



INTERNAL AUDIT DIVISION

REPORT 2022/011

Audit of operations in Iraq for the Office of the United Nations High Commissioner for Refugees

The Representation continued to provide services to persons of concern despite insecurity in the country and restrictions imposed by the COVID-19 pandemic; however, there was a need to strengthen the delivery of child protection and gender-based violence and durable solutions services to persons of concern and strengthen controls over procurement

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Audit of operations in Iraq for the Office of the United Nations High Commissioner for Refugees

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of operations in Iraq for the Office of the United Nations High Commissioner for Refugees (UNHCR). The objective of the audit was to assess whether the Representation was managing the delivery of services to its persons of concern (PoCs) in a cost-effective and efficient manner. The audit covered the period from 1 January 2020 to 30 April 2021 and included (a) security from violence and exploitation; (b) durable solutions; (c) cash-based interventions; (d) partnership management; and (e) procurement.

The Representation is a well-established UNHCR office, whose operations were impacted by the country's security situation and restrictions imposed by the COVID-19 pandemic. The Representation had implemented measures to mitigate the risks prevalent in its programmes but needed to enhance services provided to PoCs in areas of child protection and gender-based violence (CP/GBV) and durable solutions.

OIOS made seven recommendations. To address issues identified in the audit, UNHCR needed to:

- Address low incident reporting and gaps in delivery of CP/GBV services for different caseloads, and strengthen the collection and reporting of performance data for decision making;
- Ensure implementing partners utilize the GBV information management system, and evaluate on-going partner capacity building efforts to ensure that they are more cost-effective;
- Finalize the inter-sectoral durable solutions strategy for refugees and strengthen existing durable solutions coordination structures;
- Strengthen its planning, staffing, monitoring and reporting of programming for protection and solutions and create linkages between the previous and new projects to ensure sustainability of implemented projects;
- Develop a targeting model for identification of the most vulnerable PoCs, review its standard operating procedures to address the risk of duplicate records, and raise awareness among PoCs regarding the non-payment of fees when receiving cash assistance;
- Implement comprehensive risk-based monitoring plans to direct its review of partners' activities and conduct comparative analysis prior to designating procurement to partners; and
- Ensure technical evaluations and contract extensions are compliant with procurement rules and procedures.

UNHCR accepted the recommendations and has initiated action to implement them. Actions required to close the recommendations are indicated in Annex I.

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Audit of operations in Iraq for the Office of the United Nations High Commissioner for Refugees

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of operations in Iraq for the Office of the United Nations High Commissioner for Refugees (UNHCR).

2. The UNHCR Representation in Iraq (hereinafter referred to as ‘the Representation’) was established in 1980. As of December 2020, there were 283,013 refugees and asylum seekers in Iraq, 242,163 of whom were Syrian refugees who lived mainly in the Kurdistan Region of Iraq (KRI). In addition to the refugee caseload, there were 1.2 million internally displaced persons (IDPs), 4.8 million returnees and some 46,500 persons identified as most at risk of statelessness.

3. The Representation followed the mixed coordination model, where the IDP and refugee responses were coordinated through one structure, and this ensured efficiency. The Representation’s multi-year protection and solutions strategy (MYPSS) for 2019-2021 focused on: (i) strengthening national legislative framework and related institutions; (ii) inclusion of persons of concern (PoCs) into national and regional systems and public services; (iii) supporting self-reliance, economic inclusion and enhanced livelihoods opportunities in refugee and IDP hosting areas; and (iv) increasing opportunities for comprehensive solutions for its PoCs. The IDP and Syrian refugee responses were coordinated through the inter-agency Humanitarian Response Plan and the Regional Refugee and Resilience Plan (3RP) respectively.

4. The Representation recorded total expenditure of \$195 million and \$79 million in 2020 and in the first half of 2021 respectively. Forty-seven per cent of the expenditures were allocated to refugees (87 per cent of which was to Syrian refugees) and 53 per cent to IDPs. In 2020, 59 per cent of the expenditure was spent on basic needs and essential services and 13 per cent on registration and profiling of PoCs to support their inclusion into national and regional systems. In 2021, the budget allocation to basic needs and essential services was reduced to 39 per cent, as there was an increased allocation of funds to solutions (11 per cent) and community empowerment and self-reliance (9 per cent).

5. The Representation was headed by Representative in an acting capacity at the D-2 level and it had, at the time of the audit, 395 regular staff comprised of 95 international, 260 national and 110 affiliate staff. It had six offices located in Baghdad, Duhok, Erbil, Kirkuk, Mosul and Sulaymaniyah, and field presences in Hilla (Babylon), Ba'quba (Diyala), Ramadi, Fallujah, Qaim (Anbar), Tikrit (Salah al-Din), and Khanaqin (Diyala). It worked with 29 and 25 partners in 2020 and 2021, respectively. In 2020, total payments to partners amounted to \$58 million and accounted for 37 per cent of programme-related expenditures.

6. Comments provided by UNHCR are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

7. The objective of the audit was to assess whether the Representation was managing the delivery of services to its PoCs in a cost-effective and efficient manner.

8. This audit was included in the 2021 risk-based work plan of OIOS due to the risks related to the delivery of services to an increasing number of PoCs in a protracted situation in a country, with access restrictions caused by security challenges and the COVID-19 pandemic.

9. OIOS conducted this audit from June to August 2021. The audit covered the period from 1 January 2020 to 30 April 2021. Based on an activity-level risk assessment, the audit covered higher risks, which included: (a) security from violence and exploitation; (b) durable solutions; (c) cash-based interventions (CBIs); (d) partnership management; and (e) procurement.

10. The audit methodology included: (a) interviews with key personnel including five partners and 13 beneficiaries using virtual meeting tools; (b) review of relevant documentation; (c) analytical review of data including financial data from Managing for Systems, Resources and People (MSRP), the UNHCR enterprise resource planning system, and performance data from FOCUS, the UNHCR results-based management system, through Global Focus Insight; and (d) sample testing of controls. However, OIOS was unable to assess controls that required physical observations because of the travel restrictions occasioned by the COVID-19 pandemic. Also, due to COVID-19 related restrictions, implementing partners were unable to access their offices and provide the requested documentation regarding their personnel costs and bidding documents in 2020.

11. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

III. AUDIT RESULTS

A. Security from violence and exploitation

Need to strengthen strategic planning to improve delivery of child protection and gender-based violence (CP/GBV) services

12. The Representation listed CP/GBV as a priority in its MYPSS (2019-2021), with key protection risks including psychological trauma, stress, child marriage and labor, and children separated from families. These risks arose from the continued displacement and economic hardship in Iraq that resulted in multiple forms of violence and exploitation. The Representation led the National Protection Cluster and Sector that had overall responsibility for CP/GBV coordination, and also participated in the CP and GBV sub-clusters that were led by two other United Nations agencies.

