

2024

Summary of Internal Oversight and Ethics Activities 2023

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Secretary General's Statement

I am pleased to present the report on the 2023 internal oversight and ethics activities at IMO. Highlights of the 2023 activities include a more balanced portfolio of internal oversight activities covering evaluation, internal audit, and advisory service activities. In the present annual report, you will see that IOEO focused on strategically important engagements such as flagship environmental projects, gender programmes and initiatives, and maturity assessment of risk management frameworks in 2023.

After the arrival of the long-awaited Evaluation Officer in May 2023, IOEO was able to begin accelerating the reforms and strengthening of the internal oversight side of its activities. IOEO also enhanced the usage of digital tools (TeamMate+) by creating an interface with Power BI for efficient data analysis, and pilot-tested the use of text mining technologies for the audit analysis. Many positive developments were observed in 2023.

I see that IOEO is now staffed with a team of very competent and committed professionals, with whom I always provide strong support. Foreseeing the many challenges in front of us, I am leading initiatives for comprehensive Secretariat-wide reform and look forward to the IOEO's positive engagements and value-adding contributions as independent functions.

Arsenio Dominguez Velasco
Secretary-General

I. Introduction

1 In accordance with the terms of reference of internal oversight, as provided in Appendix II to the Financial Regulations of the International Maritime Organization (IMO, or the Organization), the Internal Oversight Services (IOS) cover internal audit, evaluation, and investigation under a single internal oversight mechanism. IOS, together with the ethics function established in February 2014, have formed the Internal Oversight and Ethics Office (IOEO) that reports functionally and administratively directly to the Secretary-General and assists him in the fulfilment of his responsibility for internal control (Financial Regulation 10.1) and in internal oversight and ethics-related matters with independent, objective assurance, review, and advice. In addition, IOEO was designated by the IMO Council to provide internal audit services for the World Maritime University (WMU) in Sweden and the International Maritime Law Institute (IMLI) in Malta.

II. Internal Oversight

A. Report on the Review of 2024 Member States Assessment

2 The report outlined the IOEO's review of the calculation of 2024 assessed contributions carried out by the Financial Services of the Administrative Division. The review considered, inter alia, shipping tonnage figures submitted in accordance with Circular Letter No.3347, UN General Assembly resolution A/RES/76/238, the IMO budget for 2024 as approved by the IMO Assembly at its thirty-third session in December 2023, and IMO Assembly resolution A.726(17) on apportionment of contribution amounts among member states. The verification confirmed the accuracy of the calculation for the defined assessment categories. With regard to the allocation of the assessments, no errors were found; however, minor manual adjustments for certain Member States were identified - based on the practice evolved and accepted at IMO. These adjustments arose from the rounding of the percentages in three decimal places provided in the UN scale of assessments (A/RES/76/238) into the nearest two decimals as per resolution A.726(17) for the calculation of the "basic units".

3 Recommendations were made to address the above-mentioned issue as well as to enhance the efficiency of the submission of tonnage data. The memorandum also emphasized the need for clarity in defining ship types to be covered by the tonnage assessment and any other relevant criteria. It recommended the development of a global policy to enhance clarity.

B. Final Evaluation of IMO-Norad Project: Marine Environment Protection in the South East Asian Seas (MEPSEAS)

4 The MEPSEAS project was established to assist South-East Asian countries to reduce the risk of the impact of ship-generated pollution on the maritime environment and fisheries. With the help of tools developed, lessons learned, and the future plan of action agreed upon during the preceding "foundation" project, the MEPSEAS aimed to expand government and port management capacities. The final evaluation of MEPSEAS covered the entire lifetime of the project from December 2018 to December 2022, with the aim to assess the relevance, coherence, effectiveness, efficiency, impact and sustainability of the implementation of the project activities as well as to assess completion of the project objectives and results.

