to all process owners, so that they have a sound basis to select an adequate solution. A corresponding policy and instructions should be issued, in which the characteristics, usage and rules on electronic and digital signatures are to be defined.

Lesson 4 Consistent investment in the modernization of IT infrastructure, services and creation of “mobile workplaces” increases readiness in a crisis

The investment in IT infrastructure in 2018 proved to be critical for enabling UNIDO personnel at large to work remotely during the COVID-19 crisis in 2020 and 2021.

However, the biggest challenge, during the COVID-19 crisis, in establishing a remote workplace environment was the lack of mobile IT equipment, primarily laptops, but also screens, cameras and headsets.

Area for improvement 4: UNIDO management should continue to support investments in modernizing IT infrastructure (hardware and software) to provide for flexible, scalable and secure IT environment. The strategy of gradual transfer from fixed to mobile working places would be the key factor for efficiency, resilience and agility of the Organization in crisis, as well as in “regular” mode.

Lesson 5: UNIDO’s mandate and expertise proved to be relevant for immediate crisis support and early work on economic recovery.

Despite being a development agency with no humanitarian mandate, during COVID-19 UNIDO’s expertise was in high demand by partners, including donors, Government counterparts and industry. UNIDO’s response to COVID-19 demonstrated that the mandate and services of the Organization are very relevant. In this context, UNIDO received a considerable number of requests for COVID-19 related assistance, most of which were within UNIDO’s mandate and could be accommodated. In the context of the United Nations reform and joint work with other agencies during the pandemic, UNIDO’s participation in multi-agency crisis response projects frequently was an important contribution to address the area of economic recovery. In addition, more than 50 COVID-19 specific project proposals were developed during the crisis, including six projects funded through the United Nations COVID-19 Response and Recovery Multi-Partner Trust Fund (MPTF).

Lesson 6. The absence of a clear crisis strategy and adequate crisis procedures and protocols slows down UNIDO’s COVID-19 response

With regard to technical cooperation, no specific strategic crisis management was established. As a result, those involved in developing technical cooperation initiatives for UNIDO’s response to COVID-19 did not benefit from concrete guidance on the type of support UNIDO should offer. In addition, UNIDO does not have a “fast track” process for project approvals, which is especially needed in a situation like the COVID-19 pandemic.

Different UNIDO offices developed a considerable number of project proposals (approximately 50) for specific COVID-19 related technical assistance. In particular, six new projects were funded through the UN COVID-19 MPTF fund, for a total of USD 1,368,530, in line with the average net amount transferred to other comparable United

Nations agencies.

Area for improvement 5: A strategic guidance for development interventions in crisis situation should be developed to establish relevant mechanisms for future crisis situations.

Area for improvement 6: The experience gained in the process of developing project proposals for the UN COVID-19 MPTF fund should be analysed, with a view to developing guidance for successful participation in future crisis.

Lesson 7. Agility, which is particularly important in crisis, is increased with decentralization

The role of field offices changed during the COVID-19 crisis, as they took over some activities within project initiation, implementation and monitoring, as well as procurement, due to travel restrictions for HQ staff and international consultants. In this respect, during the COVID-19 crisis, certain decentralization and delegation had to be undertaken to ensure business continuity.

Although the decentralization of activities and decision-taking provided for quicker response and increased responsiveness and agility, the overall opinion was that field offices need to be better equipped in terms of capacities, personnel and competencies to take over such duties.

With regard to the recruitment of national consultants in crisis, the process was unnecessarily centralized and cumbersome.

Area for improvement 7: UNIDO management should analyse possibilities to further delegate relevant authority to field offices, with due consideration of capacities and resource requirements. In this context, specific protocols to make better use of field office knowledge of the local situation for approvals and recruitment should be established, as well as special procedures for recruitment of local/national consultants in crisis context.

Lesson 8: While the working morale was not highly affected by the COVID-19 crisis, adequate and timely communication in crisis remains to be the key for staff well-being and building a culture of trust

According to the UNIDO-wide survey results, for almost 45 % of participating staff, there was no change in work morale and motivation in comparison to pre-COVID times. However, it was

pointed out during the interviews that intensified and inclusive communication of managers with teams and individual team members was of utmost importance for personnel to keep morale, motivation and performance unaffected despite personal challenges and hardships encountered.

With regards to administrative communications from HRM on working arrangements during the crisis, there was an appeal from personnel to management for informing staff on the upcoming working arrangements more in advance to allow for better personal planning.

In terms of communication from senior management (“tone-at-the top”), this was also mentioned in interviews as an important aspect for giving personnel an overall feeling of security, inclusion and motivation.

Area for improvement 8: For crisis times, management should develop a strategy for internal communications with all personnel, thereby ensuring adequate content, timeliness and frequency of top management communications with a view to engaging and motivating personnel, and building a culture of trust. For operationalizing this communication strategy, workshops and trainings in relation to remote working and management, as well as mental health during crisis should be enhanced. Particular emphasis should be laid on a tailor made, interactive training framework and providing guidance on appropriate management styles and observing boundaries, customized to all levels of the Organization, including field offices and giving due consideration to inclusive communication and additional needs.

MANAGEMENT ACTION PLANS

The identified COVID-19 lessons learned and areas for improvement were discussed with management, in accordance with the EIO policies and guidelines. While in advisory engagements Management Action Plans (MAPs) are not mandatory, these can still be agreed, where appropriate. In this context, and following discussions with management, several MAPs were agreed, mostly in the area of teleworking, digital transformation and communication in crisis. For those lessons learned where MAPs could not be established at this moment, or the agreed MAP only partially covers the lesson learned and respective area for improvement, the observations and recommendations outlined in this report remain relevant and management is encouraged to benefit from the experiences shared in this report and draw on the lessons learned in the relevant functions and processes, as these appropriate.

The overview of the MAPs agreed is given in the table below.

Reference to lesson learned Management action plan	Owner, target date
<p>Lesson learned 1. MAP 1: CMO/OMD will follow up on the proposed draft Administrative Instruction (AI) “UNIDO Policy on Flexible Working Arrangements” as a foundational policy framework to cover different working modalities for a more agile and modern Organization. The AI is to be supplemented by appropriate guidelines and briefings to personnel to ensure understanding of:</p> <ul style="list-style-type: none"> • Criteria, requirements, and accountability mechanism to use the different modalities; • Approval procedures; • Monitoring mechanisms, including measuring performance based on deliverables and outputs. 	<p>CMO/ OMD, Q2/2022</p>
<p>Lesson learned 2 MAP 2: CMO/OMD and CMO/OSS/ITS will develop and provide guidance through an Administrative Instruction, for process owners to identify and map relevant processes (including human resources, procurement, finance, technical cooperation, documents management) and assess their potential for process improvement and its digital transformation, and submit a process digital transformation plan to the Executive Board for consideration and approval. This should consider: Costs and impact;</p> <ul style="list-style-type: none"> • Experience from Resource Optimization in Technical Cooperation (ROTC) TopDesk tools developed (procurement and recruitment); • Explore other innovative IT tools that can be customized in a cost-effective manner; • Integration into SAP and OpenText platforms. 	<p>CMO/ OMD; CMO/ OSS/ITS, Q2/2022</p>
<p>Lesson learned 3. MAP 3: CMO/OMD and CMO/OSS/ITS will submit a policy on electronic and digital signatures to the Executive Board for consideration and adoption.</p>	<p>CMO/ OMD; CMO/ OSS/ITS, Q1/2022</p>
<p>Lesson learned 4. MAP 4: Lesson learned 4. MAP 4: CMO/OMD and CMO/OSS/ITS will prepare and submit to the Executive Board an “IT Modernization Infrastructure Plan to make UNIDO an organization that is more efficient, agile, resilient to crisis and with augmented IT security. This plan should address shorter term issues (including mobile working stations, and update of IT Office software). On the basis of the proposals for IT infrastructure modernization, included in the programme and budgets, 2022-2023, as well as the medium-term investment proposals (PBC.37/11), the plan should address the following:</p> <ul style="list-style-type: none"> • What parts would be implemented with the approved programme and budgets, 2022-2023; • What parts must look for additional funding; • Other options for fund-raising; • Risk assessment in case the IT Modernization Infrastructure Plan cannot be implemented, or implemented only partially; • The mid-term perspective for preparing the Organization for the next ERP solution 	<p>CMO/ OMD and CMO/ OSS/ITS, Q1/2022</p>
<p>Lessons learned 5, 6 and 7. MAP(s) to be further discussed and agreed. TC related recommendations and lessons would need further attention from management. Several issues for this area flagged in this engagement remain open for further consideration and action. Management is encouraged to consider the detailed lessons, to address the identified areas for improvement in the relevant functions and processes, as appropriate.</p>	<p>OCC</p>
<p>Lesson learned 8. MAP 5: CMO/OD and CMO/HRM, in line with the HRM Strategy 2020-2022, will prepare and submit to the Executive Board for consideration and approval, a plan for development of an Internal Communication Strategy, and relevant guidance and tools to address the “soft/human” dimension and skills needed in times of crisis, including:</p> <ul style="list-style-type: none"> • Mechanisms to inform/communicate at organizational level; • Mechanism to obtain feedback on and monitor motivation and staff morale (team and corporate levels); • Mechanism, guidance, and tools for communication by managers, including senior managers, and staff at large, within teams and across the Organization (with special attention given to offices outside HQs); • Training programme for managers (including on remote supervision, duty of care, and respecting boundaries) • Training programme for staff/personnel (including on time management, and reporting). 	<p>CMO/ OD; CMO/ HRM, Q2/2022</p>



↖ 2m ↗

Thank you
for practising
social distancing

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3. Background and introduction

3.1 COVID-19 pandemic

1. At the beginning of 2020, a global pandemic of the coronavirus broke out and caused a public health emergency worldwide with the loss of life and human suffering. The measures required to contain the spread of the virus turned the pandemic into the worst economic crisis in decades, resulting in contractions in output, spending, employment, and overall economic growth. UNIDO responded to the crisis with an updated framework, which forms part of the joint United Nations Comprehensive Response to COVID-19. The framework outlines UNIDO's approach to provide assistance to its Member States in response to the crisis.