13. The Representation through its partners provided case management and psychosocial support to 16,900 survivors, raised awareness among 35,000 PoCs and trained 6,100 partner and government staff on CP/GBV in 2020. The Representation's operating expenditure was \$12.3 million in 2020 and its 2021 operating budget was \$9.3 million. Due to increasing PoC needs, the Representation was constrained by available resources and limited the deliver services to PoCs affected by CP/GBV. For example, this affected its ability to raise awareness, provide case management services to IDPs in Central/Southern Iraq and build the capacity of government staff in that region. Service delivery to other PoCs was delayed as it started towards the end of the second quarter of 2020, as shown in Chart 1.

14. The Representation's vision for CP and GBV was listed in its MYPSS, but it had not developed an operational strategy to direct the implementation of its interventions for different caseloads. For instance, the Representation classified related case management as a programme criticality intervention to ensure continued service delivery albeit remotely because of COVID-19 restrictions. It however had not considered how to address the low incident reporting rate due to cultural sensitivities in Iraq and this impacted the Representation's identification of GBV survivors. The Representation also did not have medium-term targets in its MYPSS against which the success of interventions could be measured over time.

15. The Representation's activities in the CP/GBV annual work plan were not aligned to the related strategic priorities in the MYPSS. For instance, due to the transitioning of the operation from an emergency

to a development phase, the Representation decided to scale down CP/GBV services to IDPs in the Centre/South Iraq. However, as there were no other inter-agency partners operating in these areas, PoCs did not receive awareness raising and case management services. The Representation attributed this to resource constraints.

16. Despite the challenges mentioned above, the Representation reported that it achieved 100 per cent of its performance targets for all its PoCs. However, the achievement of the results against output indicators did not create any impact on the overall CP/GBV objectives. For example, ‘extent known sexual and GBV survivors receive appropriate support’ and ‘extent children of concern have non-discriminatory access to national child protection and social services’ remained at 50 per cent for Syrian refugees in line with the baseline figures.

17. There were also inconsistencies in the performance data reported in FOCUS regarding prevention and response activities and the CP/GBV case management system, the data reporting portal and partner narrative reports. For example, for girls and boys who received case management services, UNHCR reported 3,177 while the data reporting portal indicated 3,255 cases. UNHCR reported that 731 partner staff were trained on GBV prevention and response but the number in the data reporting portal was 618. UNHCR also reported that 685 partner government staff were trained on CP approaches whereas the partner report indicated 448 staff. The Representation was unable to explain the discrepancies.

18. The above issues arose as the Representation prioritized addressing challenges posed by the pandemic and therefore, there was reduced financial resources within UNHCR and inter-agency partners to dedicate to the CP/GBV programme.

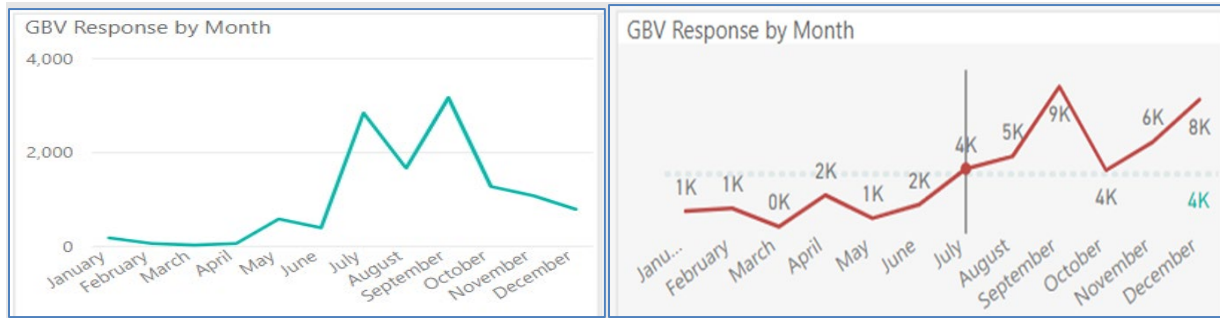
(1) The UNHCR Representation in Iraq should improve the delivery of services to children and gender-based violence survivors by: (i) developing an action plan to address the low incident reporting and gaps in service delivery for different caseloads; and (ii) enhance its collection and reporting of performance data for decision making.

UNHCR accepted recommendation 1 and stated that country-specific CP/GBV strategies under the 2022-2024 MYPSS will be finalized, and efforts were being made to enhance the collection of CP and GBV data regarding refugees, including a GBV client satisfaction survey to inform partners’ interventions and GBV programming.

Need to improve the delivery of services through implementing partners

19. The Representation delivered its CP/GBV prevention and response programme through 13 partners in 2020. The Representation’s implementation of programme activities was impacted by delays in signing project partnership agreements (PPAs) for five of these partners. The PPAs were signed between March and April 2020, resulting in delays in recruiting staff and delivery of services to PoCs only starting towards the end of the second quarter. Therefore, targets for the first half year were not met. Chart 1 shows the impact of the delays in signing PPAs and the imposition of COVID-19 travel restrictions on service delivery to refugee and IDPs.

Chart 1: Delivery of GBV response for refugees (—) and IDPs(—) in 2020



20. The Representation also retained a national partner with low assessed capacity to conduct CP case management in 2019, with the understanding that they would receive training to improve service delivery. The PPA expenditure was \$2.5 million in 2019-2020 for these services. The Representation engaged an international non-governmental organization to build capacity of the national partner’s 139 staff in 2020 at a cost of \$418,390 and explained that there was no cheaper alternative available. However, the Representation’s decision was not informed by a cost benefit analysis to determine whether engaging a consultant to train the national partner would have been more efficient than hiring an international partner. The Representation had also not assessed whether the training created the requisite capacity in the national partner to deliver the required services to PoCs. It thus remained questionable if the money paid for training represented best value for money especially considering the limited resources available to deliver services to PoCs.

21. The Representation had provided training to KRI authorities since 2017 at a cost of about \$1 million in 2020, without independently assessing the effectiveness of these interventions in building their capacity. At the time of the audit, the partner responsible for training conducted an evaluation and recommended that more training was required for at least another 24 months since the authorities had not institutionalized case management tools. This did not represent an independent assessment and thus, the Representation did not have objective information on the effectiveness of the training programme and whether additional training was necessary. It also did not have information to guide future related programmes in other regions in Iraq.

