Office of Internal Oversight Services

INTERNAL AUDIT DIVISION

REPORT 2026/025

Audit of management of the macroeconomic policy, poverty reduction and financing for development subprogramme in the Economic and Social Commission for Asia and the Pacific

While the subprogramme generally delivered its planned outputs, further strengthening of planning, risk management and coordination would enhance coherence, accountability, and overall performance

24 August 2026
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Audit of audit of management of the macroeconomic policy, poverty reduction and financing for development subprogramme in the Economic and Social Commission for Asia and the Pacific

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of management of the macroeconomic policy, poverty reduction and financing for development subprogramme in the Economic and Social Commission for Asia and the Pacific (ESCAP). The subprogramme is implemented by the Macroeconomic Policy and Financing for Development Division (MPFD). The objective of the audit was to assess the adequacy and effectiveness of controls established to manage the subprogramme in supporting the delivery of its mandated objectives. The audit covered the period from 1 January 2024 to 31 December 2025 and focused on: (a) planning and coordination; (b) work plan implementation; (c) performance monitoring and evaluation; and (d) resource management.

Overall, ESCAP had established foundational mechanisms to support programme delivery. However, gaps in coordination, prioritization of cross-cutting mandates, operationalization of risk response measures, and divisional work planning limited the coherence and integration of mandate implementation. Weaknesses in control over traceability of data used for analytical works, performance monitoring, and human resource capacity further impacted work plan implementation and monitoring. Strengthening these areas would enhance ESCAP's ability to deliver more coordinated, strategically aligned, and results-focused results and to improve accountability and organizational performance.

OIOS made six recommendations. To address issues identified in the audit, ESCAP needed to:

- Strengthen coordination across planning and implementation processes to promote coherent analyses and policy advice on cross-cutting and emerging priorities.
- Enhance its enterprise risk management processes to ensure effective implementation of identified risk response measures and continuous communication and monitoring of risks across the entity.

In addition, MPFD needed to:

- Strengthen work planning arrangements through an integrated division workplan that aligns section activities with subprogramme outputs, clarifies roles and responsibilities, and formalizes coordination across sections.
- Strengthen controls over data documentation and traceability to ensure that analytical outputs can be reliably traced to and verified against underlying data.
- Enhance performance monitoring to enable regular progress reviews and timely corrective action on deliverables.
- Establish a mitigation plan to manage human resource capacity risks in support of the effective delivery of planned outputs.

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

CONTENTS

Audit of management of the macroeconomic policy, poverty reduction and financing for development subprogramme in the Economic and Social Commission for Asia and the Pacific

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of management of the macroeconomic policy, poverty reduction and financing for development subprogramme in the Economic and Social Commission for Asia and the Pacific.

2. ESCAP is the United Nations regional development arm for the Asia-Pacific region. Established in 1947, ESCAP promotes regional economic cooperation and social development and serves as an intergovernmental platform through which 53 Member States and 9 associate members address shared economic, social and environmental challenges. Its governing body, the Commission, composed of all the Member States and associate members, provides overall strategic direction and adopts resolutions to guide ESCAP's work.

3. ESCAP supports Member States through policy analysis, normative work, technical cooperation, and capacity-building. Its work is organized around the development, dissemination, and application of analytical and policy-relevant knowledge to inform national and regional decision-making. It is implemented through nine subprogrammes, including the macroeconomic policy, poverty reduction, and financing for development subprogramme (subprogramme 1).

4. Implemented by the Macroeconomic Policy and Financing for Development Division (MPFD), the subprogramme supports Member States in strengthening formulation of macroeconomic policy and advancing inclusive, resilient, and sustainable development. The subprogramme conducts regional macroeconomic surveillance, analyzes emerging economic and financing risks, and provides policy advice on fiscal, monetary, and development-financing issues through research, regional dialogue, and capacity-building. It also promotes sustainable development financing by supporting public resource mobilization, advancing financing for climate action and energy transition, and preparing investment-ready projects, while contributing to regional economic cooperation and follow-up on global financing for development commitments under the 2030 Agenda.

5. MPFD is composed of the Office of the Director and two sections:

a) Office of the Director – provides strategic leadership and coordination across the Division, including oversight of programme planning, intergovernmental support, and administrative and personnel matters.

b) Macroeconomic Policy and Analysis Section – undertakes regional macroeconomic analysis and surveillance, assesses emerging economic risks, organizes policy dialogues, supports intergovernmental processes on macroeconomic policy, and provides technical assistance.

c) Financing for Development Section – focuses on financing strategies for sustainable development, including public and private mobilization and development finance, and supports analytical work, policy dialogue, technical cooperation and facilitation of intergovernmental processes on financing for development.