2. Following the guidance of the host country authorities, the first lockdown in March 2020 caused a great challenge for UNIDO as regular "working from home" or "working remotely" arrangements have so far not been considered as part of UNIDO's human resources policies and procedures. In order to facilitate an immediate continuation of business, UNIDO initially reacted with the activation of its business continuity plan (BCP), which was not fully fit for this situation, while coordinating with the Vienna-based Organizations for common approaches with a main focus on minimizing the risk to the health of personnel and their families. The existing tools and remote access to the IT systems were used, and a limited number of employees were equipped with laptops; and, where existing procedures could not be followed in a "remote working" mode, work processes were changed and workarounds introduced.

3. Further, all official travel and physical meetings were restricted to essential and critical until further notice. UNIDO has also substantially reduced in-person meetings, and almost all communications and meetings are taking place virtually until today, when writing this report.

4. The bulk of UNIDO's operations takes place in the field in the form of technical cooperation projects and programmes. The pandemic affected implementation and monitoring of projects and programmes as the usual modus operandi greatly hinges on physical meetings and presence of UNIDO and project personnel inter alia to provide policy advice to governments and technical assistance to businesses at the shop floor level, hold conferences and trainings workshops.

3.2 UNIDO's COVID-19 response

5. UNIDO responded with a revised approach to provide support to the urgent needs of Member States. In May 2020, UNIDO published the framework "Responding to the crisis: building a better future"

in alignment with the United Nations framework. It outlined the UNIDO approach until end-2021. An update is expected in the second half of 2021, to define the UNIDO service offer for the period after the immediate health crisis subsides. In June 2020, UNIDO launched the "COVID-19 Industrial Recovery Programme" (CIRP) and issued the publication "Responding to the COVID-19 Crisis: Pathway to Business Continuity and Recovery", among others. UNIDO furthermore submitted 41 project proposals in the first call to the United Nations COVID-19 Response and Recovery Multi-Partner Trust Fund (MPTF)¹. This was followed by 31 project proposals for the second call, where 10 were recommended by UNRCs for preselection for potential funding.

6. With regard to service delivery volumes, technical cooperation implementation in 2020 reached \$ 177.7 million, which was equivalent to 95 per cent of the average delivery in the preceding five-year period².

7. It is noted that Member States expressed a strong interest in seeing their needs being addressed through UNIDO's response framework, as underlined in decision IDB.48/Dec.4 "UNIDO's response to the COVID-19 pandemic", in which the Industrial Development Board, inter alia, "(e) Welcomed the comprehensive approach by UNIDO for socioeconomic recovery outlined in the COVID-19 response framework titled "Responding to the crisis: building a better future"; (f) Requested the Director General to engage with Member States, the private sector, and other stakeholders to support the affected countries towards an inclusive and environmentally sustainable recovery from the socioeconomic impact of the pandemic, particularly in the retention and recovery of employment in industries, manufacturing and its associated productive sectors, and the restoration of livelihoods in respective supply chains, in line with the UNIDO COVID-19 response framework and UNIDO's mandate to promote inclusive and sustainable industrial development; (g) Also requested the Director General to mobilize additional, voluntary extra-budgetary resources to this end; [...] (i) Further requested the Director General to provide regular updates to Member States on the implementation of the COVID-19 response framework of UNIDO."

8. It is noted that also the draft substantive input by the Industrial Development Board to the High-Level Political Forum 2021, entitled "Sustainable and resilient recovery from the COVID-19 pandemic that promotes the economic, social and environmental dimensions of sustainable development: building an inclusive and effective path for the achievement of the 2030 Agenda in the context of the Decade of Action and delivery for sustainable development" highlights the Member States' expectations from the United Nations system, and UNIDO in particular. Similar expectations were expressed by Member States in their statements at the thirty-seventh session of the Programme and Budget Committee in May 2021.

4. Objectives and Scope

4.1 Advisory objectives

9. The objective of the advisory engagement is to assess how the pandemic affected UNIDO as an Organization and its core function of technical cooperation, in the selected segment(s) of the TC cycle, with the purpose of identifying lessons learned, areas where improvements are needed, as well as best practices, which may be replicated within the Organization, to improve processes and address any future disruption of operations.

10. Similarly, the advisory shall also seek to identify changes in TC processes, approaches or methodologies that may not have worked effectively and need to be reverted to the pre-pandemic status or modified to make these fully effective to support UNIDO's COVID-19 response approach.

11. The scope and objectives of the advisory were communicated and discussed with senior management and managers for selected business processes through the engagement notification of 25 February 2021, as well as at the entrance meeting on 2 March 2021. The time period covered under this advisory is from 16 March 2020, when for UNIDO the first lockdown was imposed, until 30 June 2021.

4.2 Advisory Scope

12. UNIDO is delivering its assistance to Member States in line with the Organization's four core functions:

(i) technical cooperation; (ii) analytical and research functions and policy advisory services; (iii) normative functions, and standards-related activities; and (iv) convening function and partnerships for large-scale investment, knowledge and technology transfer, networking and industrial cooperation.

13. Considering the limited resources of the internal audit and the evaluation functions, the scope of this engagement was limited to selected processes/functions. In this regard, although the COVID-19 crisis affected all four core functions and UNIDO's response to the crisis contains activities in each function, the scope of this engagement focused on technical cooperation (TC) and contained selected TC and supporting processes.

14. The selection of the TC cycle segments and supporting processes for inclusion in the scope of this advisory engagement mainly considered two factors:
(a) A COVID-19 related analysis of key challenges within each segment/process; and
(b) The input from senior management, on where the

advisory engagement may provide most value added, in line with management's priorities.

15. As a result of the risk analysis and discussions with the management, the following TC processes were determined to be in the scope of this advisory:

(a) Project/programme implementation;
(b) Project/programme monitoring and reporting;
(c) Four supporting processes: IT support to "COVID-19 working from home/ working remotely", TC-related procurement, TC-related payments and the review of staff morale during the crisis period.

16. Out of scope statement: The following areas were considered to be out of the scope of this engagement:

(a) Three core functions of UNIDO: (ii) analytical and research functions and policy advisory services; (iii) normative functions, and standards-related activities; and (iv) convening function and partnerships for large-scale investment, knowledge and technology transfer, networking and industrial cooperation;
(b) The following stages of the TC cycle: Project identification and formulation, Project appraisal and approval and Project evaluation;
(c) All supporting processes, except IT, procurement, payments and HR;
(d) Sessions of the policymaking organs and how managing these during the time of the pandemic was affected.

5. Methodology

5.1 Advisory Engagement

17. This engagement was conducted as an advisory service, in the form of a structured review. EIO advisory services provide non-binding advice relating to governance, control and risk management processes, typically for processes in design or early implementation.

18. This engagement on COVID-19 lessons learned seeks to provide advice and recommendations to the Director General, senior management and/or managers responsible for business processes.

19. Management Action Plans (MAPs) can be agreed with management where appropriate. In such case, they are monitored in the same way as those emanating from internal audits.