22. The cluster and sub-clusters rolled out an online GBV information management system (IMS) in 2019. This system facilitated evidence-based programming, ethical collection, storing and sharing of data and ensured uniform case management processes across all agencies. However, the roll out was not completed due to funding constraints and restrictions due to the COVID-19 pandemic. In instances where partners were not using GBV IMS, physical case management records were maintained. OIOS reviewed the documentation maintained by three partners and noted gaps in their processes including: (a) non-segregation of intake and consent forms; (b) forms not stored in secure places thereby increasing the risk of exposing PoCs’ identities; and (c) non-availability of a dedicated survivor-friendly case management room to ensure safe and confidential discussion of cases. During the audit, the Representation addressed the identified gaps at two of the partners and had them join the GBV IMS system.

23. The Representation needed to evaluate the cost-effectiveness of its capacity building efforts and through lessons learned address the gaps in the provision of CP/GBV services to mitigate risks of violence and exploitation for PoCs.

(2) The UNHCR Representation in Iraq should: (i) ensure implementing partners utilize the gender-based violence information management system; and (ii) evaluate on-going partner capacity building efforts and use the results to inform the redesign of this intervention so it is more cost-effective.

UNHCR accepted recommendation 2 and stated that (i) it will continue to support its partner to join the GBV IMS; and (ii) it evaluated the partner performance and redesigned its 2022 interventions with more activities in other regions and at reduced costs as compared to previous years.

B. Durable solutions

Need to strengthen strategic planning and coordination structures for durable solutions

24. The Representation was responsible for ensuring PoCs had access to durable solutions i.e., local integration, voluntary repatriation, re-integration for IDPs and resettlement. Due to a significant reduction in resettlement quotas and limited returns as a result of the ongoing conflict in Syria, the principal solution available to PoCs was local integration and re-integration. The Representation was able to establish through its protection monitoring and intentions survey¹ that most Syrian refugees wanted to stay in KRI. It thus prioritized increasing opportunities for them in the region, and the Representation developed a solutions strategy (2018-2020) for refugees in cooperation with KRI authorities. The strategy and its workplan were not finalized as it was not endorsed by the Government as it did not accept clauses regarding securing durable legal status for refugees. However, the Representation incorporated key considerations from the strategy in its MYPSS and the 3RP resilience component at inter-agency level. Its workplans included the different solutions to be implemented during 2018-2020 such as advocacy for securing a durable legal status, access to civil documents, improving economic opportunities, community empowering programmes and peaceful coexistence projects.

25. The Representation had not set baselines against which the effectiveness of the strategy could be measured by the end of 2020 and there was no evaluation conducted to assess whether the overall desired impact had been achieved. This was a missed opportunity for the Representation to get valuable insights into the effectiveness of its interventions and lessons learned for future programming.

26. The Resident and Humanitarian Coordinator for Iraq established a Durable Solutions Task Force in 2020 to provide strategic direction, strengthen coordination and provide a platform for international engagement on durable solutions for IDPs. The Durable Solutions Task Force was comprised of five United Nations agencies and one representation from the non-governmental organization coordination committee in Iraq. It however did not have representation from the government, refugees, donors or other non-United Nations development actors that are key to supporting the realization of durable solutions. The 2020 country portfolio evaluation highlighted that limited government engagement and a lack of substantive cooperation from development actors impacted its progress towards finding durable solutions for IDPs. These coordination structures primarily focused only on IDP return solutions in Federal Iraq, with no activities planned in KRI where most of the refugees lived.

27. To address the limited coverage by the coordination structures of refugee solutions in KRI the Representation: (a) established bilateral and multilateral partnerships with development actors and a cooperation agreement with KRI authorities; and (b) planned to develop together with the inter-agency partners an inter-sectoral durable solutions strategy. However, due to the COVID-19 pandemic and the response needed from the inter-agency partners to address newly identified vulnerabilities among PoCs, the strategy could not be developed in 2020. The Representation's reintegration for IDPs was similar to the baseline both in 2020 and 2021 i.e., 10 per cent. This reflected that despite the investments made, there was limited progress achieved towards this objective.

¹ An intentions survey assesses who has the intention to return voluntarily to their area of origin, who wants to stay where they are (integration) or relocation/resettlement to other areas/country.

- (3) The UNHCR Representation in Iraq, should: (i) facilitate the development and advocate for the endorsement of an inter-sectoral durable solutions strategy for refugees; and (ii) strengthen the coordination framework for durable solutions by advocating for the inclusion of other key stakeholders such as Government and refugees in existing mechanisms.**

UNHCR accepted recommendation 3 and stated that in coordination with the inter-agency partners and KRI local authorities, it will develop a solutions strategy for refugees in Iraq. Also, it will advocate for inclusion of refugees and participation of government counterparts in durable solutions coordination platforms and initiatives in Iraq.

Need to strengthen the management of reintegration projects

28. The Representation had started its transition from a humanitarian response to a longer-term solutions-oriented approach. In 2019, it initiated area-based programming focusing on inclusion, social cohesion and re-integration to address protection risks and enhance the solutions framework for its PoCs. However, the approval and start of the implementation of related projects was pushed to 2021 due to the COVID-19 pandemic. The Representation also needed to conduct further consultations to develop detailed guidance as recommended in the 2020 country portfolio evaluation. This delay impacted PoCs' access to durable solutions.

29. The 2021 budget allocation for area-based programming interventions was \$12.6 million covering rehabilitation and/or construction projects for civil documentation centers, water points, electricity, sanitation, education and health facilities, irrigation canals and solid waste management. At the time of audit, the Representation had approved projects submitted by four field offices, utilized about 30 per cent of the allocated funds and had other projects in the pipeline. These new project submissions did not consider possible connections to the previous community support projects valued at about \$2 million started prior to the area-based programming interventions. This meant that the design of new projects may not be sufficiently informed by lessons learned from previous projects and the risk of the sustainability of the older projects. For example, there were no linkages created between a constructed public health facility and local health authorities to ensure sustainability of services offered.

30. A governance committee was established to review project proposals and to ensure they met the established criteria. However, while field offices identified the expected outputs at the start of the project, the results framework did not include baselines and performance targets to measure the impact of long-term (3-5 year) interventions over time. The Representation's Durable Solutions Unit did not have a dashboard that provided visibility over the status of project implementation for monitoring and follow-up.

31. The above issues arose as the Durable Solutions Unit relied on focal points in various field offices who did not have prior project management experience and had to learn on the job as projects were being approved for implementation. There was also a high staff turnover with the operation changing Durable Solutions staff four times between 2018-2021. The Unit was composed of four staff and did not include any national staff to ensure continuity of programmes, which may affect PoCs' ability to access durable solutions in a timely manner.