6. MPFD has 22 posts, comprising 12 professional and 9 general service positions, and a Director at the D-1 level. As of February 2026, MPFD had five vacancies (22 per cent), all within the Financing for

Development Section. As shown in table 1, overall funding levels for MPFD remained relatively steady over the period from 2023 to 2026, fluctuating within a narrow range between $3.43 million and $3.68 million.

Table 1: Financial resources for subprogramme 1 (in thousands of United States dollars)

Resource year	Section 19		Section 23 RPTC	Section 35 Development Account	Total
	Regular budget	Extra budgetary			
2023	2,829.30	1.7	429.9	178.4	3,439.0
2024	2,719.70	416.5	311.1	86.2	3,533.4
2025	2,816.10	190.8	298.5	130.9	3,436.3
2026	3,160.60	425.0	98.10	-	3,683.7

Source: Proposed programme budget for ESCAP – A/79/6 (Sects. 19, 23 and 35) and Umoja data.
2023-2025 figures are actual consumption, while 2026 figures are budgeted resources

7. MPFD uses a combination of Secretariat corporate systems and ESCAP-specific tools to manage data supporting its analytical and programme delivery functions. Corporate platforms, including Umoja Enterprise Core Component, Strategic Management Application (SMA) module, and Integrated Programme Management and Reporting (IPMR) module support financial and human resources management processes and performance monitoring. Programme-level results are also tracked through ESCAP's internally developed Programme Monitoring Tool (PMT), managed by the Strategy and Programme Management Division (SPMD), which feeds data into corporate dashboards. Analytical work relies heavily on external data sources, particularly the CEIC database[1], as well as other international and national statistical sources. Data extracted from these source databases are processed using Excel-based models, with supporting working files stored in SharePoint. Final outputs, including flagship reports, policy papers, and working papers, are disseminated through the ESCAP knowledge management repository website.

8. Comments provided by ESCAP are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

9. The objective of the audit was to assess the adequacy and effectiveness of controls established for the management of ESCAP's macroeconomic policy, poverty reduction, and financing for development subprogramme in supporting the delivery of its mandated objectives.

10. This audit was included in the 2025 risk-based work plan of OIOS due to the strategic importance of the subprogramme in supporting sustainable development, poverty reduction and financing for development priorities under the 2030 Agenda for Sustainable Development.

11. OIOS conducted this audit from December 2025 to April 2026. The audit covered the period from 1 January 2024 to 31 December 2025 and focused on: (a) planning and coordination; (b) work plan implementation; (c) performance monitoring and evaluation; and (d) resource management.

12. The audit methodology included: (a) interviews with key personnel; (b) review of relevant documentation; (c) assessment of data management systems, including ESCAP PMT, Umoja SMA and IPMR as well as ESCAP websites and knowledge repositories used to store and disseminate analytical

[1] The CEIC (Census and Economic Information Center) database is a global macroeconomic and financial intelligence platform covering more than 200 economies

products; (d) analytical review of project management and financial data, including budget utilization, expenditure trends, and delivery rates, based on data extracted from Umoja and internal monitoring tools; and (e) sample testing of selected projects and transactions using a judgmental sampling approach based on project value, duration and funding source to verify the accuracy, completeness, and consistency of reported information.

13. To assess the reliability of data pertaining to the delivery and financial management of subprogramme activities, OIOS reviewed related documentation, including project records, financial reports, and monitoring data extracted from Umoja and internal tools, and collaborated with ESCAP personnel to clarify data structures and address identified issues. Discrepancies, including missing or inconsistent data, were discussed with management and resolved as necessary. Based on this review, OIOS determined that the data was sufficiently reliable to address the audit objectives.

14. The audit was conducted in accordance with the Global Internal Audit Standards.

III. AUDIT RESULTS

A. Planning and coordination

Inadequate arrangements for coordinated and coherent delivery of outputs across ESCAP

15. In accordance with ST/SGB/2018/3 [2] and results-based management principles, programme planning and implementation should be coordinated across organizational units, with clearly defined roles and structured arrangements to ensure coherent, integrated, and efficient delivery of output. Given that subprogramme 1 addresses themes that cut across multiple ESCAP subprogrammes related to social, environmental, and trade dimensions, its effective delivery by MPFD requires structured and sustained collaboration with other divisions. This includes institutionalized coordination mechanisms that are integrated into planning and implementation processes to ensure coherent analyses and policy recommendations, leverage synergies, and avoid fragmentation.