5.2 Joint Audit and Evaluation Engagement

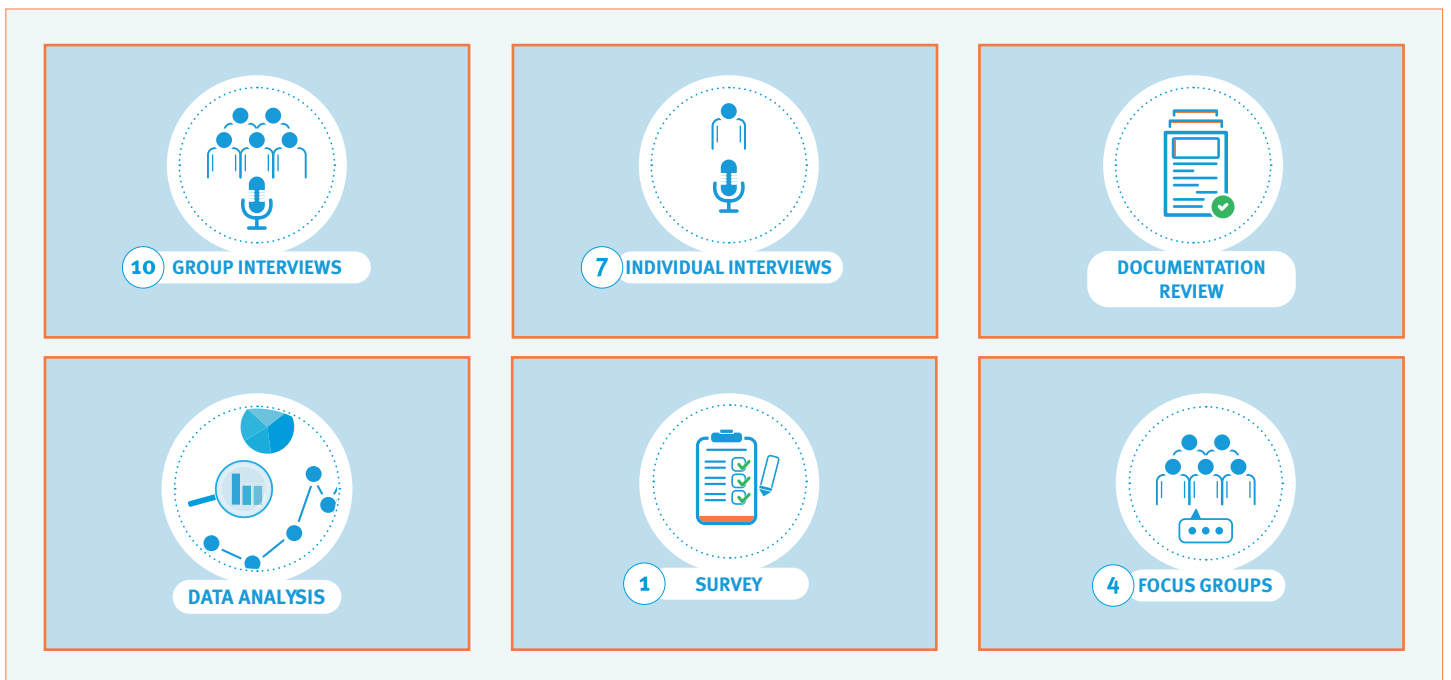
20. This engagement was conducted as a joint activity of the Internal Evaluation and Internal Oversight functions.

21. The engagement is conducted in accordance with the Charter of the Office of Evaluation and Internal Oversight, the Evaluation Policy, and the Internal Audit and Evaluation Manuals.

22. In the planning phase of the present advisory, the engagement team obtained and updated its own understanding of the environment of the COVID-19 pandemic and its effects on the four core functions of the Organization. This helped the team in determining technical cooperation (TC) as the focus area for this advisory. Further to an analysis of key challenges within each stage of the TC cycle (including processes, which support TC implementation), the engagement objectives and scope were established.

23. The field work and data collection included substantive sources and methods, that consisted mainly of group and individual interviews, review of documentation, sample testing,, analytical procedures and data analysis, carrying out a UNIDO-wide survey, and holding four focus group discussions³. The engagement team determined suitability of each method based on the nature of the activities, processes and transactions within each area and the nature of evidence expected to be produced by these activities, processes and transactions.

PROCEDURES PERFORMED



STAY

HOME

6. Lesson learned

6.1 Lesson 1: UNIDO proved that it can work remotely

24. As described above, during 2020, UNIDO personnel were requested to work from home in periods from 16 March to 18 May and starting from 2 November until the time of finalization of this report. Between the two periods, namely from 18 May until 2 November, personnel were gradually returning to working full time in the UNIDO premises. Although UNIDO does not have a policy for working from home/working remotely, this measure was implemented following the recommendation of Austrian authorities which encouraged telework whenever possible. The Human Resources Management (HRM) followed the regularly updated “Administrative Guidelines for Offices on the Novel Coronavirus (COVID-19) pandemic”⁴, issued by the Chief Executives Board (CEB) Human Resources Network.

The experience from the COVID-19 crisis provides a solid foundation for the introduction of teleworking in UNIDO. Institutionalizing the remote working/working from home modus operandi at UNIDO is unlikely to lead to a decrease of productivity and can provide benefits in terms of efficiency, potential savings, flexibility, as well as staff morale.

25. Based on performed interviews, the survey and data analysis⁵, the advisory team can conclude that there was no major negative impact of the working from home/working remotely arrangements on the delivery of the supporting processes, which were within the scope of the advisory (IT services, procurement, payments).

The Organization allowed remote work outside the duty station in specific and compelling circumstances linked to COVID-19. This was used by 56 employees over the time period from November 2020 to 15 July 2021, mostly for short periods. At the moment, remote working is still in place for field duty stations where return to work has not been authorized by the lead agency, due to the COVID-19 situation.

26. With regard to the project implementation, the implementation rate for 2020 is circa 7% lower than for 2019 (measured by expenditures⁶). However, when assessing the project implementation in 2020 it needs to be taken into consideration that the project implementation rate refers to financial implementation, and not to implementation in terms of outputs and outcomes.

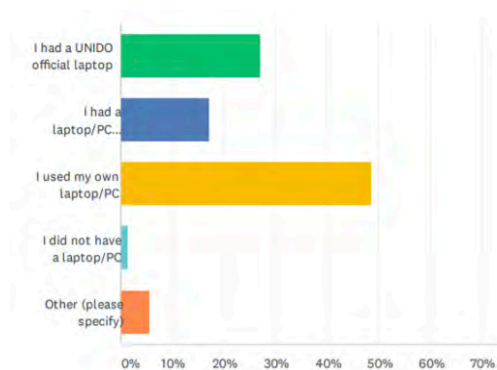
27. It was also noted that the current calculation of the implementation rate includes all obligations registered in 2020, no matter if goods and services are delivered in the same year.⁷

28. With regard to the impact of teleworking on productivity, the Organisation for Economic Cooperation and Development (OECD), recently issued a paper as part of its OECD Digital Economic Papers series, on measuring telework in the COVID-19 pandemic⁸. The paper cites research in the United Kingdom, according to which there is “no objective evidence on the relative productivity of knowledge workers based at home or in the office, so it is necessary to rely on reported productivity impacts as perceived by employees and employers.” Further, the paper brings together information and data collected in the United States, Canada and the UK, which show that the vast majority of teleworkers reported being at least as productive at home, as they were previously at their usual place of work.

29. Based on the interviews and focus group meetings, general feedback from the staff suggested that the productivity during the work from home period in UNIDO was generally not affected, which is consistent with the OECD research results. However, in many cases, the workload at UNIDO increased significantly, particularly for the functions which, besides regular activities, performed additional and different crisis-related tasks (including HRM, BMS, and ITS). This impression also coincides with the OECD paper’s conclusion that “There is some evidence that teleworking can be associated with longer working hours and also with working more during the evenings and the weekends.”

FIGURE 2. SURVEY QUESTION Q17

Q17. WHICH OF THE FOLLOWING BEST DESCRIBES YOUR SITUATION WITH REGARD TO WORKING FROM HOME/ REMOTE WORKING EQUIPMENT?



30. Based on the interviews conducted, it can also be concluded that the business continuation described above, to a large extent, rests on the **personal initiative and enthusiasm of personnel**, the agility to amend operating procedures where needed, and to some extent on **improvisation and adjustments of processes on the go**. In terms of IT system and equipment, it is important to note that business continuity was maintained by ITS on one hand (see the following section) and on the other hand with the self-support of UNIDO personnel, who arranged by their own a substantial part of the technical equipment that

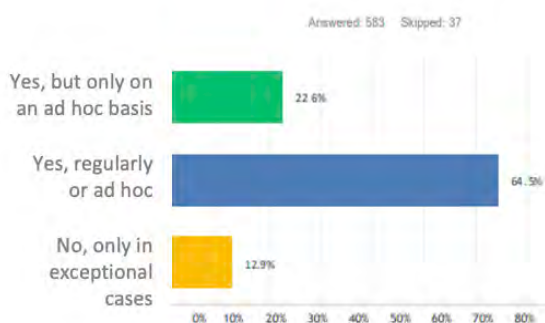
was necessary for “remote working”.⁹

31. In August 2020, the Working Group on Family-Friendly Policies and Flexible Working Arrangements (the Working Group) was established to review flexible working arrangements (including teleworking) and recommend a draft policy for consideration by the Joint Advisory Committee (JAC). The Group drafted a Policy on Flexible Working Arrangements and submitted it to the JAC in September 2020, for approval. The Policy was drafted based on best practices of other UN institutions, as well as input received during consultations with UNIDO staff and information from the Staff Services Survey organized in June 2020.

32. Based on this Staff Services Survey and interviews conducted during this advisory, expectation of personnel is that working from home/remote working can be institutionalized, as one of the key lessons learned from the COVID-19 crisis.

FIGURE 3. THE STAFF SERVICES SURVEY (JUNE 2020)

Q37. WOULD YOU PREFER TO BE ABLE TO WORK REMOTELY IN THE FUTURE?



33. According to the research of the Working Group, UNIDO would join other UN agencies in further enabling the flexible working environment with the

introduction of teleworking as part of “alternative working arrangements”.

34. The importance of having established rules for working from home/working remotely are evident in cases of a potential future crisis and situations similar as the COVID-19 pandemic. However, as learned from the interviews, the benefit of introducing the possibility to telework both from, and/or outside the duty station reaches beyond emergency and crisis situations.

35. The Joint Inspection Unit (JIU) already in 2012 noted that “virtually all the organizations¹⁰ claim to have adopted flexible working arrangements, inter alia, for employee retention purposes, to attract new talent, to reduce unplanned absenteeism, as well as to increase or retain productivity, while offering staff more flexibility.”