- (4) The UNHCR Representation in Iraq should strengthen its management of the area-based programming for protection and solutions by: (i) creating linkages between previous and new projects to ensure sustainability; (ii) enhancing the project results framework to enable measurement of impact of related interventions; (iii) maintaining a dashboard that provides the implementation status of projects to enable follow-up and monitoring; and (iv) ensuring it has sufficient staff capacity to manage the relevant programme.**

UNHCR accepted recommendation 4 and stated that (i) it will continue to identify opportunities to encourage continued coordination with various actors of past, current, and future projects, with a view of maximizing and sustaining their impact; (ii) a tracking and monitoring template is being updated with a stronger focus on performance and results for each individual area-based programming for protection and solutions project; (iii) an interactive dashboard for reporting and monitoring will be implemented; and (iv) staff capacity is being enhanced through recruitment of a National Officer.

C. Cash-based interventions

The Representation effectively employed CBI as a service delivery modality but needed to enhance controls over the process

32. The Representation's use of CBIs as a service delivery modality in Iraq included the provision of multi-purpose, winter, emergency protection and emergency medical cash assistance to vulnerable PoCs to increase their purchasing power. In 2020, the CBI expenditure amounted to \$84 million which was a 48 per cent increase from the previous year. The increase primarily related to payment of cash grants for hygiene and sanitation to mitigate risks related to COVID-19. The Representation directly implemented CBI alongside two financial service providers. The Representation was unable to re-assess PoCs' eligibility in 2020 due to the COVID-19 restrictions, with PoCs' eligibility period extended. The Representation provided emergency cash assistance and COVID-19 assistance on an exceptional basis to new arrivals starting from October 2020 because they were not eligible to receive multi-purpose cash assistance.

33. The Representation's CBI guidance was included in several documents, including the 3RP and in its standard operating procedures (SOPs). The Representation had developed its CBI exit strategy, which was included in its SOPs and involved possibilities for gradually decreasing amounts paid and discontinuation of multi-purpose cash assistance.

34. Multi-purpose cash assistance for IDPs and returnees was intended to address the basic needs of the extremely vulnerable Iraqi PoCs. It was based on the survival minimum expenditure basket and recommendations from the inter-agency Cash Working Group. It was provided to selected beneficiaries, after they successfully registered e-wallets with the financial service provider. In cases where IDPs and returnees were unable to register e-wallets, a process was established to provide the assistance in cash. OIOS selected 13 cases for detailed interviews from verified beneficiary lists, beneficiaries subject to post distribution monitoring and those registered in the complaint feedback mechanism. Out of 13 interviewed, OIOS identified a case where an IDP failed to register an e-wallet and therefore, did not receive cash assistance. The case was referred to the Representation for resolution.

35. In 2020, the Representation also provided winterization cash assistance and COVID-19 assistance to vulnerable refugees and IDPs as one-off payment based on established eligibility criteria. IDPs and refugees living in urban areas were targeted through a vulnerability model while most of IDPs and refugees living inside the camps were paid irrespective of their vulnerability level. OIOS was of the view that a targeting model applied consistently across all eligible PoCs regardless of their location would have ensured that the limited funds available were directed towards the most vulnerable.

36. Refugees and asylum seekers were registered, and their eligibility determined through the Proxy Mean Testing model and recorded in Refugee Assistance Information System. IDPs and returnees were enrolled and assessed by applying socio-economic criteria determined by the inter-agency Cash Working Group. Both systems generated beneficiary lists that were cross-checked for duplicates. To exclude the possibility of dual registration, OIOS cross referenced record attributes between payout lists of refugees and IDP beneficiaries for May 2020 and re-verified a payout for possible duplicates. In one of the

interviewed cases, an IDP with two wives was classified as one household, instead of being profiled with two households as per the existing SOP. The Representation explained that it had recently strengthened its data quality controls when checking for duplicates by identifying illogical and contradictory records and referring them for additional verifications. OIOS was of the opinion this procedure should be included in the SOP and conducted on a regular basis.

37. The identity of refugees was verified through iris scans, and those who could not be identified that way were verified through a secure e-wallet message. Those beneficiaries who could not be reached were called by a partner. In one case the SMS and subsequent calls were communicated to the e-wallet number of the beneficiary who primarily used a commercial phone line. This happened as both the beneficiary and financial service provider provided contradictory information. However, the Representation had already made a significant improvement in 2021 by implementing an arrangement which enabled PoCs to register e-wallets on private phone cards.

38. All PoCs were informed that they should not pay any additional fees. However, in 6 of the 13 sampled cases, PoCs were requested to pay fees when withdrawing their cash. These incidents occurred when cashing out through agents at markets where small amounts were demanded as a sign of good will. There was no consistent reporting by PoCs of instances where they were charged commission fees.

39. The above issues raised the risk that UNHCR funds were not targeting the most vulnerable PoCs and resources available were used efficiently.

(5) The UNHCR Representation in Iraq should improve controls over the use of cash-based interventions by: (i) developing a targeting model for identification of the most vulnerable persons of concern (PoCs); (ii) reviewing its standard operating procedures to address the risk of duplicate records; and (iii) raising awareness among PoCs regarding the non-payment of fees when receiving cash assistance.

UNHCR accepted recommendation 5 and stated that (i) there will be a progressive transition out of individual assistance for IDPs while advocating for further inclusion in the Government's Public Distribution System and eventually a social protection scheme. For refugees, it was revising its targeting framework with a view of establishing a new harmonized methodology; (ii) it will strengthen the ASSIST database related to IDPs to include a module on data duplication; and (iii) it took robust measures to raise awareness among PoCs and prevent incidents whereby cash beneficiaries are requested to pay fees to agents of the financial service providers.

D. Partnership management

Need to improve management oversight over partnership management

40. The Representation worked with 29 and 25 partners in 2020 and 2021, respectively. In 2020, the total instalments to partners were \$57.9 million and accounted for 37 per cent of programme-related expenditures. In 2021, the total instalments to partners in the first three months was \$15.2 million and accounted for 13 per cent of programme-related budget of the year.

41. In 2020, for selecting partners, as the Representation was not due to launch a Call for Expression of Interest, it performed a desk review to decide on those existing partners to retain for 2021. Four partners from 2020 were discontinued and 25 partners were retained.

42. There was an average of 47 days' delay in signing of PPAs mainly due to: (i) the devaluation of the Iraqi dinar; (ii) lengthy approval processes for international partners; and (iii) the complex nature of

coordinating the geographical locations of some partners. Only one Letter of Mutual Intent was signed to bridge the gap until the PPAs were signed, although partners were allowed to use unused funds from the previous year for critical activities and salaries. However, the amounts were not always sufficient resulting in delays in paying partner's personnel salaries, which contributed to a high turnover of staff. One partner indicated that they only hired critical protection/legal staff when the PPA was signed which affected its CP/GBV activities.