16. ESCAP had established several platforms and forums to support inter-divisional collaboration, including for analytical and thematic outputs. While these mechanisms supported coordination among divisions, OIOS interviews with personnel in MPFD and other ESCAP divisions, as well as document reviews, indicated that they were not consistently used to identify cross-cutting priorities, emerging issues, and opportunities for in-country programming at the planning stage. As a result, engagement between divisions was based on informal working relationships and subject-matter relevance, rather than through structured processes to identify priorities and allocate responsibilities based on comparative expertise. For example, collaboration on analytical outputs and research papers was often initiated through bilateral requests between divisions after work had already commenced; therefore, contributions were not timely or well-coordinated, and they were not consistently aligned with broader cross-divisional priorities. Similarly, contributions to ESCAP-wide analytical outputs, including thematic studies, were often developed in parallel rather than through an integrated and coordinated approach. Furthermore, although some coordination occurred, including through editorial board reviews of flagship publications and concept notes, these processes were primarily focused on output-level review and were not consistently used to support structured planning and coordination across divisions.

[2] ST/SGB/2018/3 - Secretary-General's bulletin on regulations and rules governing programme planning, the programme aspects of the budget, the monitoring of implementation and the methods of evaluation

17. The absence of sufficiently structured coordination mechanisms for cross-divisional planning and implementation increased the risk of overlapping or inconsistent analyses and may limit ESCAP's ability to provide integrated, coherent, and enriched policy advice to Member States on cross-cutting development challenges.

(1) ESCAP should strengthen coordination mechanisms across planning and implementation processes to promote coherent analyses and policy recommendations, particularly for in-country programming and cross-cutting and emerging priorities.

ESCAP accepted recommendation 1 and stated that it would review existing arrangements and identify and implement measures to further strengthen coordination across programme planning and implementation processes. To this end, preparations for the ESCAP Theme Study already incorporate mechanisms to support coherent analysis and development of integrated policy recommendations across ESCAP substantive divisions.

<u>Gaps in the operationalization of the poverty reduction mandate were being addressed</u>

18. The mandate and title for subprogramme 1 covered macroeconomic policy, financing for development, and poverty reduction. However, although programme budget documents during the audit period included strategies, deliverables, and measurable results related to macroeconomics and financing for development, none were explicitly identified for poverty reduction. Management explained that although poverty-related issues were addressed as part of the broader macroeconomic analysis undertaken by the Division, over time, its primary focus had evolved from poverty reduction to a broader mandate encompassing macroeconomics and financing for development. Against this background, ESCAP had proposed to the Commission the removal of the term ‘poverty reduction’ from the subprogramme title, citing the cross-cutting nature of the issue. This proposal was not approved, as the Commission considered poverty reduction to be intrinsically linked to economic growth under subprogramme 1 and reaffirmed it as a core area of work, emphasizing its mainstreaming across ESCAP subprogrammes.

19. While poverty-related work was undertaken across ESCAP subprogrammes to varying degrees, review of documentation and interviews with personnel within MPFD and other divisions did not demonstrate that this mandate was strategically coordinated or consistently integrated across divisions. A paper by the Social Development Division, which took stock of ESCAP’s work on poverty reduction, indicated that multiple divisions were engaged in poverty-related activities and noted that poverty reduction remained an ongoing challenge. In particular, there was no clear articulation of subprogramme-level deliverables or contributions toward a common poverty reduction objective, nor evidence of an entity-wide approach to implementation.

20. This observation is consistent with risks identified in ESCAP’s risk register relating to organizational coordination. The risk drivers include the absence of clear strategic programme planning guidance at the entity level, resulting in uncoordinated work planning among divisions and subregional offices. Proposed risk responses included developing an ESCAP-wide medium-term strategy, articulating ESCAP’s work in a more integrated manner, and formalizing joint planning and delivery processes. At the time of the audit, no documented progress had been made toward the development of the strategy.

21. Strengthening institutional arrangements, including clearer articulation of subprogramme-level contributions and the development of a medium-term strategic framework, should support more coherent and balanced implementation of the poverty reduction mandate. OIOS noted that ESCAP incorporated poverty reduction-related results and measurable performance indicators in the proposed programme budget for 2027, thereby providing a framework for more systematic implementation, monitoring, and assessment of progress. In addition, the actions envisaged under recommendation 1 are expected to further

strengthen the integration of poverty reduction considerations across ESCAP subprogrammes. Accordingly, OIOS did not make a separate recommendation in relation to this observation.

Inadequate work planning processes within the Division

22. In accordance with ST/SGB/2018/3 and United Nations results-based management principles, planned subprogramme outputs should be clearly cascaded into divisional and section workplans, with defined objectives, responsibilities, risks, and performance indicators. Roles and accountabilities, including contributions to shared outputs, should be explicitly defined and supported by measurable indicators to enable effective monitoring and oversight of progress and results.

23. The Division utilized several operational tools to track tasks and activities, including section-level output-activity spreadsheets, a Director's task tracker capturing activities and follow-up actions, and PMT monitoring extracts tracking delivery of programme outputs. However, these tools did not systematically link subprogramme outputs to section-level activities or facilitate coordinated planning across sections. For instance, while entries in the PMT Excel spreadsheet reflected deliverables from programme budget documents and assigned them to sections, entries in section workplans, where available, did not consistently indicate all the deliverables and, in some cases, referred to them using different terminology. Furthermore, one section did not maintain documented workplans. The limitations in planning tools also extended to performance measurement, which did not define or capture other key performance measures for deliverables beyond tracking delivery timeliness, limiting their usefulness for performance management.