36. The United Nations are already in the process of further refining their flexible working policy on the basis of best practices and lessons learnt. The Chair of the Task Force on the Future of the UN Workforce presented during the session¹¹ of the High-Level Committee on Management (HLCM) from 25 to 26 March 2021 an updated Flexible Working Model Policy: “The Model Policy is based on a people-centered approach that takes into account gender parity, diversity and inclusion; fairness and transparency in decision-making; resourcing and support to staff and managers; flexibility for field context; ecological responsibility. It was agreed that the HLCM working group will refine the Model Policy according to comments received and share an updated version for endorsement by HLCM members.

37. In addition to this, during interviews and focus group meetings conducted as part of the engagement that setting clear rules of remote working in UNIDO

AREA FOR IMPROVEMENT 1

Senior management should consider adopting teleworking as part of the flexible working arrangements, providing the policy framework, and keep developing and innovating to incorporate modern and up-to-date working models.

would help managers in decision-making and would enable equal and transparent treatment of employees' requests for working from home/remote working.

38. There are still challenges with teleworking that need to be addressed, such as

- Measuring performance remotely (i.e. switching from attendance recording to results-based performance management);¹²
- Regulating teleworking (both within and outside of Headquarters/duty stations);
- Provision of IT equipment to personnel, or usage of own equipment for working from home/remote working.

6.2 Lesson 2: Digitalization of processes generates efficiencies, flexibility and agility, and contributes to overall resilience

39. The advisory team found that during the crisis, **processes, which were supported by existing IT systems, and processes, had fewer challenges with remote working modalities** than the processes, which are not integrated in the system and thus are predominantly or partially manual. These latter processes, such as invoice processing in the Headquarters, project monitoring and reporting, or parts of the procurement process, which involved hand-signatures and physical presence, needed to be adjusted in order to continue providing services.

40. In this context, there were several digitalization initiatives being implemented or initiated during 2020-2021, such as the Vendor Invoice Management (VIM) system, workflow for financial disclosure in the SAP, introduction of the UNIDO Service Portal, its expansion to cover advocacy and communication services, RBM-related internal issuances, guidance material and platforms for queries, as well as the Full Cost Recovery timesheet (CATS) approval workflow.¹³

41. While such digitalization of processes may be initiated or intensified due to COVID-19, it is part of a bigger picture, as outlined in the “Medium-term programme framework 2022–2025” and “Programme and budgets 2022–2023”.

42. According to the MTPF 2022-2025¹⁴ “Further strengthening of ICT infrastructure and digitalization of activities will enhance transparency, cost-effectiveness, accuracy and efficiency in the Organization, support new ways of working together within UNIDO, as well as with partners and stakeholders, and support business transformation in priority areas such as full cost recovery and operationalization of RBM (results-based management) systems, among others.” Within the programme and budgets 2022-2023, the digitalization of business activities and tasks, is recognized as one of the ICT activities, which will contribute to “Result 5. Excellence of corporate services and operations”, by “lowering transaction cost, providing improved (digital) records and making them faster and more accurate.”¹⁵

Remote communication tools and virtual formats offer great opportunities in terms of flexibility, easier and wider reach of stakeholders, as well as cost savings. UNIDO gains valuable experience with such formats particularly with training, capacity-building, virtual meetings, virtual project site visits, which can be retained as good practice and used wherever appropriate.

43. Virtual trainings and meetings are also part of

the COVID-19 heritage and expected to stay. Based on the ITS data received, during 2020, 6.285 Zoom video meetings were organized through ITS and individually from 1 May to 31 December 2020. This year, for the period from 1 January to 19 May 2021 so far a total of 5.070 Zoom sessions took place.

44. Based on interviews and inputs received from focus groups, virtual meetings were apart from e-mails, the main communication channel used in working from home/working remotely mode. Various benefits of virtual meetings were mentioned by interviewees: efficiency, lower costs associated, and easier to reach participants in different locations etc. During the year 2020, the use of virtual formats revealed the potential opportunity for travel cost savings. Based on the report of the External Auditor for 2020 “the budget for official travel was underutilized by €1.0 million of the final [regular] budget in 2020. This was due primarily to savings realized through targeted efforts to use information and communications technology instead of physical travel to conduct business due to the COVID-19 pandemic.”¹⁶ Several interviewees expressed their opinion that efforts should be made to retain the advantages and benefits of an increased use of virtual tools and meetings. In this context, it is recommended for the Organization to review the internal demand for Zoom accounts (from both HQ and field offices) and ensure that there are sufficient accounts, so that the meetings at Headquarters and in Field Offices can be organized easily and efficiently.

45. In terms of travel, there is a need to reconsider which travel is sensible and justifiable in terms of, inter alia, cost reduction, climate impact and/or efficient use of human resources. However, the emphasis on expenditures as a measure of project implementation could be seen as an indirect incentive to travel, even when this is not necessary.

46. It also should be noted that the usage of remote communication tools, such as video calls, photo and video recordings for project site monitoring, and verification of equipment, proved feasible and useful, albeit only to a certain extent.

47. While usage of virtual conferences (Zoom, Skype, FaceTime) has shown numerous benefits, virtual meetings, have created an additional workload and “Zoom fatigue” for some personnel during the COVID-19 crisis. In this context, UNIDO may want to more closely examine available studies, research or surveys as to the actual effectiveness (in terms of learning results, application of new knowledge at work behavioural change) of virtual formats compared to traditional ones. In some processes face-to-face interaction may still be a more beneficial and efficient way of communication. For example, on-site visits to the project sites provide project managers and consultants with additional information, facilitate relationships with stakeholders and enable recognition of future project opportunities.

FIGURE 4. NUMBER OF ZOOM MEETINGS.

Zoom meetings	Arranged by ITS	Individual Sessions
1 May - 31 Dec 2020	2.352	3.933
1 Jan - 19 May	1.465	3.605

AREA FOR IMPROVEMENT 2

Area for improvement 2: Management should support initiatives to further enhance digitalization as well as implementation of electronic workflows in SAP and in corporate systems (including the UNIDO Service Portal) as much as resources allow. It is also suggested that process owners are requested to continue analysing respective work processes with a view to creating digitalized and integrated workflows where possible and appropriate.

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6.3 Lesson 3: The process of moving away from hard copies and hand-signatures should be continued

48. At the very beginning of the COVID-19 crisis, in the first lockdown already, it became evident that processes, which involve hard copies and hand signatures will need to be modified so that the business continuity is ensured during the working from home/ remote working regime.

49. Based on interviews conducted with staff from Procurement, Finance, HRM and IT Services, their respective processes switched quite quickly to electronic alternatives: e-mail approvals instead of hand-signed approvals; workflows in the system, where possible; scanned signature (Adobe) or signing, scanning and sending the advance copy and original later on, as mostly done for contracts with third parties.

50. Already on 17 March 2020, the Department of Finance issued “Standard Operating Procedures (SoPs) for the period 16 March – 3 April 2020¹⁷”. These applied to all requests and processes¹⁸ that normally included dealing with hard copies, and described an alternative (digital) way of performing tasks. Under these new SoPs, instead of hard copies, e-mails, scans and pdfs were accepted; approvals and decisions were to be communicated by e-mail, instead of through signed hard copies. Such initiatives were also noted in other processes, such as procurement and fixed assets management. However, for these two later areas, no SoPs or other Organization-wide guidance, except for individual e-mails instructions, were issued.

51. Considering that Information and Communications Technology Policy¹⁹ already provides a good basis for the usage of workflows, as it stipulates that “electronic approvals carry the same validity as paper-based signatures” and UNIDO e-mails, which “can be reasonably expected to originate from the indicated sender”, hard copies should be gradually phased out from internal communication within UNIDO. The advisory team is of the view that it would be a missed opportunity, if already changed and digitized processes would go back to hand-signatures as soon as the majority of personnel will work again from Headquarter offices (as similar experience was shared by interviewees, with regard to some types of IOMs, at the end of the first lockdown). In terms of transition from hard copies to electronic documents, the questions of monitoring workflows, storage, availability, archiving and retention of files should be duly considered.

Gradual move towards electronic, approvals and signatures would increase efficiency of the processes, flexibility in terms of teleworking and ensure easier storage and trailing of documents.

52. When it comes to signing documents with third

parties (suppliers, employees, donors etc.), there were two temporary solutions used in 2020, when physical signing of third-party documents (contracts) was not possible: signing with scanned signature (Adobe) or signing, scanning and sending the advance copy and original later on. Considering the risks and efforts associated with these solutions were not acceptable in the long term, an informal work group composed of staff from CMO/OSS/ITS and ODG/ETR/SDR was established to research and propose a suitable long-term solution for replacement of handwritten signatures on contracts and other relevant third-party documents. Based on a presentation made by CMO/OSS/ITS, on 23 April 2021²⁰, there are currently two solutions which are discussed to be implemented simultaneously: DocuSign, which is a solution by an industry leader, implemented in 180 countries and already used by some of United Nations entities and UNIDO suppliers; and Handy Signature, an e-signature solution offered by the Government of Austria. DocuSign is already used in a piloting phase for ITS and purchase orders in the procurement. As also presented by CMO/OSS/ITS, a Policy on the Use of Digital Signatures, in the form of an Administrative Instruction was drafted and is currently being consulted among relevant stakeholders within UNIDO and the Office of Legal Affairs. The introduction of digital signatures would increase efficiency and flexibility in dealing with third-party agreements. It would also help mitigate risks related to the currently used scanned signatures in Adobe, where the possibility of copy-pasting and misusing of someone’s signature exists. Specific use cases for digital signatures for third-party related documents should be identified.