5 The evaluation found that the MEPSEAS project had been successful in helping most project countries achieve their priorities in implementing their chosen conventions during a period in which the COVID-19 pandemic created many additional challenges. Based on the 'project scorecard', 84% of the project targets have been met. The project has successfully provided a 'road map' for participating countries, with a clear set of relevant milestones to be achieved with the support of IMO in partnership with key actors such as the Tokyo MoU Secretariat. The roadmap has included a comprehensive set of support activities, including: grouping the relevant national competencies to support ratification and implementation, support to drafting of legislative and administrative instruments, development of national action and capacity building plans, and training and capacity building of national expertise.

6 National counterparts were found to be highly positive in their responses to the project and appreciative of the support from IMO and its partners. Stakeholder discussions held during this evaluation reiterated the value gained from the project, with several national counterparts noting that MEPSEAS had helped them ratify and implement the relevant conventions faster than would otherwise have been the case. Moreover, in the survey conducted as part of this evaluation, 85% of responding national experts and counterparts concluded that the project had been successful in helping reduce the risks and impact of environmental issues related to maritime transport. The evaluation further took note of good practices and approaches used in MEPSEAS that could inform future projects and initiatives elsewhere.

7 As the final evaluation found, while the overall impression of the project was very positive, a number of issues should be considered regarding how IMO approaches future projects. Many of these issues were related to core elements of project design, monitoring, and reporting, as well as principles of results-based management. These issues have a bearing on how well, for instance, project management can track the impact of project interventions, monitor and respond to project risks, or track and report on issues such as the project's impact on gender mainstreaming in the maritime sector. Further efforts in these areas could help build on the successes and lessons learned in MEPSEAS, improve overall project management, and potentially reduce risk exposure for future projects.

C. Mid-term evaluation of Green Voyage 2050

8 The midterm evaluation of the GV2050 project encompassed its inception in May 2019 to the first half of 2023. This evaluation aimed to assess the project's effectiveness and relevance in supporting the implementation of the Initial IMO Strategy on Reduction of Greenhouse Gas Emissions from Ships with a view to providing recommendations to further enhance its contributions to greenhouse gas (GHG) emissions reduction in the context of the Revised IMO GHG Strategy.

9 The midterm evaluation adhered to the UNEG Norms and Standards for Evaluation and used mixed methods for data collection: desk review, semi-structured interviews, and surveys with stakeholders both within and outside IMO. The IOEO revised its intervention logic to develop a theoretical framework to guide data collection and analysis. Key highlights from the evaluation showed that the project aligns with the Initial IMO GHG Strategy and international climate change instruments and that its relevance to emerging needs and global priorities on GHG as those set out in the Paris Agreement and the 2030 Agenda is likely to increase further.

10 National stakeholders viewed it as essential for maritime sector priorities and expressed satisfaction with the outcomes. Progress was observed across project components and countries, with notable advances in global tools and partnerships (Components 1 and 3),

moderate progress in capacity-building (Component 2), and limited progress in pilot projects (Component 4). Notable achievements include public-private partnerships and increased stakeholder awareness of GHG reduction. Despite having the potential to yield impacts and sustainability, these elements have not been articulated in the Project's intervention logic; neither has the principle of "leaving no one behind".

11 The Project Coordination Unit (PCU) played a pivotal role in facilitating progress through effective communication and risk management, responding well to challenges like the COVID-19 pandemic. The project leveraged synergies with previous GHG-related IMO initiatives and collaborated with newer programmes like FIN-SMART and the Sustainable Maritime Transport Training Programme. Nonetheless, the current approach, scope and time frame are overambitious and do not conform to the existing systems, processes and capacities for implementation. Likewise, heavy reliance on activity- and output-oriented processes, project planning, and management tools have hindered further progress. Challenges remain in thoroughly revising the project approach for evolving international and institutional landscapes and in the absence of an IMO-wide programmatic framework to structure GHG initiatives. Areas for improvement included revising the project's approach and scope to align with current international changes, explicitly articulating sustainability in the intervention logic and enhancing knowledge management and communication strategies. External factors such as the COVID-19 pandemic and rapid socio-economic or political changes in partner countries have influenced project progress.