24. Further, planning documentation did not demonstrate interdependencies between sections or systematically identify coordination requirements. While the PMT assigned shared responsibilities for certain outputs, roles and contributions of sections were not clearly defined, and section workplans did not reflect their respective contributions to shared activities. Discussions with staff indicated that coordination within the Division occurred through divisional meetings and management oversight. However, due to resource constraints, these were not documented, and there was insufficient evidence of formal planning arrangements to identify and manage such interdependencies, as no divisional work plan existed.

25. While the Division delivered its planned outputs for 2024 and 2025, the above limitations reduced the visibility of how section-level activities contributed to approved subprogramme outputs and objectives.

(2) ESCAP Macroeconomic Policy and Financing for Development Division should strengthen work planning arrangements through an integrated division workplan that aligns section activities with subprogramme outputs, clarifies roles and responsibilities, and formalizes coordination across sections.

ESCAP accepted recommendation 2 and stated that MPFD would develop an integrated divisional workplan that aligns section-level activities with the approved programme plan and planned and ongoing project activities. The workplan would also clearly identify outputs, timelines, responsible staff members, and coordination mechanisms across sections.

Non-operationalization of risk response measures

26. The United Nations Secretariat enterprise risk management framework and results-based management principles require that risks be systematically identified, assessed, mitigated, and monitored through structured processes with clear accountability and actionable response measures.

27. ESCAP established enterprise risk management arrangements, including periodic updates to its risk register, most recently in December 2025. Through this process, ESCAP identified a range of risks affecting

its operations, including those that could affect the delivery of subprogramme 1, and assigned corporate-level ownership and response measures. At the divisional level, MPFD participated in the ESCAP-wide risk management process through the Director's contributions to the risk register, informed by internal consultations. Although there was no formal documentation of divisional-level risk-monitoring mechanisms, management indicated that operational risks were discussed and addressed through divisional and section meetings.

28. While entity-level controls and mitigation measures were in place, there was no evidence that risk response measures were consistently translated into clearly defined operational actions. In particular, risk response measures such as developing a medium-term strategy, formalizing joint proposal and delivery processes, strengthening engagement with Member States, and enhancing monitoring and feedback mechanisms were not supported by documented action plans, defined responsibilities, or structured monitoring arrangements. As a result, there was limited assurance that identified risks were being systematically mitigated.

(3) ESCAP should strengthen its enterprise risk management processes to ensure the effective implementation of identified risk response measures and the continuous communication and monitoring of risks across the entity.

ESCAP accepted recommendation 3 and stated that it would strengthen the systematic monitoring and reporting of risk response measures through its Enterprise Risk Management Working Group and the Umoja Enterprise Risk Management module to support effective risk oversight and management.

B. Work plan implementation

29. Overall, MPFD established adequate arrangements to support the implementation of planned programme of work and the delivery of its mandated functions. While the Division's work encompassed regional macroeconomic surveillance, policy advice, support to development financing, and capacity-building, many of these functions were delivered through analytical outputs and related knowledge products. Although the scale of capacity-building activities was affected by liquidity constraints during the audit period, the Division maintained arrangements to support the timely delivery and quality of its planned outputs. However, opportunities existed to strengthen data governance and documentation practices to enhance the traceability, reproducibility, and long-term usability of analytical work.

Quality assurance processes were in place; however, traceability of published data to source datasets was limited

30. The United Nations publications policy frameworks require analytical publications to be subject to appropriate quality assurance and peer review processes prior to publication. In addition, the United Nations Statistical Quality Assurance Framework, Sustainable Development Goals Indicator Metadata Guidance, and the United Nations Global Digital Compact require analytical outputs to be supported by reliable data, transparent methodologies, and documented processes that ensure accuracy, traceability, reproducibility, and effective management of underlying datasets.

31. MPFD analytical outputs were subject to quality assurance procedures, including approvals of concept notes and peer reviews of draft analytical publications prior to finalization. Tracked changes and comments in draft chapters of the flagship report were evidence of substantive reviews by the Section Chiefs and Division Director. The Division also utilized ESCA-established external peer review mechanisms, including expert group meetings and reviews by ESCAP Editorial Board members.

32. However, controls over the management and documentation of data supporting analytical outputs were not consistently applied. While datasets were stored in shared systems and accessible to staff, working files derived from source systems, including the CEIC database, did not systematically record key information such as dataset versions and extraction dates. Instead, this information was maintained in separate Excel spreadsheets used to compile finalized data and generate charts and graphs, but these spreadsheets were not consistently linked to the underlying analytical files. In several instances reviewed, data extraction dates recorded in these spreadsheets differed from the data cut-off dates presented in published reports. In addition, dataset naming conventions and file organization were not consistently aligned with the figures and tables presented in analytical outputs, making it difficult for individuals other than the original analysts to trace datasets to published results.