AREA FOR IMPROVEMENT 3

Process owners should be encouraged to fully replace hard copies, hand signed internal documents with electronic workflows and e-mail communication. For third party related documents, features and usage possibilities of different electronic signature solutions should be presented to all process owners, so that they have a sound basis to select an adequate solution. A corresponding policy and instructions should be issued, in which the characteristics, usage and rules on electronic and digital signatures are to be defined.

6.4 Lesson 4: Consistent investment in the modernization of IT infrastructure, services and creation of “mobile workplace” increases readiness in the crisis situation

53. In 2018, in line with the medium-term investment plan, 2018–2021 (PBC.34/8), an investment of EUR 400.000 in UNIDO ICT Headquarters’ central server equipment was approved²¹. This enabled an up-to-date, secure, stable, and reliable infrastructure for all critical IT systems including ERP/SAP and e-mail. Based on the interview with CMO/OSS/ITS, this system upgrade proved to be critical for enabling UNIDO personnel at large to work remotely during the COVID-19 crisis in 2020 and 2021. As pointed out by CMO/OSS/ITS, further investments would support flexible and scalable IT Services with increased security and provide for a switch to cloud solutions and deployment of Microsoft 365. Moving to cloud services would allow for adopting the “pay as you go” business and payment model, which permits end users to utilize computing resources as needed and is fully flexible when it comes to remote working. Based on the JIU’s report on cloud computing systems in the United Nations system issued in 2019 “Cloud computing maximizes the utilization of computing resources and reduces the operation and maintenance costs, especially during off-peak times. In addition to reduced acquisition costs, agencies may also be able to reduce ICT operating expenses by avoiding the cost of system upgrades, if new hardware and software is included in the cloud contractual agreement.”²² Flexibility of cloud-based services and “pay as you go” systems is particularly important in crisis such as COVID-19, where the continuity of business depends heavily on the flexibility and scalability of the IT system. The example of UNIDO’s Adobe Acrobat Pro licenses could be good to illustrate why “pay as you go” systems offer more flexibility: UNIDO has about 300 licenses for Adobe Acrobat Pro²³, the software used for advanced editing of pdf documents, which is regularly, if not daily, used by certain functions in the house. During the working from home/remote working period, only about 50 of these licenses could be used, as these were installed on UNIDO laptops, while the remaining 250, installed on PCs in the offices, could not be used.

6.4.1 Enabling mobile workplace

54. While the investment in infrastructure, as mentioned above, is the “sine qua non” for a flexible working place environment, there are two other indispensable key components:

- Mobile equipment (laptops, headsets, cameras, mobile phones/ software phones);
- Adequate and accessible electronic archives for documents.

55. As experienced during the COVID-19 crisis, the

biggest challenge, in establishing a remote workplace environment was the lack of mobile IT equipment, primarily laptops, but also screens, cameras and headsets. In addition, the access to shared drives and OpenText to store and retrieve documents were mentioned as areas, which needed improvement.

56. In a regular business mode (before COVID-19 crisis), UNIDO personnel works mainly on desktop PCs, with a limited number of laptops used by staff members during field missions. During the COVID-19 crisis in 2020 and 2021, the following equipment, financed through the regular budget and project funds, was in use:

57. Within the “other equipment”, financed from regular budget resources, mostly docking stations were procured, while within the Technical Directorates diverse equipment was bought through project resources, such as cameras, smart glasses, and drones.

FIGURE 5. IT EQUIPMENT FOR REMOTE WORKING IN UNIDO.

Regular budget Projects				
Type of equipment	Before Mar 2020	Mar 2020 to Apr 2021	Before Mar 2020	Mar 2020 to Apr 2021
Laptops	88	64	73	53
Tablets	30	1	11	7
Total up to April 2021		183		144
Other equipment	0	59	25	27
Total up to April 2021	0	242	25	171

58. If the total number of 327 laptops is compared with the total number of UNIDO personnel: 692 staff members and 1,508 consultants²⁴ it is clear that the vast majority of personnel (85%) used their own equipment for work throughout the last year until now. While the usage of own equipment for work (often referred to as a “Bring Your Own Device” or BYOD in the private sector) is not regulated at UNIDO, this situation bears a number of risks related to information and IT security. Absent a BYOD policy (either as a stand-alone or relevant provision in existing policy), there is no legal framework that would spell out personnel’s rights and responsibilities, that would include IT monitoring, breaches of UNIDO data and information, or access of UNIDO to private devices/data in cases of data breaches or misuse for example.

59. Personnel interviewed reported also that during the crisis period the possibility to make quick phone to colleagues, which is important for certain processes, was either lost or relied mostly on private mobile phones of personnel²⁵. In this context, expanding the use of Avaya softphones to private equipment or providing additional business mobile phones to personnel, could be explored in order for personnel

not to lose this important communication channel when working from home or working remotely.

Lesson related to the Technical Cooperation

6.5 Lesson 5: UNIDO's mandate and expertise proved to be relevant for immediate crisis support and early work on economic recovery.

60. Despite being a development agency with no humanitarian mandate, during COVID-19 UNIDO's expertise was in high demand by partners, including donors, Government counterparts and industry. UNIDO's response to COVID-19 demonstrated that the mandate and services of the Organization are very relevant.

61. During the pandemic UNIDO received a considerable number of requests²⁶ for COVID-19 related assistance, most of which were within UNIDO's mandate, for example strengthening the local production capacities for personal protective equipment or developing protocols for safe industrial operations in a COVID-19 context.

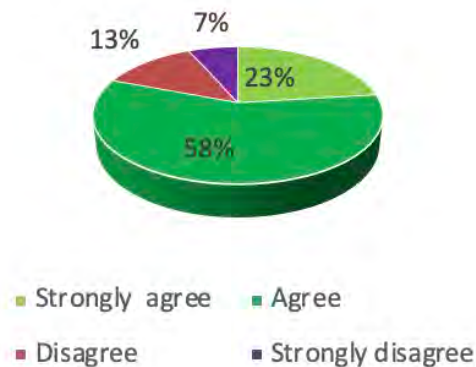
62. More than 80% of survey respondents who expressed an opinion on the subject confirmed that UNIDO partners appreciated the Organization's expertise for COVID-19 assistance and 70% confirmed that Member States' and partners' expectations were met by the assistance provided.

63. In the context of the United Nations Reform and joint work with other agencies, UNIDO's participation in multi-agency crisis response projects is an important contribution towards economic recovery. More than 50 COVID-19 specific project proposals were developed during the crisis²⁷.

AREA FOR IMPROVEMENT 4

UNIDO management should continue to support investments in modernizing IT infrastructure (hardware and software) to provide for flexible, scalable and secure IT environment. The strategy of gradual transfer from fixed to mobile working place would be the key factor for efficiency, resilience and agility of the Organization in crisis, as well as in "regular" mode.

FIGURE 6. SURVEY QUESTION 6 – DID UNIDO PARTNERS APPRECIATE UNIDO'S EXPERTISE FOR COVID-19 RESPONSE?



64. Key technical staff involved in project management clearly sees that the UNIDO mandate, strategy and donor relations are the key reference points for technical cooperation, even in crisis. Interviewees were of the view that moving away from the Organization's mandate, (e.g. providing emergency assistance for procurement of face masks), existing agreements or strategic priorities to address short-term or immediate gaps in crisis, would not be in line with the need for concerted and complementary response efforts within UN country teams, and may create false expectations on stakeholders.

6.6 Lesson 6: The absence of a clear crisis strategy and adequate crisis procedures and protocols slows down UNIDO's COVID-19 response

65. With regard to technical cooperation, no specific strategic crisis management was established. As a result, those involved in developing technical cooperation initiatives for UNIDO's response to COVID-19 did not benefit from concrete guidance on the type of support UNIDO should offer. Consequently, reporting on response was more bottom-up driven than top down, responding to the individual requests received at Headquarters and in the field.

66. Technical staff and project managers involved expressed that an Organizational response strategy, beyond UNIDO's COVID-19 response "Beyond the crisis: Building a better future" of May 2020", would have been very useful for a clearer position on what UNIDO can and should offer.

67. While financial implementation of TC was not highly affected by the crisis, the use of existing projects for crisis response did have an impact on the achievement of original project objectives. Interviewees, survey results and observed high numbers of requests for project extensions confirmed that on average there is nine months to one year delay with regard to achievement of results.

68. More than 65% of survey respondents agreed or strongly agreed that progress towards results was affected substantially by the outbreak of the pandemic.

69. UNIDO does not have a "fast track" process for project approvals, which is especially needed in a situation like the COVID-19 pandemic. At the moment, there is still a requirement for a full concept stage, followed by a project document stage, independent of the nature of the proposal (crisis or not). The formulation of a crisis response strategy and procedures could be used to allow fast track approvals for projects that fall within the criteria defined in the strategy. It was mentioned in interviews that, for example, a crisis fund to support speedy project development might further contribute to timely crisis response.

70. Several comments received during interviews and focus group meetings pointed towards a comparative disadvantage of UNIDO's centralized appraisal and approval processes. While other more decentralized UN agencies have procedures in place that allow for local and swift project signing in the field, an adequate procedure would be desirable also for UNIDO in crisis situations.

71. As the UNIDO response to the immediate needs of Member States was more of a bottom-up initiative, there was a significant number of actors who, each on their own, and in their own TC area created, re-purposed, and modified projects to serve Member States' needs. In this process, centralized data gathering was rather random and not comprehensive. As a result, a list of all projects financed by the UN COVID-19 MPTF was compiled, but no overview is available of all COVID-19 related new projects (from various funding sources) and re-purposed projects.