12 Recommendations emphasized the need to rethink and revise the project's approach and intervention logic to reflect its synergistic potential, leverage capacity and core value proposition as well as existing capacities and supporting systems for implementation. It also stressed the need to adopt results-oriented frameworks and tools and strengthen knowledge management and communication efforts for better stakeholder engagement and commitment.

D. Audit of IMO Risk Management Framework

13 IOEO conducted an audit of the IMO Risk Management Framework (RMF) to assess its maturity, effectiveness, and efficiency in risk management and identify opportunities for improvement. The audit utilized the Reference Maturity Model (RMM) for Risk Management as promulgated by the High-level Committee for Management (HLCM) of the United Nations Chief Executive Board, along with the nine benchmarks developed by the Joint Inspection Unit of the United Nations (JIU): the methodology involved document reviews, interviews, self-assessment sessions, surveys and analysis.

14 Several good practices were identified, including frequent risk-sensitive discussions at the Senior Management Committee meetings, continuous updates of risk categories, and annual updates of risk registers by the corporate risk focal points. However, the audit concluded that the maturity level of the IMO's RMF was between "developing" and "established". The audit observed that while risk perspectives were embedded in various policies and activities at IMO at multiple levels, it lacked full integration with timely corporate-wide controls for a more robust, transparent connection to support the assurance framework at the higher corporate level. Risk management activities in relation to RMF have been more of a stand-alone, periodic practice to fulfil its own purpose. IMO's RMF was also found to be outdated, with some weaknesses observed, and updates are required.

15 The draft audit report included five high-priority recommendations that management is considering for acceptance and implementation.

E. Review of IMO number schemes

16 The IMO Ship Identification Numbering Scheme, established in 1987, originated from proposals submitted by the United Kingdom and adopted through resolution A.600(15). Initially utilizing the Lloyd's Register Ship Numbering system, it mandated the inclusion of IMO numbers on vessel certificates. Over time, expansions were made, incorporating fishing vessels and adapting to changes such as the transformation of Lloyd's Register into S&P Global, which now manages the scheme.

17 Concerns regarding the governance scheme's alignment with IMO objectives arose owing to corporate transformations, prompting an evaluation of the relationship between IMO and S&P Global. Following external auditors' recommendations, the IMO Management entrusted the review task to IOEO.

18 The review aimed to deliver findings from the initial assessment of the IMO numbering scheme, suggesting potential enhancements to the governance of the scheme. The assessment started in October 2023, and a draft report was expected to be delivered in April 2024.

F. Mid-term review of GloLitter partnership project

19 The GloLitter Partnership Project, implemented by IMO in partnership with FAO, targets marine plastic litter (MPL) originating from sea-based sources, aiming to prevent, reduce, and control MPL through international regulatory frameworks and best practices. Operational since June 2023 and set to conclude by June 2024, GloLitter supports developing countries by enhancing capacity, providing technical and financial assistance, fostering partnerships, sharing knowledge, and ensuring effective project management. Engaging Lead Partnering Countries (LPCs) and Partnering Countries (PCs), the project involves national focal points and task forces, with strategic partners delivering specific activities outlined in the Results and Risks Framework (RRF). Regular assessments ensure goal achievement, while the Midterm Review assesses progress, identifies challenges, and recommends adjustments for enhanced relevance, effectiveness and efficiency facilitated by collaboration with IOEO and the Project Coordination Unit (PCU).

20 This collaborative effort ensured that preliminary results were thoroughly discussed and understood by key stakeholders within IMO PCU and FAO PCU, fostering a shared understanding of the project's performance and areas requiring attention. Subsequently, the preliminary findings and recommendations were presented to Norad in 2023. This process will contribute to the development of a comprehensive MTR report that will document findings, conclusions and recommendations to guide future strategies and initiatives within the GloLitter project. The report is expected to be produced in the first half of 2024.