33. As a result, although publications were subject to quality assurance and peer review processes, the Division's ability to independently verify, reproduce, and reuse analytical work was reduced. This risk is heightened when staff transition or leave the Division, potentially affecting the continuity and institutional retention of analytical knowledge.

(4) ESCAP Macroeconomic Policy and Financing for Development Division should strengthen controls over data traceability and supporting documentation to ensure that analytical outputs can be reliably traced to and verified against underlying data.

ESCAP accepted recommendation 4 and stated that MPFD would strengthen data management controls through enhanced data collection and documentation standards, standardized dataset naming conventions, and a centralized password-protected master file to improve data traceability, transparency, and integrity.

Records retention and archiving practices were operationalized within MPFD

34. ESCAP maintained a Communication and Knowledge Management gateway within the United Nations' knowledge management framework. This provided access to a centralized repository of publications that digitally captured, stored, indexed, and preserved ESCAP's intellectual outputs, including flagship publications, policy briefs, technical reports, and working papers. Datasets supporting analytical work were generally stored in shared systems accessible to staff, facilitating access to institutional knowledge. ESCAP also established a records retention policy that guided the lifecycle of documents in MPFD, including their creation, retention, and disposal. The Communication and Knowledge Management Section provided governance oversight for these arrangements, supporting the retention, preservation and accessibility of records and knowledge products within MPFD.

Controls over project management were generally adequate, with opportunities to strengthen the performance evaluation of consultants

35. A review of a sample of five projects valued at $1.13 million (comprising two RPTC projects, one Development Account project, and two extrabudgetary projects) indicated that controls over project management, including monitoring, reporting, and the use of consultant resources, were generally adequate, with some areas for improvement. Programme managers submitted financial and progress reports in a timely manner, in line with established requirements. In addition, SPMD provided second-line oversight throughout the project lifecycle, including proposal review, implementation monitoring, and project closure, thereby contributing to compliance with reporting and coordination requirements.

36. However, a review of the hiring and management of a sample of 16 consultants and individual contractors (CICs) drawn from the 49 CICs engaged by the Division between 2024 and 2026, covering 68 contracts valued at $563,333, showed that while controls over the selection of CICs were generally

adequate, performance evaluation requirements were not consistently implemented. Specifically, interim evaluations were not conducted for contracts exceeding six months, as required by the administrative instruction on consultants and individual contractors. Management acknowledged this oversight and indicated that, while project managers reviewed deliverables and performance prior to authorizing payments, formal performance evaluations would be completed going forward.

C. Performance monitoring and evaluation

<u>There was a need to strengthen monitoring arrangements to enhance performance tracking and reporting</u>

37. In accordance with ST/SGB/2018/3, programme planning and management processes should include systematic monitoring to assess progress against planned outputs and expected accomplishments, and to support timely corrective action. Results-based management principles further require that outputs be defined with clear indicators and performance data, including timeliness and quality.

38. While the Division established mechanisms to track activities, gaps in planning and performance definition, including the absence of documented workplans for one of the sections and the lack of clearly defined responsibilities and key performance measures (as explained in Section A), limited its ability to systematically monitor progress against planned activities and to evaluate the efficiency of implementation. In addition, limitations in supporting systems constrained integrated planning and monitoring. For instance, the rollout of the Umoja IPMR module, intended to support end-to-end planning and performance monitoring, remains incomplete. More than two years after its introduction in ESCAP, IPMR use was largely limited to RPTC-funded projects, while extrabudgetary projects were not consistently integrated. Therefore, information on implementation progress and achievement of planned outputs was not readily available.

39. The continued partial implementation of IPMR may limit the transparency and comprehensiveness of programme planning and performance monitoring, as well as the availability of consolidated data on end-to-end linkage between planning, implementation and resource use to support informed decision-making and reporting. Management explained that the delay in extending IPMR coverage to extrabudgetary projects was mainly due to the complexities of these projects and indicated that measures would be identified to expedite the rollout of IPMR to extrabudgetary projects.

(5) ESCAP Macroeconomic Policy and Financing for Development Division should strengthen performance monitoring to enable regular progress reviews and timely corrective action on deliverables.

ESCAP accepted recommendation 5 and stated that MPFD would develop an integrated divisional workplan and enhance the use of corporate monitoring and reporting tools to track progress and delivery of programme and project results.

<u>Evaluation and feedback for continuous improvement could benefit from further strengthening</u>

40. Consistent with results-based management principles, managers are expected to establish structured feedback mechanisms, including evaluations, surveys, and lessons-learned processes, and to ensure that insights generated are documented, analyzed, and systematically integrated into planning and subsequent work cycles.