72. Different UNIDO offices developed a considerable number (approx. 50) of projects' proposals for specific COVID-19 related technical assistance. In particular, six (6) new projects were funded through the UN COVID-19 MPTF fund, for a total of USD 1,368,530²⁸ in line with the average net amount transferred to other comparable UN agencies. UNICEF and UNDP largely benefitted from the access to the fund.²⁹

73. While it was felt that the intranet page on the COVID-19 response³⁰ provided a much appreciated space for coordination and information-sharing within the Organization, linked to a large number of internal response documents and messages, as well responses by the UN system, in OpenText, it was felt that the provision of TC-related project and strategic related information to ODG/SPQ/SPC, was random and a non-planned activity, as such a role is not contained in the description of the division's ToR during the crisis, which focused only on intra-agency coordination. Such timely internal coordination and collection of information in the future would make a strategic response of UNIDO easier.

74. The fact that not all information on emerging project proposals is fed into the online systems (SAP) in a timely manner further complicates effective monitoring.

AREA FOR IMPROVEMENT 5

A development intervention strategic guidance for crisis situations, should be developed, to establish relevant mechanisms for future crisis situations. This guidance should be based on and provide the following items:

- Adequate consultations and engagement with key TC stakeholders (HQ and Field) to respond effectively in a crisis context (including new opportunities for TC);
- Adequate procedures and protocols (including fast track procedures), to ensure agility in response as needed, in particular in the new UNCT context;
- Adequate monitoring and reporting mechanisms, to assess progress, any success or/and failure of interventions, and to adjust the strategic response based on evidence.

AREA FOR IMPROVEMENT 6

The experience gained in the process of development of project proposals for the UN COVID-19 MPTF fund should be analysed, including participation of those staff members involved, with equal participation from HQ and Field Offices, with a view to developing guidance for successful participation in future crisis situations.

R I S I S

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6.7 Lesson 7: Agility, which is particularly important in crisis, is increased with decentralization

75. As gathered from the interviews and the survey conducted, the role of field offices changed. They took over some activities within project initiation, implementation and monitoring, as well as procurement, due to travel restrictions for HQ staff and international consultants. In this respect, during COVID-19 caused lockdowns, certain decentralization and delegation had to be undertaken to ensure business continuity.³¹

76. Interviewees reported that recruitment of national consultants was unnecessarily centralized and cumbersome.

77. Although the decentralization of activities and decision-taking provided for quicker response and increased responsiveness and agility, the overall opinion was that field offices need to be better equipped in terms of capacities, personnel and competencies to take over such duties, as reported above, in the long term, if the intention is to further empower field offices towards a less centralized approach.

78. With the United Nations development system (UNDS) reform gaining traction the crisis response is primarily defined within United Nations country teams (UNCTs). For that, UNIDO's procedures and resources at field offices, including qualified human resources, have not always been sufficient to participate successfully in UNCTs.

79. Not all UNIDO Representatives (URs) have experience in project implementation, which becomes a problem in crisis situations when local staff needs to take over some of the HQ duties. The strengthening of field office capacities as well as decentralization and delegation are generally also foreseen by the UNDS reform.

80. Currently, the UNIDO procedures introduced for local recruitment and local travel of (national) consultants are rather cumbersome, requiring a 4-step approval from project manager (PM), to Chief, to Director to Managing Director, when in reality a green light from a UR or UNIDO Country Representative (UCR) or Resident Coordinator (RC) should suffice.

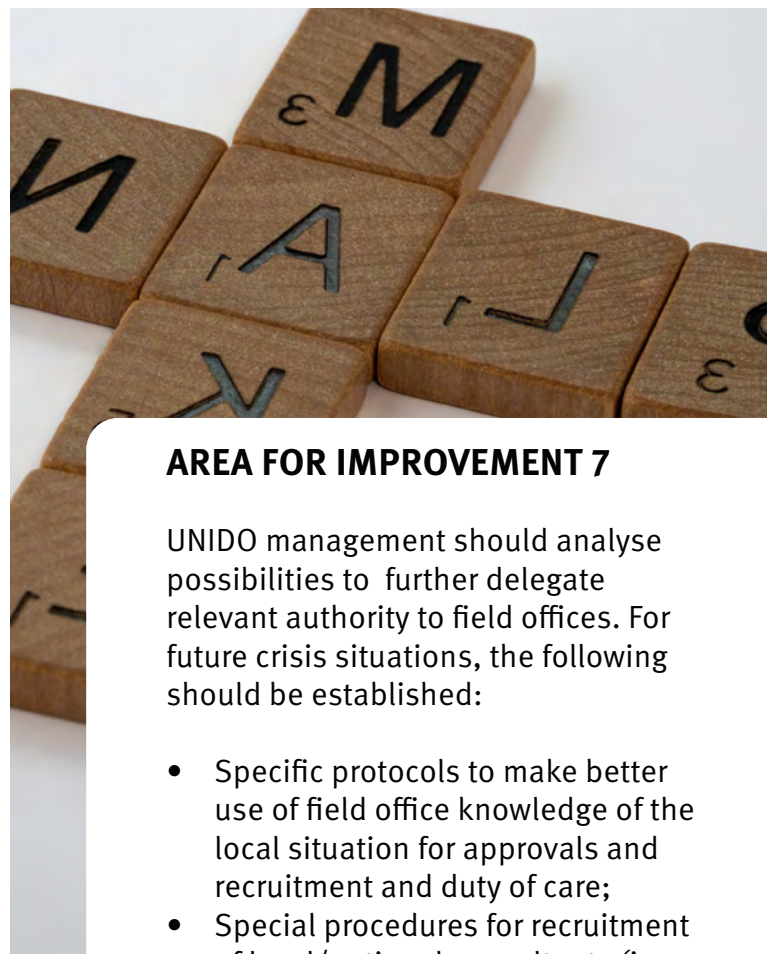
81. During the COVID-19 crisis, with lockdowns and travel restrictions world-wide, UNIDO has turned to national experts to ensure the business continuity. However, the national experts are offered less attractive remuneration packages compared with other agencies and with offered to international experts, even when equally qualified, which decreases the attractiveness of UNIDO as an employer for local experts.

82. It was also noted that the approval of local

travel for staff in field offices has been cumbersome. In situations where no local travel restrictions were imposed, the travel had still to be approved by the Director General. It was felt that there should be a flexibility in approving local travel in countries where the situation allows travel.

83. Another aspect discussed during focus group meetings was the role of UNIDO (Country) Representatives to effectively discharge of their duty of care (for UNIDO personnel, projects and assets) within a coordinated one UN approach appropriate to respective countries (through respective UNCTs, UNSMTs etc.), including, as appropriate, amendment of ToR for field offices and field office personnel.

84. At project level, the current requirements for formal repurposing ongoing projects were reported to be an important barrier affecting UNIDO's capacity to provide a quick response, since they were not prepared for crisis context and are also tied to donor regulations. However, a large part of the overall Organizational response to COVID-19 seems to have happened within ongoing projects without the need for formal re-purposing through budget revisions and related approvals, indicating that the existing built-in flexibility in TC project is an important mechanism to facilitate timely crisis response.



AREA FOR IMPROVEMENT 7

UNIDO management should analyse possibilities to further delegate relevant authority to field offices. For future crisis situations, the following should be established:

- Specific protocols to make better use of field office knowledge of the local situation for approvals and recruitment and duty of care;
- Special procedures for recruitment of local/national consultants (in crisis context), to facilitate quicker response from the ground, and an adequate mix with remote work from international experts (when restriction of travel for international experts is in place).

6.8 Lesson 8: While the working morale was not highly affected by the COVID-19, adequate and timely communication in crisis remains to be the key for staff well-being and building a culture of trust

6.8.1 Work morale in crisis

85. From the survey results, when asked how, overall, compared to pre-COVID times, the personnel's own working morale and motivation level was almost 45 % of participating staff in the survey responded that their level of work morale and motivation did not change in comparison to pre-COVID times.

86. The individual and group interviews conducted during this advisory revealed a somewhat different picture, where interviewees mentioned feelings of insecurity in terms of work and personal health and that of family members, including the loss of close relatives due to the pandemic, and various difficulties related to work overload, increased home duties, support with home schooling and lack of social interaction.

87. The focus group managed to combine these two outcomes in one conclusion: personal moral and mental wellbeing is a separate category from work morale and motivation. While the challenges and difficulties in the COVID-19 crisis have been huge, working morale was not much affected. Being active at work in some cases even helped people to deal with other difficulties.

88. The conclusion of the focus group is plausible and can be considered as valid, particularly if compared to the survey results and input from interviews with the field office managers. Still, the influence of the pandemic on personnel's wellbeing at large should be closely monitored and managed where possible.

89. The predominant issue recognized in terms of personal staff morale, based on several interviews, is an increase in work load, or even overload in some groups of personnel. The original common understanding on office hours and core hours, that would require presence, appears to be lost. There seem to be "no time limits in terms of office hours when working from home" and an expectation that personnel should be reachable and available at all times. Further issues mentioned by staff are the proliferation of virtual meetings and an overall feeling of insecurity.