G. Joint Evaluation-Audit of IMO Activities on Gender Equality and the Empowerment of Women (GEEW) – Phase 2: External Activities

21 IMO's efforts in promoting gender equality through its external activities date back to the 1980s with the establishment of the Women in Maritime (WIM) programme and the creation of WMU and IMLI. More recent developments include the work done between 2004

and 2017 to promote women's participation in the maritime sector through the establishment of the Women in Maritime Associations (WIMAs) – under IMO's auspices – the celebration of the 2019 World Maritime Day "Empowering Women in the Maritime Community", the subsequent adoption of Assembly resolution A 31/Res.1147 "Preserving the legacy of the World Maritime Theme for 2019 and achieving a barrier-free working environment for women in the maritime sector", the establishment of IMOGENder, the decision of the thirty-second session of the Assembly to establish the International Day for Women in Maritime*, the inclusion in 2022 of the strategic direction on the "Human Element" in the revised Strategic Plan for the Organization for the six-year Period 2018-2023 (2018-2023 Strategic Plan) and the launch of the IMO Gender Equality award.

22 During 2023, following the completion of the Phase I report on this area, IOEO performed a comprehensive analysis of the data gathered for Phase II of the Joint Evaluation-Audit, which focused on the Organization's external activities on GEEW. As of the end of 2023, the preliminary findings and recommendations were formulated, with the final report expected to be produced in the first half of 2024.

H. Evaluation of Integrated Technical Cooperation Programme (ITCP) activities 2020-2023

23 At its forty-seventh session, the Technical Cooperation Committee (TCC) determined that an evaluation to measure the effectiveness of the Integrated Technical Cooperation Programme (ITCP) should be conducted "every four years at the beginning of a biennium and cover the previous two biennia in their entirety, including in particular the TC Fund Programmes for the same periods" (TC 47/13). General principles and guiding methodology were adopted on the same occasion.

24 An evaluation for the period 2020-2023 is planned to take place in 2024. IOEO initiated the conceptualization phase in December 2023, which included desk review and internal consultations. It concluded that the environment in which IMO operates has significantly changed over the past six years in response to global developments and emerging priorities that have stressed the importance of technical cooperation for sustainable development in the areas of its mandate. These changes were reflected in IMO's strategic directions and priorities and, consequently, in the ITCP, possibly lessening the relevance and utility of the long-established evaluation approach.

25 Conforming to the United Nations Evaluation Group (UNEG) Norms and Standards for Evaluation, IOEO decided to conduct an evaluability assessment (EA) in the first quarter of 2024 to inform the design of the upcoming evaluation with a view to enhancing its relevance, timeliness and utility for the Organization and its Member States in the framework of the newly adopted Strategic Plan for the period 2024 to 2029. It will also facilitate stakeholders' early engagement and continuous learning throughout the evaluation process. Findings and recommendations will be used to develop the evaluation terms of reference, which will be submitted to TCC for approval at its seventy-fourth session.

I. Investigation

26 As per the "IMO Policy and Procedures on Prevention and Detection of Fraud and Serious Misconduct," specifically Appendix F of the Staff Regulations and Staff Rules, IOEO

* To be observed on 18 May each year.

is responsible for examining reported instances of fraud and serious misconduct. Investigations falling under Appendix E of the Staff Regulations and Staff Rules are currently handled by the Administrative Division. In 2023, IOEO did not receive any allegation of serious misconduct, and IOEO did not launch any investigation on serious misconduct, i.e. fraud, corruption, or retaliation.

III. Advisory services

A. Accounts Receivable write-off proposal for 2022 - advisory memo

27 IOEO reviewed the 2022 accounts receivable write-off proposal in line with the annual plan. The receivables were related to sponsored travel costs (£10,325.95 and \$5,294.27), cafeteria functions (£12,163.75) and provision of medical services (£340). The objectives of this engagement were to assess – based on the available evidence – whether all reasonable efforts and measures to collect the receivables and minimize the amount of write-offs were exhausted.