41. Evaluation activities in ESCAP are undertaken through complementary arrangements. The Inspection and Evaluation Division of OIOS, as the central evaluation unit of the United Nations Secretariat,

conducts programme and subprogramme evaluations for Secretariat entities. ESCAP also conducts internal evaluations managed by the Evaluation Unit within SPMD. In addition, ESCAP divisions conduct various feedback and assessment exercises, such as stakeholder surveys following capacity-building activities, to support programme implementation and improvement.

(a) **ESCAP internal evaluation programme**: ESCAP established an annual internal evaluation programme under which different aspects of its activities were assessed. The frequency of evaluations of subprogrammes varied, with some not assessed in recent years. For example, as shown in table 2, subprogramme 1 was last evaluated in 2016. ESCAP attributed these gaps primarily to resource constraints and noted that subprogramme 1 had been proposed for evaluation by the OIOS Inspection and Evaluation Division in 2026; however, this was postponed due to the ongoing audit of the Division. Considering the flexibility introduced by the revised administrative instruction[3] on evaluation, this variation reflects an element of prioritization in the selection of evaluation topics.

Table 2: Subprogramme evaluation history in ESCAP

Subprogramme	Year evaluated	No. of years since last evaluation
Subprogramme 1. Macroeconomic policy, poverty reduction and financing for development	2016	10
Subprogramme 2. Trade, investment and innovation	2022	4
Subprogramme 3. Transport[4]		
Subprogramme 4. Environment and development	2022	4
Subprogramme 5. Information and communications technology and disaster risk reduction and management	2012	14
Subprogramme 6. Social development	2018	8
Subprogramme 7. Statistics[5]		
Subprogramme 8. Subregional activities for development	2022	4
Subprogramme 9. Energy	2024	2

Source: ESCAP Evaluation Reports | ESCAP

(b) **Divisional feedback and assessment processes**: A review of MPFD processes indicated that stakeholder feedback is primarily collected through surveys conducted at the end of capacity-building activities and, in some cases, through correspondence from Member States. However, there was limited evidence that such feedback was systematically analyzed, consolidated, or consistently used to inform improvements in outputs. Documentation reviewed also did not demonstrate the existence of structured lessons-learned mechanisms or clear linkages between feedback obtained and subsequent workplans. Management indicated that, due to resource constraints and competing priorities, approaches to analyzing and integrating feedback remained flexible; however, feedback was generally considered when designing subsequent activities.

42. The Joint Inspection Unit is undertaking an in-depth review of decentralized evaluation across United Nations system organizations, which may provide additional guidance on decentralized evaluations and other monitoring, feedback and assessment activities. Accordingly, OIOS did not make a recommendation on this issue.

[3] ST/AI/2021/3 – Evaluation in the United Nations Secretariat

[4] Subprogramme 3 was evaluated in 2021 under the title Regional Action Programme for Sustainable Transport Connectivity in Asia and the Pacific (2017-2021)

[5] OIOS conducted a thematic evaluation with a focus on the statistical work of the regional commissions, including ESCAP, in 2017

D. Resource management

There was a need to address human resource capacity constraints within the Division

43. ST/SGB/2018/3 requires heads of programmes to ensure the effective organization of work and deployment of staff to implement mandated activities. Further, programme managers are required to ensure that planned outputs are realistic and deliverable within available resources, and that material constraints affecting delivery are identified and addressed during implementation.

44. MPFD operated with significant and prolonged staffing vacancies ranging from over one to nearly four years, necessitating continuous reliance on temporary appointments to maintain operations. As of February 2026, 4 out of 22 (or 18 per cent) approved posts were vacant. In addition, one MPFD post was loaned to the Office of the Executive Secretary, effectively increasing the number of vacant positions to five. All five vacancies were within the Financing for Development Section, where only one of the six approved professional posts was filled, representing a vacancy rate of about 83 per cent.

45. While the vacancies were largely attributable to the Secretariat-wide hiring freeze, the continuous reliance on temporary staffing arrangements reduced institutional stability and resulted in frequent handovers and learning curves, thereby affecting operational efficiency. In addition, prolonged staffing constraints may pose risks to staff well-being due to sustained workload pressures.

(6) ESCAP Macroeconomic Policy and Financing for Development Division should establish a mitigation plan to manage human resource capacity risks in support of the effective delivery of planned outputs.

ESCAP accepted recommendation 6 and stated that MPFD would implement measures to mitigate human resource capacity risks and support effective delivery of planned outputs. This would include engagement with relevant offices on staffing needs, periodic assessment and monitoring of staffing-related risks, prioritization of critical functions and deliverables, reallocation of work as needed, and strategic use of temporary resources.