43. In 2021, the Representation implemented new templates for risk-based project monitoring plans, but this resulted in delays in finalizing the plan. Also, the rating of partners in monitoring plans did not correlate with risk ratings of related projects under implementation. For instance, one partner was rated as a low-risk partner, however significant risks were identified in their procurement procedures and management of personnel.

44. The Representation did not conduct any financial and performance monitoring in 2020 due to the COVID-19 pandemic. However, it was restarted in July 2021 and issues identified included those already raised by external auditors, which were being appropriately followed up. Further, some PoCs that worked as contract personnel in camps were unable to open bank accounts and thus, the Governmental partner paid them in cash. However, in effecting cash salary payments, the partner had not distinguished between those that could and those who could not open a bank account.

45. The Representation purchased all goods, services and works except stationery, office supplies, internet services and lease agreements to reduce the procurement delegated to partners. This increased the Supply Unit's workload, but related staff capacity was increased to accommodate this. However, the number of partners and multiple layers of scrutiny before launching tenders resulted in delayed delivery of goods and services and inadvertently programme implementation. In 2020, the Representation revised its procedure allowing for more flexibility in delegating procurement to partners. This resulted in the delegation of procurement totaling \$26.1 million during 2020 and 2021.

46. In both years, comparative advantage assessments were conducted to inform decisions on whether to purchase or delegate procurement to partners in accordance with the SOP, but these were limited, with six comparative analyses conducted in 2020 against procurement activities delegated to 19 partners. In some cases, information provided in the comparative analysis was incomplete such as partners' prior experience in conducting procurement. Thus, there was a need to set criteria against which the comparative advantage analysis would be conducted.

47. Delays in signing PPAs and taking over procurement activities in 2020 affected programme implementation. Also, gaps in monitoring meant that the Representation could not identify implementation challenges for mitigation in a timely manner.

(6) The UNHCR Representation in Iraq should strengthen partnership management by: (i) ensuring Project Partnership Agreements are signed in a timely manner; (ii) designating procurement to partners only after conducting the required comparative analysis; (iii) implementing comprehensive risk-based monitoring plans that reflect assessed risks in projects; and (iv) avoiding paying staff costs in cash where possible.

UNHCR accepted recommendation 6 and stated that (i) over 75 per cent of the agreements were signed in January 2022 and that it will continue further improving this in the coming period; (ii) it will continue the review of the country guidance document to ensure that procurement to partners is designated based on a comprehensive comparative advantage analysis; (iii) comprehensive risk-based monitoring plans were developed mid-2021 and were used by offices, programme and project control colleagues;

and (iv) it has engaged government partners to implement internal control measures that will reduce the excessive use of cash as the preferred modality for payments.

E. Procurement

Need to strengthen procurement management

48. A Level 2 emergency for Iraq was declared on 1 November 2019. From March 2020, a global Level 2 emergency for the COVID-19 situation was declared and flexibility measures for procurement were implemented throughout the year. The Representation obtained approval to extend the threshold of the Local Committee on Contracts to \$750,000 ending on 31 December 2020.

49. During 2020 and until 15 April 2021, the Representation issued 383 purchase orders valued at \$27.5 million. Procurement plans for 2020 and 2021 were prepared in a timely manner. OIOS reviewed 18 purchase orders, related contract and frame agreements amounting to \$20 million and minutes of relevant Committee on Contracts meetings. This review indicated that timelines were clearly set, and bidding processes correctly applied. However, for 13 out of 18 cases reviewed, information was incomplete and/or normal procurement procedures were not followed as shown in the following examples:

- In two cases for the purchase of generator spare parts and oil and vehicle maintenance services valued at \$314,429, the Representation did not complete the technical evaluation sheets comprehensively to reflect the information requested by potential vendors/contractors. This included information on whether the vendor/contractor had articles of incorporation and audited financial statements. The winning bids, however, submitted these documents.
- In two cases for vehicle maintenance and security services valued at \$229,735, the Representation erroneously included in the bid documents criteria that was unrelated to the services required. The criteria were corrected at the time of the evaluation, but the Representation did not provide evidence that the corrected criteria had been communicated to all bidders. In another case, when establishing a frame agreement for the supply of fuel with a cumulative value of \$5 million, the Representation applied 10 of the 12 pass/fail criteria which were not in line with the solicitation document. Moreover, when contracting the CBI financial service provider, two of the mandatory criteria were not assessed during the pre-qualification evaluation. The Representation was unable to explain the reasons for the inconsistent application of the procurement criteria.
- For the rehabilitation of a stadium, potential bidders were required to confirm that the project designs in the statement of works were accurate and adequate. This was a reversal of roles since the designs shared by the Representation should have been the final ones. The lack of an agreed design resulted in several changes and contributed to an increase in the contract price from the initial estimate of \$97,761 to \$279,320.
- For the vehicle maintenance bids, the Representation introduced a criterion during the evaluation of the vendor. As this criterion was not clear, the Representation received incomparable bids, with the winning bidder submitting information the others did not provide. While their price was the lowest, the applied process was incorrect.

50. In 2020, the Representation was approved to use emergency procedures to increase the ceiling of and extend frame agreements for 2020-2021. On this basis, framework agreements were extended without addressing weaknesses and omissions in procurement processes. Thus, contracts such as for the supply of fuel, vehicle maintenance, cleaning and security services were extended for an additional value of \$1.6

million based on an assessment of vendor performance even though OIOS noted that the initial selection decisions were: (i) based on non-comparable offers; and (ii) awarded to technically non-compliant bidders. The Representation could not explain the reasons for the non-compliant procurement processes, as the procurement staff responsible for establishing the initial frame agreements had left the operation.

51. OIOS attributed the above weaknesses to lack of oversight and effective controls over procurement processes. Also, the revision of procurement procedures from centralized procurement in 2019 to allowing for more flexibility in delegating procurement to partners from 2020, impacted the capacity and workload of its Supply Unit. As a result, best value for money was not always achieved.

(7) The UNHCR Representation in Iraq should strengthen its procurement management by ensuring that technical evaluations and contract extensions are conducted in compliance with procedures to ensure value for money is obtained.

UNHCR accepted recommendation 7 and stated that (i) while it continued strengthening technical evaluations, it planned to conduct technical evaluation committee trainings for staff who would then be considered for these committees on a rotational basis; and (ii) as of 1 January 2022, the procurement function countersigns the technical evaluation reports to confirm compliance with procurement rules. In addition, UNHCR initiated strengthening of capacity of the Technical Unit and development of generic technical criteria for relevant sectors to be used to inform future solicitations.

IV. ACKNOWLEDGEMENT

52. OIOS wishes to express its appreciation to the management and staff of UNHCR for the assistance and cooperation extended to the auditors during this assignment.