28 Based on the analysis performed, IOEO supported the proposed write-off for £505.94 since there were no realistic recovery prospects. For the remaining balances of £22,323.76 and \$5,294.27, the proposed write-off was not supported by IOEO on the basis that further follow-up actions could be taken to pursue recovery efforts. The memo also highlighted potential weaknesses in internal controls; for example, the absence of a consistent and systematic approach for the effective recovery of receivables, re-engagement with doubtful debtors and missing records. IOEO provided recommendations aimed at enhancing internal controls and ultimately improving debt recovery processes and procedures.

B. Publications inventory and write-off proposal for 2022 - advisory memo

29 During 2023, IOEO also conducted a review to assess whether sufficient due diligence was exercised to prepare the valuation of the inventory reported in the 2022 financial statements. The engagement focused, inter alia, on the approaches taken for the stock-count exercise and impairment review performed.

30 IOEO concluded that the management exercised sufficient due diligence to arrive at a reasonable estimate of the inventory value for the 2022 financial statements of £470,803 (gross inventory value of £650,448, less write-off amount of £179,645). In addition, IOEO provided an advisory feedback note to further improve the existing processes and controls.

IV. Ethics

31 IMO introduced the Financial Disclosure Programme (FDP) in 2014 to provide for the declarations of personal financial interests by applicable staff members and to assess the likelihood of potential conflicts of interest. In accordance with Appendix G of the Staff Rules and related guidelines, as revised in 2018, FDP was administered in 2023 for the reporting year 2022 (January 2022 – December 2022).

32 The review of the financial disclosure statements (FDS) for the reporting year 2022 under the revised guidance found no extraordinary or unusual cases to report concerning conflicts of interest.

33 In accordance with the recommendation of the External Auditors, IOEO launched a new portal designed to facilitate the annual electronic submission of information relating to the Financial Disclosure Statement.

V. Other activities

34 IOEO is the Organization's focal point for coordinating JIU activities. As of the end of 2023, IMO received a total of 393 recommendations in the last 10-year period (2014-2023), of which 229 (58%) were accepted. Out of 229 that were accepted, 123 (54%) had been implemented. IOEO's introduction of TeamMate + to manage the recommendations database has contributed significantly to enhancing administrative efficiencies.

35 In 2023, IOEO began strengthening its evaluation function to develop further an internal culture of evaluation for better performance, continuous learning and evidence-based decision-making. In addition to managing centralized evaluations and supporting decentralized evaluations with a view to improving quality assurance, IOEO has expanded its services to co-manage evaluations of UN joint programmes, develop evaluation capacities, and support the integration of evaluative thinking into project/programme design, all in line with the UNEG Norms and Standards for Evaluation. This has resulted in an increased demand for evaluation-related services.

36 IOEO has also engaged in UN system-wide initiatives to enhance evaluation coherence within the UN System. For instance, it has actively contributed to discussions and decisions within UNEG, including in relation to developing a system-wide strategy for small evaluation functions and using artificial intelligence in evaluations. It has also composed the technical advisory panel of the Partnership Pillar of the Global SDG Synthesis Coalition alongside other UN evaluation functions.

37 IOEO continued to provide ad hoc advisory services to strengthen controls and procedures, improve operational efficiency, and facilitate the implementation of its own oversight recommendations. These advisory services were provided on an ad hoc basis. A new P4 Evaluation Officer joined IOEO in May 2023, finally filling the gap in the staff complement. In addition, the financial resources made available to IOEO were generally sufficient in 2023. However, demand for oversight services, particularly evaluation, has been increasing since the second half of the year. If this trend continues, IOEO will not have sufficient human resources to respond in the coming years.

38 During 2023, IOEO did not encounter any event that affected the independent and sound functioning of the office or circumvented its professional assessment in the context of its oversight or ethics activities.



SUSTAINABLE DEVELOPMENT GOALS

1 NO POVERTY

2 ZERO HUNGER

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

5 GENDER EQUALITY

6 CLEAN WATER AND SANITATION

7 AFFORDABLE AND CLEAN ENERGY

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

10 REDUCED INEQUALITIES

11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

14 LIFE BELOW WATER

15 LIFE ON LAND

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