Human resource management practices were generally effective, with opportunities to enhance diversity

46. The Division demonstrated sound human resource management practices, with mandatory training requirements completed in a timely manner and staff performance management documentation prepared and finalized in accordance with established timelines.

47. While ESCAP achieved gender parity at the entity level, with an overall balance of male and female staff, female representation within MPFD stood at 33 per cent, below the organizational benchmark of 50 per cent. Geographical diversity was also not fully achieved, with a concentration of staff from the Asia region. Management acknowledged the potential to enhance gender and geographical diversity and indicated that these considerations would be taken into account when filling current vacancies.

IV. ACKNOWLEDGEMENT

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

Internal Audit Division
Office of Internal Oversight Services

ANNEX I

STATUS OF AUDIT RECOMMENDATIONS

Audit of management of the macroeconomic policy, poverty reduction and financing for development subprogramme in the Economic and Social Commission for Asia and the Pacific

Rec. no.	Recommendation	Critical[6]/ Important[7]	C/ O[8]	Actions needed to close recommendation	Implementation date[9]
1	ESCAP should strengthen existing coordination mechanisms across planning and implementation processes to promote coherent analyses and policy recommendations, particularly for in-country programming and cross-cutting and emerging priorities.	Important	O	Receipt of evidence of implementation of measures to further strengthen coordination mechanisms.	31 December 2027
2	ESCAP Macroeconomic Policy and Financing for Development Division should strengthen work planning arrangements through an integrated division workplan that aligns section activities with subprogramme outputs, clarifies roles and responsibilities, and formalizes coordination across sections	Important	O	Receipt of the integrated divisional workplan.	31 December 2027
3	ESCAP should strengthen its enterprise risk management processes to ensure the effective implementation of identified risk response measures and the continuous communication and monitoring of risks across the entity.	Important	O	Receipt of evidence that risk response measures are systematically monitored and reported to support effective risk oversight and management	31 December 2027
4	ESCAP Macroeconomic Policy and Financing for Development Division should strengthen controls over data traceability and supporting documentation to ensure that analytical outputs can be reliably traced to and verified against underlying data.	Important	O	Receipt of evidence that MPFD has implemented data collection and documentation standards, standardized dataset naming conventions, and a centralized master file supporting data traceability and documentation	31 December 2027
5	ESCAP Macroeconomic Policy and Financing for Development Division should strengthen performance monitoring to enable regular progress reviews and timely corrective action on deliverables.	Important	O	Receipt of evidence that performance monitoring arrangements have been strengthened through an integrated divisional workplan and enhanced use of corporate monitoring and reporting tools to track programme and project results.	31 December 2027

ANNEX I

STATUS OF AUDIT RECOMMENDATIONS

Audit of management of the macroeconomic policy, poverty reduction and financing for development subprogramme in the Economic and Social Commission for Asia and the Pacific

Rec. no.	Recommendation	Critical[6]/ Important[7]	C/ O[8]	Actions needed to close recommendation	Implementation date[9]
6	ESCAP Macroeconomic Policy and Financing for Development Division should establish a mitigation plan to manage human resource capacity risks in support of the effective delivery of planned outputs.	Important		Receipt of evidence that MPFD has implemented a mitigation plan for human resource capacity risks.	31 December 2027

[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.
[8] Please note the value C denotes closed recommendations whereas O refers to open recommendations.
[9] Date provided by ESCAP in response to recommendations.

APPENDIX I

Management Response

APPENDIX I

Management Response

Audit of management of the macroeconomic policy, poverty reduction and financing for development subprogramme in the Economic and Social Commission for Asia and the Pacific

Rec. no.	Recommendation	Critical[1]/ Important[2]	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	ESCAP should strengthen existing coordination mechanisms across planning and implementation processes to promote coherent analyses and policy recommendations, particularly for in-country programming and cross-cutting and emerging priorities.	Important	Yes	Director, SPMD	Dec 2027	While ESCAP has already established several platforms and forums to facilitate inter-divisional collaboration, coordination mechanisms across planning and implementation processes can be improved. In response to this recommendation, ESCAP management will review existing coordination arrangements and identify and implement measures to further strengthen coordination across programme planning and implementation processes. To this end, a number of concrete measures have been undertaken. One example is the preparation of the ESCAP Theme Study, which incorporates clearly defined coordination mechanisms to support coherent analysis and the development of integrated policy recommendations across ESCAP substantive divisions.
2	ESCAP Macroeconomic Policy and Financing for Development Division	Important	Yes	Director, MPFD	Dec 2027	In response to this recommendation, MPFD will develop an integrated

[1] 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.
[2] 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.