(Signed) Eleanor T. Burns
Director, Internal Audit Division
Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of operations in Iraq for the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical ² / Important ³	C/ O ⁴	Actions needed to close recommendation	Implementation date ⁵
1	The UNHCR Representation in Iraq should improve the delivery of services to children and gender-based violence survivors by: (i) developing an action plan to address the low incident reporting and gaps in service delivery for different caseloads; and (ii) enhance its collection and reporting of performance data for decision making.	Important	O	Receipt of evidence of: (i) country-specific CP/GBV strategies; and (ii) established procedures to collect and report performance data.	31 July 2022
2	The UNHCR Representation in Iraq should: (i) ensure implementing partners utilize the gender-based violence information management system; and (ii) evaluate on-going partner capacity building efforts and use the results to inform the redesign of this intervention so it is more cost-effective.	Important	O	Receipt of evidence that all partners have joined the GBV IMS system.	31 December 2022
3	The UNHCR Representation in Iraq, should: (i) facilitate the development and advocate for the endorsement of an inter-sectoral durable solutions strategy for refugees; and (ii) strengthen the coordination framework for durable solutions by advocating for the inclusion of other key stakeholders such as Government and refugees in existing mechanisms.	Important	O	Receipt of evidence of: (i) endorsed inter-sectoral durable solutions strategy for refugees; and (ii) revised structure and terms of reference of the strengthened coordination framework for durable solutions and evidence of inclusion of solutions for refugees in the agenda of existing coordination mechanisms.	31 December 2022
4	The UNHCR Representation in Iraq should strengthen its management of the area-based programming for protection and solutions by: (i) creating linkages between previous and new projects to ensure sustainability; (ii) enhancing the project results framework to enable measurement of impact	Important	O	Receipt of evidence that (i) ensures sustainability of projects implemented during the transition period; (ii) a process has been established for handing over projects to local authorities; (iii) that a revised monitoring and results framework has been implemented; and (iv) an action plan for	31 December 2022

² Critical recommendations address those risk issues that require immediate management attention. Failure to take action could have a critical or significant adverse impact on the Organization.

³ Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization.

⁴ Please note the value C denotes closed recommendations whereas O refers to open recommendations.

⁵ Date provided by UNHCR in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Audit of operations in Iraq for the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical ² / Important ³	C/ O ⁴	Actions needed to close recommendation	Implementation date ⁵
	of related interventions; (iii) maintaining a dashboard that provides the implementation status of projects to enable follow-up and monitoring; and (iv) ensuring it has sufficient staff capacity to manage the relevant programme.			building staff capacity has been developed and implemented.	
5	The UNHCR Representation in Iraq should improve controls over the use of cash-based interventions by: (i) developing a targeting model for identification of the most vulnerable persons of concern (PoCs); (ii) reviewing its standard operating procedures to address the risk of duplicate records; and (iii) raising awareness among PoCs regarding the non-payment of fees when receiving cash assistance.	Important	O	Receipt of evidence of the revised: (i) model for targeting the most vulnerable population; and (ii) procedures regarding data quality checks.	30 June 2023
6	The UNHCR Representation in Iraq should strengthen partnership management by: (i) ensuring Project Partnership Agreements are signed in a timely manner; (ii) designating procurement to partners only after conducting the required comparative analysis; (iii) implementing comprehensive risk-based monitoring plans that reflect assessed risks in projects; and (iv) avoiding paying staff costs in cash where possible.	Important	O	Receipt of evidence that: (i) PPAs are signed in a timely manner; (ii) designation of procurement to partners is informed by a comparative advantage analysis; and (iii) revised procedures for payment of partner personnel costs have been implemented.	31 December 2022
7	The UNHCR Representation in Iraq should strengthen its procurement management by ensuring that technical evaluations and contract extensions are conducted in compliance with procedures to ensure value for money is obtained.	Important	O	Receipt of evidence that technical evaluation committee trainings have been completed, and contract extensions are conducted after compliance with relevant procedures.	31 December 2022

APPENDIX I

Management Response

Management Response

Audit of operations in Iraq for the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical ⁶ / Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	The UNHCR Representation in Iraq should improve the delivery of services to children and gender-based violence (GBV) survivors by: (i) developing an action plan to address the low incident reporting and gaps in service delivery for different caseloads; and (ii) enhance its collection and reporting of performance data for decision making.	Important	Yes	Assistant Representative (Protection)	(i) 31 July 2022 (ii) 31 July 2022	(i) Country-specific CP/GBV strategies under the 2022-2024 MYPSS will be finalized in 2022 Q2. UNHCR would like to note that the responsibility of GBV and CP services for IDPs lays primarily with UNFPA and UNICEF respectively under the Inter-Agency Standing Committee's division of responsibility and each respective sub-cluster lead. With the Humanitarian Country Team's decision to phase out of the Humanitarian Response Plan/Cluster approach by the end of 2022, other actors (including development, OHCHR, UNAMI Human Rights etc.) in addition to UNICEF/UNFPA will be empowered/further capacitated including by the National Protection Cluster/UNHCR to take over under their responsibilities to support the Government of Iraq under the UN Sustainable Development Cooperation Framework (UNSDCF). Therefore, UNHCR's efforts on the improvement of delivery of GBV and CP services will specifically focus on the refugee population – regarding which UNHCR has the primary responsibility, while following the lead of UNFPA and

⁶ Critical recommendations address those risk issues that require immediate management attention. Failure to take action could have a critical or significant adverse impact on the Organization.

⁷ Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization.

Rec. no.	Recommendation	Critical ⁶ / Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>UNICEF and OHCA with respect to the phasing-out of the HRP/Cluster approach for the IDP population. This will also be reflected in the strategies.</p> <p>(ii) To enhance the collection of CP and GBV data regarding refugees, quarterly indicator reporting templates aligned with 2022 Activity Info database are being updated. Additionally, a GBV client survey has been developed in KOBO form to collect data on client satisfaction of GBV services to inform partners' interventions and GBV programming. The finalized documents will be shared by the end of June 2022. Moreover, to integrate a GBV Safety Audit methodology which was recently released as part of the Operational Guidance to the 2020 UNHCR Policy on the Prevention, Risk Mitigation and Response to GBV, the operation is planning to organize training sessions for partners.</p>
2	The UNHCR Representation in Iraq should: (i) ensure implementing partners utilize the gender-based violence information management system; and (ii) evaluate on-going partner capacity building efforts and use the results to inform the redesign of this intervention so it is more cost-effective.	Important	Yes	Assistant Representative (Protection)	(i) 31 December 2022 (ii) Completed	(i) In Q3 2022, the GBVIMS Task Force will undertake a capacity assessment of the outstanding UNHCR's partner that is yet to join the GBVIMS Task Force. UNHCR will continue to support the partner to ensure that there are no gaps, through a pre-capacity assessment by the Task Force. In the absence of significant capacity gaps, the partner will join the GBVIMS Task Force/Information Sharing Protocol; otherwise, the partner will be capacitated to join the GBVIMS TF to ensure its participation in a timely manner.