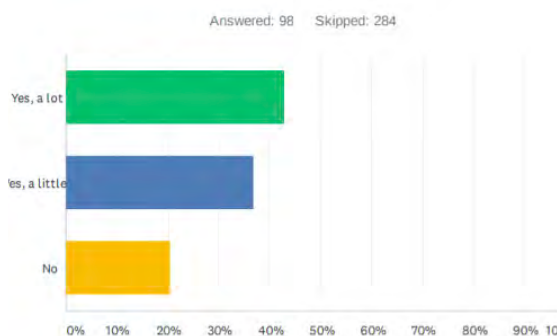
90. In this context, the Department of Human Resources Management (HRM), the Staff Counselor and the Staff Council organized various training sessions, including experience sharing sessions, trainings and advice on mental health, all of which were very positively acknowledged by staff. Not all staff took advantage of the offers, but they were very content about their existence. They felt assured that in case they needed help, they have the established

support channels and structures.

91. The Staff Counselor multiplied efforts to be available for personnel in need of counseling as well as, in coordination with HRM, the Medical Service and the Staff Counselor Office in New York, intensified communications to personnel on issues relating to managing work during the crisis, establishing boundaries, setting healthy habits etc.

FIGURE 7. SURVEY QUESTION Q24.

DO YOU HAVE PREVIOUS EXPERIENCE IN MANAGING PEOPLE REMOTELY?



6.8.2 Managing remotely

92. The topic, which appeared in several interviews and was also taken up by the survey and the focus group, is "managing people remotely". While some personnel in functions, such as project implementation, was already used to remote people management due to nature of their job, many managers found themselves in such a situation for the first time. Based on the survey results, more than 55% of managers have no or little experience with remote management.

93. In general, some managers continued with their usual managerial style and some intensified communication with their respective teams, despite increased workload. The latter was perceived as beneficial in terms of both performance monitoring and keeping staff motivation and team spirit high.

Some examples provided by interviewees demonstrated that where managers and team leaders practiced inclusive management styles based on increased communication with teams and individual team members, staff morale, motivation and performance were not strongly affected despite personal challenges and hardships encountered.

94. In May 2021, CMO/HRM and the Staff Counselor organized a first training session for managers on the challenges of remote management, which is a positive development and should be further exploited. At the same time, a session on the topic of self-management is organized for all personnel, which is highly relevant.

95. Additionally, the CMO/HRM/Learning Team

compiled a learning booklet³² containing links to free online courses, which are recommended as a support to the continued remote work.

96. In general, personnel appreciate the initiatives undertaken by CMO/HRM and Staff Counselor, and their great efforts during the crisis. They feel that personal staff morale is well taken care of. However, it was acknowledged that due to increased workload, not all personnel were able to take the advantage of the offered trainings and support.

6.8.3 Role of communication in crisis

97. Based on the interviews with personnel, the survey and the focus groups, timely and adequate communication was singled out as particularly important for staff morale, feeling of security and general team cohesion. When it comes to “middle level”, i.e. direct managers’ communication with their teams: increased communication by managers is very appreciated and desired, including both, regular staff meetings, where work related subjects are discussed, and informal meetings, organized for the mutual support and overcoming social isolation. Based on the assumption that participation in informal and unofficial meetings is on a voluntary basis, personnel appreciate the opportunity of being informed on work-related matters while socializing at the same time.

98. As relates to administrative communications relayed by HRM on working arrangements during the crisis, there was an appeal from personnel to management for informing staff on the upcoming working arrangements more in advance (instead of every two weeks at the eve of the elapsing period, at least monthly, or if possible, quarterly) to allow for better personal planning. Admittedly, the communications depended on coordination consultations between

the VBOs, through the CMT, on the basis of measures issued by the local authorities.


99. Communication from senior management (“tone-at-the top”) was also mentioned in interviews as an important aspect for giving personnel an overall feeling of security, inclusion and motivation. In this context, it is to be noted that the Director General addressed all UNIDO personnel in a message dated 17 September 2020 in which he stressed that personnel’s health was of utmost importance and took the opportunity, at the thirty-seventh session of the Programme and Budget Committee, to acknowledge that “resilience, perseverance and commitment of staff have been relentless”. He recognized in particular those staff members who themselves were infected by COVID-19. He noted that as of 25 May 2021, a total of 74 UNIDO staff contracted COVID-19, with at least 42 staff stationed in field offices.

100. According to the International Labor Organization’s (ILO) Practical Guide “*Teleworking during the COVID-19 pandemic and beyond*”, such communication from the top contributes to building trust and impacts organizational culture positively. “*For example, organizing weekly online town hall meetings, during which senior leaders address the entire workforce, with up-dates and answers to questions, have proven to be vital in building and maintaining trust.*”³³



AREA FOR IMPROVEMENT 8

For crisis times, management should develop a strategy for internal communications with all personnel, thereby ensuring adequate content, timeliness and frequency of top management communications with a view to engaging and motivating personnel, and building a culture of trust. For this purpose, workshops and trainings in relation to remote working and management, as well as mental health during crisis should be enhanced. Particular emphasis should be laid on a tailor made, interactive training framework and providing guidance on appropriate management styles and observing boundaries, customized to all levels of the Organization, including field offices and giving due consideration to inclusive communication and additional needs.



Annexes

Annex 1. Procedures performed during advisory

During the fieldwork phase the advisory's team performed:

- **Documentation review and data analysis**

- **Interviews:**

A total of 33 staff members and ISA holders were interviewed in 10 group and 7 individual interviews.

- **Focus Groups:**

There were 4 focus group meetings with a mixed number of participants per group between 4 and 7 people. All together 21 staff participated in focus groups.

- **UNIDO wide survey:**

382 staff members and ISA holders participated the survey, including 220 regular staff and 162 ISA holders. The overall response rate of the survey was 23% (33.2 % of 662 regular staff and 16,2 % of 1000 ISA holders responded).

Annex 2. Trends in support process activities 2018-2020

In addition to the qualitative information received from the interviews, the survey and the focus group discussions, the advisory team compiled and analysed quantitative data on the activities of the processes and functions within the scope of the advisory, to understand any trends and the impact of the COVID-19 crisis on the respective functions and processes. The following processes were analysed: procurement, payments, IT services and project implementation.

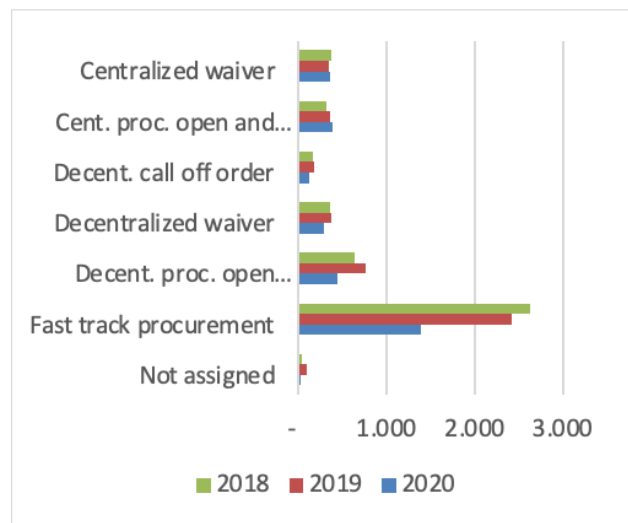
The qualitative inputs indicate that there was no interruption in the delivery of services in the processes analysed, and the quantitative data, while confirming this conclusion, give more detailed insight and breakdowns in categories.

Procurement

As shown on the graph below, the number of purchase orders in central procurement increased slightly, while the number of purchase orders in decentralized and fast track procurement decreased in 2020, with the biggest decrease

noted in the fast-track procurement (-42%).

FIGURE 1A. NUMBER OF PURCHASE ORDERS PER PROCUREMENT PROCEDURE³⁴



With regard to procurements under waiver, as shown in the Figure 2 below, there is no significant change in 2020 in comparison with the two previous years.

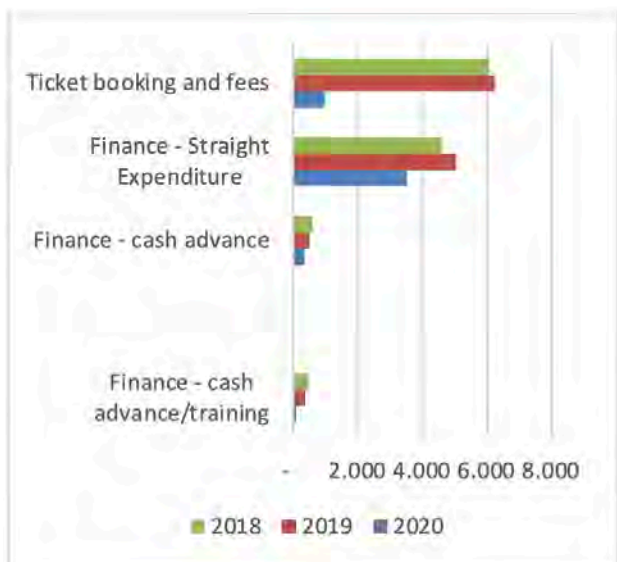
Share of waivers in total number of purchase orders	2018	2019	2020
Centralized procurement	54%	48%	49%
Decentralized procurement	31%	28%	33%

FIGURE 2A. SHARE OF WAIVERS IN TOTAL NUMBER OF PURCHASE ORDERS PER TYPE OF PROCUREMENT PROCEDURE.