Management Response

Audit of management of the macroeconomic policy, poverty reduction and financing for development subprogramme in the Economic and Social Commission for Asia and the Pacific

Rec. no.	Recommendation	Critical[1]/ Important[2]	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	should strengthen work planning arrangements through an integrated division workplan that aligns section activities with subprogramme outputs, clarifies roles and responsibilities, and formalizes coordination across sections.					divisional workplan that aligns section-level activities with the approved programme plan and planned and ongoing project activities. The workplan will clearly identify outputs, timelines, responsible staff members, and coordination mechanisms across sections. This initiative is intended to strengthen planning and monitoring, clarify roles and responsibilities, and promote a more coordinated and coherent implementation of the Division's work in support of subprogramme objectives.
3	ESCAP should strengthen its enterprise risk management processes to ensure the effective implementation of identified risk response measures and the continuous communication and monitoring of risks across the entity.	Important	Yes	Deputy Executive Secretary as Chair of the ESCAP ERM Working Group	Dec 2027	As noted in the report, ESCAP has established enterprise risk management arrangements, including the periodic review and updating of its risk register, most recently in December 2025. In response to this recommendation, ESCAP management will continue to strengthen systematic monitoring and reporting of risk response measures, including through the ESCAP Enterprise Risk Management Working Group and the Umoja ERM module, to support effective risk oversight and management.

APPENDIX I

Management Response

Audit of management of the macroeconomic policy, poverty reduction and financing for development subprogramme in the Economic and Social Commission for Asia and the Pacific

Rec. no.	Recommendation	Critical[1]/ Important[2]	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
4	ESCAP Macroeconomic Policy and Financing for Development Division should strengthen controls over data traceability and supporting documentation to ensure that analytical outputs can be reliably traced to and verified against underlying data	Important	Yes	Director, MPFD	Dec 2027	In response to this recommendation, MPFD will strengthen controls over the preparation of research and data inputs by documenting, within all relevant data worksheets, how data were obtained, accessed, extracted, used, analyzed, and stored. Where appropriate, this information will also be reflected in final publications and analytical outputs. In addition, MPFD will enhance data management and traceability by systematically documenting data collection or extraction dates, methodologies, analytical processes, and storage procedures within all relevant worksheets. Dataset naming conventions will be standardized and aligned with the corresponding analytical outputs to facilitate transparency and reproducibility. To further strengthen traceability and data integrity, MPFD will establish a centralized, password-protected master file to record key information on indicators, data sources, access and extraction dates, amendments to data series, and personnel responsible

APPENDIX I

Management Response

Audit of management of the macroeconomic policy, poverty reduction and financing for development subprogramme in the Economic and Social Commission for Asia and the Pacific

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						for updates. Access rights will be restricted to authorized administrators to safeguard data integrity and ensure appropriate version control.
5	ESCAP Macroeconomic Policy and Financing for Development Division should strengthen performance monitoring to enable regular progress reviews and timely corrective action on deliverables.	Important	Yes	Director, MPFD	Dec 2027	In response to this recommendation, MPFD will develop an integrated divisional workplan that aligns section-level activities with the approved programme plan, as well as planned and ongoing project activities. MPFD will also continue to monitor the implementation of its deliverables to assess progress towards planned results and identify any issues that may affect timely delivery. The results of these monitoring activities are systematically recorded and reported at the mid-year and year-end stages through ESCAP's Programme Management Tool (PMT) and the Umoja Integrated Planning, Monitoring and Reporting (IPMR). MPFD will ensure that the progress, delays, and completion of deliverables are effectively monitored and reported through the relevant corporate systems.
6	ESCAP Macroeconomic Policy and Financing for Development Division should establish a mitigation plan to	Important	Yes	Director, MPFD	Dec 2027	MPFD acknowledges the recommendation and will manage human resource capacity risks

Management Response

Audit of management of the macroeconomic policy, poverty reduction and financing for development subprogramme in the Economic and Social Commission for Asia and the Pacific

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	manage human resource capacity risks in support of the effective delivery of planned outputs.					focused on measures within its direct control to support the effective delivery of planned outputs. While decisions related to recruitment, staffing levels and hiring approvals are subject to organization-wide processes and centralized review, the Division will continue to implement and strengthen measures to mitigate the impact of staffing constraints on programme delivery. To this end, MPFD has regularly raised human resource capacity constraints with the Human Resources Management Section, SPMD and the Office of the Executive Secretary. The Division has also implemented a number of interim measures to maintain operational continuity. As part of its mitigation plan, MPFD will continue to: (a) monitor and periodically assess staffing-related risks; (b) identify critical functions and prioritize deliverables based on available capacity; (c) reallocate work assignments and strengthen cross-unit support arrangements, as necessary; (d) maximize the strategic use of temporary personnel, consultants, United Nations Volunteers and other

APPENDIX I

Management Response

Audit of management of the macroeconomic policy, poverty reduction and financing for development subprogramme in the Economic and Social Commission for Asia and the Pacific

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						available resources, subject to funding availability; and (e) proactively engage with relevant offices regarding vacant posts and emerging capacity requirements.