Rec. no.	Recommendation	Critical ⁶ / Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						(ii) The evaluation of on-going partner capacity building efforts has been addressed in the context of discussions on the 2022 Project Partnership Agreement process.
3	The UNHCR Representation in Iraq, should: (i) facilitate the development and advocate for the endorsement of an inter-sectoral durable solutions strategy for refugees; and (ii) strengthen the coordination framework for durable solutions by advocating for the inclusion of other key stakeholders such as Government and refugees in existing mechanisms.	Important	Yes	Senior Development Officer and Solutions Officer	31 December 2022	<p>(i) UNHCR will, in close collaboration with the 3RP Sectors and main agencies contributing to the refugee response, develop a solutions strategy for refugees in Iraq based on the Sustainable Solutions Strategy (2018) in coordination with the relevant KRI local authorities.</p> <p>(ii) UNHCR will advocate for inclusion of refugees and participation of government counterparts in durable solutions coordination platforms and initiatives in Iraq, including under the UNSDCF overall framework, and through proactive advocacy for other partners to join UNHCR's area-based programming (area-based programming for protection and solution, A2PS) for refugee integration into host communities and access to public services.</p> <p>UNHCR's A2PS already contributes to refugee solutions in KR-I, by promoting the implementation of the out-of-camp policy, and by ensuring the leadership of public institutions in the integration of refugees into public services and policies.</p>
4	The UNHCR Representation in Iraq should strengthen its management of the area-based programming for protection and	Important	Yes	Assistant Representative (Operations) and Senior	(i) 31 December 2022 (ii) 30 September 2022	(i) UNHCR Iraq's A2PS will continue to identify opportunities to encourage continued coordination with various actors (public services providers, UN and

Rec. no.	Recommendation	Critical ⁶ / Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	<p>solutions by: (i) creating linkages between previous and new projects to ensure sustainability; (ii) enhancing the project results framework to enable measurement of impact of related interventions; (iii) maintaining a dashboard that provides the implementation status of projects to enable follow-up and monitoring; and (iv) ensuring it has sufficient staff capacity to manage the relevant programme.</p>			Development Officer	<p>(iii) 30 September 2022 (iv) 31 May 2022</p>	<p>I/NNGOs, especially development actors) of past, current, and future projects, with a view of maximizing and sustaining their impact. In this respect, the A2PS submission sheet requires UNHCR to highlight relevant linkages between the projects with past/present/future projects by other partners as part of the overall vision in an area. UNHCR will thus continue promoting linkages between new and existing projects by focusing further on this aspect in the selection of future projects, specifically under point 2.4 (page 6) on ‘Sustainability’ in the guidance note for A2PS submissions. In addition, the A2PS committee will continue capturing critical questions about these linkages in minutes of meeting of the A2PS committee.</p> <p>(ii) A tracking and monitoring template for A2PS projects has now been designed and piloted in two Field Offices after the audit. The template will be updated with a stronger focus on performance and results for each individual A2PS project and rolled out across the Iraq operation by September 2022 followed by an operation-wide coordinated review during the last quarter of 2022. In addition to the monitoring template to capture progress, Offices will be asked to submit a short narrative summary on the status, results, impact, and lessons learned in each A2PS area, complemented with qualitative performance indicators, especially to ensure impact on the protective</p>

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						<p>environment to ensure that A2PS are firmly rooted in UNHCR's protection mandate.</p> <p>(iii) The A2PS Secretariat, in collaboration with the Information Management Unit, will implement an interactive dashboard for reporting, monitoring and external relations purposes by September 2022.</p> <p>(iv) Staffing capacity will be enhanced through recruitment of a National Officer (Assistant Development Officer). The position will be filled by May 2022.</p>
5	<p>The UNHCR Representation in Iraq should improve controls over the use of cash-based interventions by: (i) developing a targeting model for identification of the most vulnerable PoCs; (ii) reviewing its standard operating procedures to address the risk of duplicate records; and (iii) raising awareness among PoCs regarding the non-payment of fees when receiving cash assistance.</p>	Important	Yes	Assistant Representative (Operations)	<p>(i) 31 March 2023</p> <p>(ii) 30 June 2023</p> <p>(iii) Completed</p>	<p>(i) In view of the Humanitarian Country Team Transitioning Strategy, and in light of humanitarian partners', including UNHCR's, progressive transition out of individual assistance for IDPs to support public systems; the Representation is not considering to further invest in extensive targeting inside the camps. For IDPs and returnees outside camps, the Representation will continue to use the targeting methodology recommended by the Cash Working Group while advocating for further inclusion in the GoI's Public Distribution System and eventually a social protection scheme.</p> <p>For refugees, the Representation is currently using the Proxy Means Testing formula to target refugees outside the camps for multipurpose cash assistance. This is in parallel to the World Food Programme, which is currently targeting</p>

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						<p>refugees residing in camps for Cash for Food. To streamline the targeting process in Iraq, the Representation is revising the Proxy Means Testing formula and the targeting framework used to assist refugees – in or outside camps, with a view of establishing a new harmonized methodology. The new targeting model is expected to be completed in Q1 of 2023.</p> <p>(ii) The Representation has sought to strengthen the ASSIST Database, a tool used for recording the information related to IDPs, by integrating new features that include a module on data de-duplication. The module will oversee the compilation of potential individuals and households duplicated in the system and reflect them in one unique interface with the possibility to automatically merge duplicated records and present pending duplicated records for validation or exclusion, providing a history of this activity, as well. The ASSIST System enhancement is expected to be completed by June 2023. For refugees, de-duplication is executed effectively already through the Iris Guard biometric tool, used by the Representation in the context of registration management.</p> <p>(iii) The Representation in Iraq took robust measures to prevent incidents whereby cash beneficiaries are requested to pay fees to the agents of the Financial Service Providers (FSP). The measures include: (a) regularly raising reports and allegations directly with the FSPs and</p>