Payments

In addition to the purchase order statistics above, the following types of payments were analysed: straight expenditures, cash advances, cash advances for trainings and payments for the flight tickets. From Figure 3 below, as expected, due to travel restrictions, the number of payments for tickets and cash advances for trainings decreased significantly, while straight expenditures still remain relatively high, due to continuation of the activities in 2020.

FIGURE 3A. NUMBER OF PAYMENTS BY TYPE³⁵



IT services

With regard to IT services and help desk activity during 2020, as shown at the Figure 4, the activities in terms of the help desk tickets remain at the same level in comparison with 2018 and 2019. As for the major IT incidents, in 2020 there was one incident, whereas in 2019 and 2018 there were one and three incidents respectively³⁶.

FIGURE 4A. NUMBER OF IT SERVICE DESK TICKETS REGISTERED AND RESOLVED³⁷.

Year	Registered	Resolved	Resolution rate %	Average Resolution Time for Standard Calls
2018	19,741	18,608	94.26%	n/a
2019	22,151	20,955	94.60%	n/a
2020	21,967	21,665	98.63%	10.2 hours (after Service. Unido.org went live on July 2020)
2021 up to 19 May	9,003	8,969	99.62%	4.5 hours

* **Note:** Change requests; L2/L3 calls, Audit Findings and maintenance works are excluded.

Technical cooperation

The implementation rate of technical cooperation, measured by total expenditures in 2020 was only 7% lower than the project implementation in 2019³⁸. It should be taken into consideration, however, that the amount of obligations at the end of 2020 was circa 33 million USD, which is more than double if compared with 2019. Having

in mind that obligations are recorded based on signed contract or purchase order, it is not ensured that total amount of obligations refers to the goods and /or services which are received in 2020.

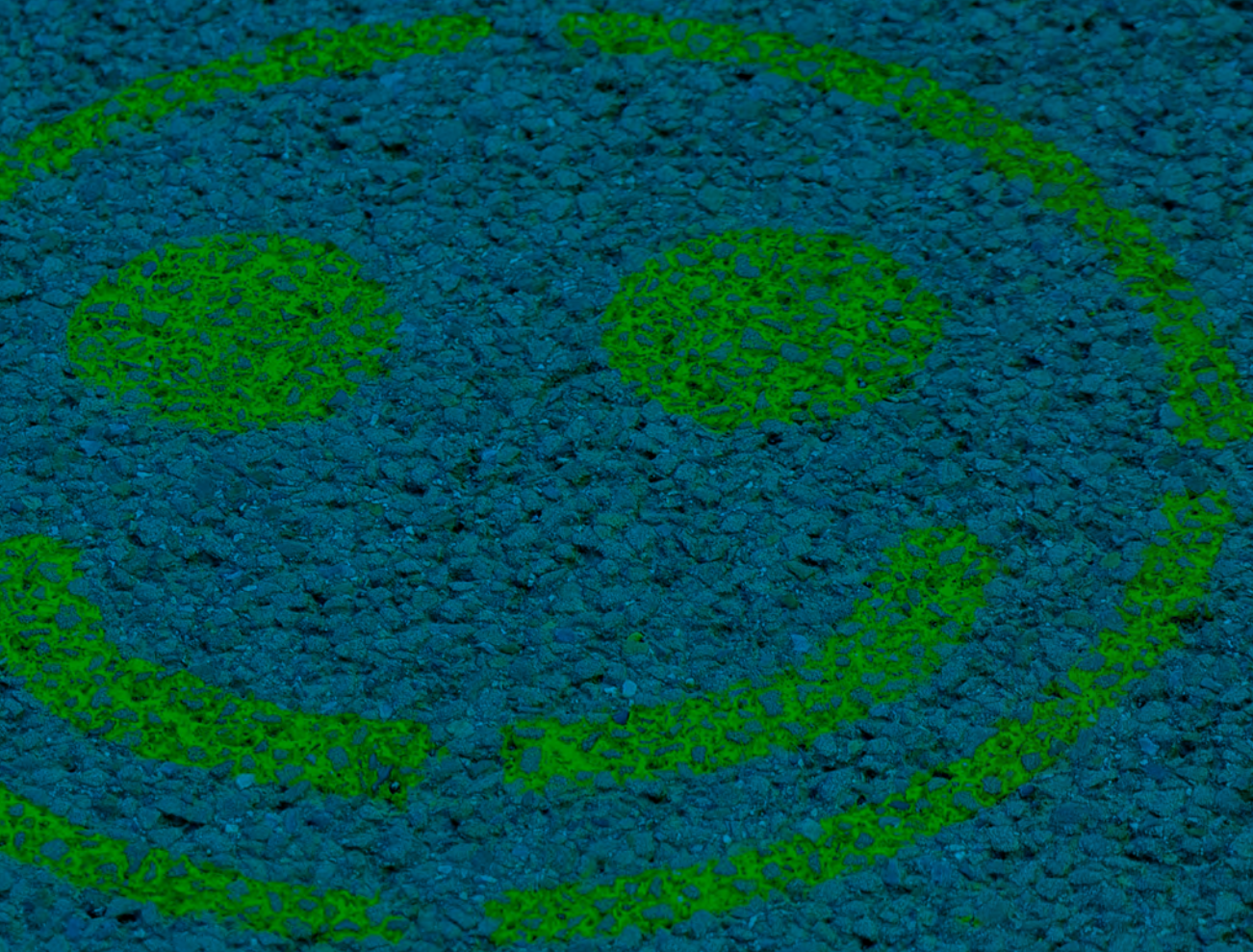
Increased obligations from 2018 to 2020 may require closer analysis of the relevant financial and technical cooperation functions.

FIGURE 5A. PROJECT EXPENDITURES PER YEAR.

Year	Obligation USD	Payments USD	Expenditure USD
2018	-2,307	192,115	189,808
2019	15,619	175,026	190,645
2020	33,187	144,910	178,096
Difference in expenditures 2020 to 2019		-17%	-7%

Endnotes

- 1** Update on UNIDO's response to the COVID-19 pandemic. Note by the Director General (IDB.48/CRP.5).
- 2** Annual Report 2020 (IDB.49/2-PBC.37/2).
- 3** Please see the details on performed procedures in Annex 1.
- 4** Administrative Guidelines for Offices on the Novel Coronavirus (COVID-19) pandemic, Framework for the management of staff members in United Nations Common System Headquarters and Field Duty Stations, CEB Human Resources Network, Version 5.0, 19 January 2021.
- 5** For details, please see the Annex 2.
- 6** Data from the SAP production, extracted on 13 May 2021.
- 7** Please see Annex 2 for details.
- 8** "Measuring Telework in the COVID-19 Pandemic", OECD Digital Economy Papers, July 2021, No. 314.
- 9** Based on the Survey results, 48.59% respondents used their own laptop/PC for working from home.
- 10** United Nations system organizations.
- 11** Report of the High-level Committee on Management at its forty-first session, virtual meeting, 25-26 March 2021 CEB/2021/3.
- 12** Moving away from "clocking" system as it "tends to encourage slow workers and under-producers, while punishing effective, hardworking staff" was recommended in 2012 by the JIU, in the report JIU/NOTE/2012/4.
- 13** Full list of implemented and in-progress digitalization initiatives in Annex X.
- 14** Medium-term programme framework 2022–2025, IDB.49/8-PBC.37/8.
- 15** Programme and budgets 2022-2023 (IDB.49/5-PBC.37/5).
- 16** This figure refers only to savings from the regular budget. Savings on travel from the operational budget amounted to EUR 1.5 million, according to the Report of External Auditor for 2020 (Report of the External Auditor, IDB.49-PBC.37/3, Notes 17 and 18).
- 17** The SoPs were issued initially for the period 16 March- 3 April, however personnel was instructed that they remain in use until further notice.
- 18** Processes within: Accounts, Payments & Treasury, Budget, Financial Management of Technical Cooperation and Procurement Committee.
- 19** UNIDO Information and Communications Technology Policy, DGB/2017/09.
- 20** Meeting organized by CMO on electronic and digital signatures status/progress update of 23 April 2021.
- 21** Executive Board meeting, 16 October 2018, decision EB/2018/11.
- 22** JIU/REP/2019/5.
- 23** Licenses will expire early 2022.
- 24** Data from the UNIDO Annual Report 2020.
- 25** Based on the data received from CMO/OSS/GSL, as of June 10, there are 185 UNIDO business mobile phones in use.
- 26** Based on survey data and project proposal data collected internally by UNIDO.
- 27** As per data on crisis response project proposals provided by ODG/SPQ/SPC.
- 28** As of 30 June 2021.
- 29** Source: <http://mptf.undp.org/factsheet/fund/COVoo>.
- 30** https://intranet.unido.org/intra/Covid-19_response_coordination.
- 31** Please see also report of the External Auditor (IDB.49/3-PBC.37/3), Section B.1.1.1 and recommendation B.1.1.: "We recommend that management gradually increase the role of FOs in delivery of technical assistance and involve FOs not only in the identification stage for contacting local officials and local donor community, but also on the implementation stage, including project management an final project delivery."
- 32** "Free Online Courses for UNIDO Workforce – Booklet".
- 33** Teleworking during the COVID-19 pandemic and beyond: A Practical Guide, Chapter 5. Trust and organizational culture.
- 34** Data from the SAP, retrieved on 17 May 2021.
- 35** Data from SAP, retrieved on 17 May 2021.
- 36** Data received from IT Services on 19 May 2021.
- 37** Data received from IT Services on 19 May 2021.
- 38** SAP data extracted on 19 May 2021.



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