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						<p>facilitating refunds for proven such cases, which has been a successful approach with positive outcomes, i.e., FSP agents have systematically refunded the amounts in question fully; and (b) creation and dissemination of information materials including posters which aim to remind beneficiaries that CBI assistance is free and highlight how to report any incidents where they may be told otherwise. Reporting to the FSPs is strengthened by the use of the Post Distribution Monitoring tool, which captures, on an on-going basis, the issues of arbitrary deduction of fees. These reports of non-compliance are systematically shared with the FSPs for investigation and refunds to the beneficiaries.</p> <p>As of February 2022, a specific provision was incorporated in the new agreements with the FSPs, which requires all FSP agents to display, at all times, appropriate information in English, Arabic and Kurdish languages on how beneficiaries can report any challenges encountered with FSP agents in this context. Additionally, UNHCR sends text messages to all eligible refugees and IDPs to notify them once they have been selected to receive assistance, in parallel instructing them not to pay any fees to agents for accessing the assistance. In Q1 2022, UNHCR worked with FSPs to ensure reports received in this context were investigated and recoveries of any such fees were made. To strengthen the</p>

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						integrity of the overall approach, the Representation has also directly carried out random spot checks of FSP agents during cash-out procedures, to verify adherence to all the terms of the partnership agreement, including COVID 19 health protocols, as well as the process of cashing out and the treatment of the beneficiaries by the FSP agents.
6	The UNHCR Representation in Iraq should strengthen partnership management by: (i) ensuring Project Partnership Agreements are signed in a timely manner; (ii) designating procurement to partners only after conducting the required comparative analysis; (iii) implementing comprehensive risk-based monitoring plans that reflect assessed risks in projects; and (iv) avoiding paying staff costs in cash where possible.	Important	Yes	Assistant Representative (Operations)	(i) Completed (ii) 31 March 2023 (iii) 31 December 2022	(i)The Representation embarked on the Partnership Agreements negotiations in late November/early December to ensure the timely signing of PPAs. Over 75% of the Agreements were signed in January 2022, a considerable improvement that will continue in the coming period. The remaining Agreements were signed in February, with delays due to complex negotiations with some Government institutions and partners' headquarters. A LOMI was also introduced for a key Government counterpart where a partnership agreement was not feasible to be signed at the beginning of the year. The Representation remained committed to ensuring timely signing of the Partnership Agreements. (ii)The Representation will continue the review of the country guidance document in 2022 with a view to ensuring a comprehensive comparative advantage analysis. The Representation will align the review process with the partners' selection/retention exercise that will be

Rec. no.	Recommendation	Critical ⁶ / Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>conducted in the second quarter of 2022. UNHCR operation in Iraq aims to complete the analysis annually with improved methodologies (SOPs, comparative advantage analysis criterion) and comparative analysis by early 2023.</p> <p>(iii)Comprehensive risk-based monitoring plans were developed mid-2021 and are already used by offices, programme and project control colleagues. They will continue to be updated and used in 2022, where applicable, or developed as needed in case of new partnerships.</p> <p>(iv)The Representation has engaged government partners to implement internal control measures that will reduce the excessive use of cash as the preferred modality for payments. UNHCR has advised concerned partners to pay staff salaries and vendors through bank transfers or cheques to the extent possible. For situations where cash payment is the only option due to the absence of a banking system (i.e. camp situations), alternative controls will be employed to mitigate UNHCR risk exposure. These alternative control measures introduced to the partners are:</p> <ul style="list-style-type: none"> -Mobile money transfer, where applicable. -Development of policy and procedures for petty cash management with defined thresholds.

Rec. no.	Recommendation	Critical ⁶ / Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>-Monthly cash reconciliation to be performed by partners.</p> <p>-Establishment of a petty cash system to cater for smaller cash payments.</p> <p>-Regular and irregular cash counts are to be performed with an audit trail to establish that the petty cash system is effective.</p> <p>The Representation will continue to monitor the efficacy of these control measures and report on the evidential trail of full implementation by December 2022, with a view of ensuring a resilient control environment for cash management is established.</p>
7	The UNHCR Representation in Iraq should strengthen its procurement management by ensuring that technical evaluations and contract extensions are conducted in compliance with procedures and so as to ensure value for money is obtained.	Important	Yes	Senior Supply Officer / Deputy Representative	31 December 2022	(i) In the interim, the operation has adopted a process where each Technical Evaluation Committee (TEC) is briefed by the Supply Unit, prior to commencing the actual evaluation, to consistently comply with the evaluation criteria set forth in the tender document and capture all the relevant evaluation findings in its report. TEC is not a fixed committee but subject to ad-hoc nominations based on the task involved and the required level of expertise for each specific evaluation. As an additional mitigating measure and long-term strategy, the operation plans to conduct TEC trainings between Q3 and Q4 of 2022 for colleagues drawn from G6 to P4 who would then be considered for TECs on a rotational basis.

Rec. no.	Recommendation	Critical ⁶ / Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>(ii) Furthermore, the operation is in compliance with the Administrative Instruction on Procurement (UNHCR/AI/2021/05) which requires, as of 1 January 2022, for the Procurement Function to countersign the Technical Evaluation reports to confirm compliance with the UNHCR Procurement Rules and Regulations without entering into the relevant technical merit. As such, the Representation consistently ensures that:</p> <ul style="list-style-type: none"> • the composition of the TEC is in line with the mentioned AI; • the evaluation criteria, against which the offers have been assessed, correspond to those stated in the solicitation document, and the methodology applied for the evaluation is in line with the one agreed by the TEC members before starting the evaluation process; • there is no evident inconsistency in the TER narrative and the scoring, or where such inconsistencies have been detected an explanation has been provided and included in the report; and • the decisions taken are duly justified and meet the principles of fairness and transparency and enable the Procurement Function to debrief the bidders on the outcome of their offers. <p>(iii) In addition, the capacity of the Technical Unit, which oversees the formulation of Technical Criteria for</p>

Rec. no.	Recommendation	Critical ⁶ / Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>solicitations, will be strengthened through the recruitment of an international P3 (Settlement Planning Officer) position, currently under recruitment and expected to be filled by Q1 2023. The Technical Criteria sample received from HQs/DRS/Operational Support Service/Technical Support is similar to the criteria currently used in Iraq. Further, the operation intends to issue a request for quotation during Q3 of 2022 to the current local frame agreement holders for the ‘development of designs for shelter and infrastructure related projects in Iraq in order to develop generic technical criteria for (a) Renewable energy, (b) Electrical related works, (c) WASH, and (d) Shelter and infrastructure projects, to be used by the UNHCR Iraq Technical Unit to inform future solicitations.</p> <p>(iv) The operation is, through Supply Unit processes and Committee on Contracts submissions, monitoring and ensuring the extension of service contracts / frame-agreements based on confirmed good performance of the vendors as documented in appropriate vendor performance reports (VPRs). The VPRs as well as Reference Checks are completed and used before awarding a new contract to UNHCR former and new suppliers/contractors, respectively. Additional reinforcement of vendor management shall be considered during</p>

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						formal solicitations and consequent contracts by considering, as may be appropriate, liquidated damages clause.