



Decision on SECU Case No. 0017

UNDP takes note of the compliance review that the Office of Audit and Investigations' Social and Environmental Compliance Unit (SECU) conducted on Case No. SECU0017, relating to the "Private Sector and Agenda 2030" project in Colombia. SECU responds to concerns raised that UNDP may not be adhering to its corporate Social and Environmental Standards (SES) and related procedures. This function helps to ensure that UNDP is accountable to the individuals and communities who may be impacted by its activities. It is important that these voices are heard, and that UNDP has an opportunity to respond to and address the issues that they raise. I take very seriously our responsibility to comply fully with UNDP's SES.

By virtue of its mandate, UNDP works with national governments to align private investment with sustainable development priorities and collaborates with the private sector to embed the Sustainable Development Goals (SDGs) into their operations. UNDP also facilitates multi-stakeholder partnerships and innovative financing solutions to leverage private capital for the SDGs. The "Private Sector and Agenda 2030" project - which was cancelled before starting implementation of activities - was initially conceived to develop comprehensive economic recovery strategies aimed at improving the living conditions of those most affected by the Covid-19 crisis.

Indigenous communities are important partners for UNDP in the development work we do in Colombia and around the world and safeguarding against harms to these communities is of paramount importance. UNDP has an extensive recognized relationship with Indigenous Peoples, Afro-descendant and campesino communities in Colombia, guided by the human rights-based approach (HRBA), respecting their self-determination and supporting their leadership as well as their livelihoods in the country for decades. The country office works with indigenous communities to strengthen the collective and territorial rights of ethnic peoples within the framework of Sustainable Human Development and "Buen Vivir" (*Living Well*), ensuring a principled approach that maximizes social and environmental opportunities and benefits while avoiding adverse impacts. This involves supporting autonomy and participation in decision-making processes, facilitating land formalization and restitution in harmony with the natural environment, promoting traditional knowledge systems, strengthening collective participation, supporting sustainable resource management and promoting peace along with intercultural dialogue for the transformation of territorial conflicts.



UNDP has integrated the HRBA into the organization's overall programming principles. HRBA is also mainstreamed into the Quality Standards for programming, against which each project must adhere to across its life cycle. Anytime UNDP works with private sector companies, units are required to complete robust due diligence processes in addition to social and environmental screening and any relevant assessments that project activities may necessitate.

Our firm commitment to the SES has led us to set a high bar for ourselves. The SECU compliance review on this project indicates that we fell short in completing our rigorous processes during the design phase of the "Private Sector and Agenda 2030" project, which are in place to avoid inadvertent adverse impacts on people and the environment as a result of our work. This was recognized by UNDP management upon being alerted of the concerns by the communities and hence corrective measures were put in place, including immediate cancellation of the partnership in 2021, before any programmatic activities took place.

I am grateful for the critical role of the communities in raising their concerns, which enabled UNDP to promptly address these issues and led to improved practices within the organization. As part of these measures, ongoing reviews along with improvements have been taken on before SECU's final report was received. By the end of 2021, a detailed action plan to strengthen capacities of UNDP's country office in Colombia through training and stronger oversight was adopted and has been under implementation over the past several years. Additional actions that we have taken/will take include:

At the country level:

- Social and environmental screening procedures of all country office projects have been reviewed and revised, in some cases drawing on relevant technical expertise at the regional and headquarters levels.
- Training, workshops, internal exchange sessions and webinars related to SES and private sector due diligence were held to strengthen knowledge and tools in partnership with experts in Headquarters and the regional bureau.
- A Private Sector Committee was created in 2022 to enhance knowledge and capabilities regarding corporate policies and to promote an exchange of experiences and learnings in private sector engagement. This committee evolved into the current Local Private Sector Due Diligence Committee to ensure robust due diligence and quality assurance moving forward with private sector partnerships, with participation of SES specialized personnel.
- Since 2021, the country office has proactively implemented an SES action plan for its operational portfolio. Social and Environmental Screening Procedures (SESPs) are reviewed by the local project appraisal committee as part of project approval and assessments are updated when projects are substantially revised.
- Since 2021, the country office has implemented several joint initiatives with indigenous and campesino communities in the Putumayo territory to improve their livelihoods.



At the regional level:

- The regional bureau reviewed the due diligence processes in the country office through enhanced oversight from 2022-2023.
- Stronger regional oversight of private sector due diligence has been implemented, strengthening quality assurance of the data that underpins decisions taken on partnering with the private sector. Focal points have been appointed for private sector due diligence at the regional and country levels.
- Beginning in 2023, the Regional Bureau implemented capacity building activities including webinars and in-country training sessions for UNDP personnel, implementing partners and retained consultants. The training encompassed the fundamental principles of the Social and Environmental Standards, methodologies for screening processes, assessment and management instruments for environmental and social risks and impacts, stakeholder engagement procedures and requisite accountability mechanisms. Sharing broader lessons learned will also be a part of this training.
- A methodology for spot checking private sector due diligence in the region will be launched in Q3 2025, as part of UNDP's digital platform for partnership management called UNITY.

At the corporate level:

- In 2023, UNDP revised its private sector policy to ensure that partnerships with extractive industries are always escalated to the corporate Risk Committee.
- In 2023, UNDP adopted the UNITY platform to enhance corporate oversight and accountability in its engagement with the private sector. UNITY enables systematic tracking of all private sector partnerships, ensures accurate classification of partners, and confirms that due diligence processes are conducted with rigor, consistency, and transparency.
- A 2024 audit focused on UNDP's implementation of the SES. A management plan was put in place to address the recommendations, including strengthening capacities and oversight, as well as enhancing policy guidance. Implementing this management plan will be a key response to this SECU report as well.
- A new portfolio policy was approved in 2024 to ensure programming processes, including SES, are robustly applied to all portfolios.
- In February 2025, UNDP launched more detailed guidance on how to utilize the human rights-based approach in our projects and programming, in line with the requirements of the SES and UNDP's quality assurance requirements. A capacity development plan, including training, is being developed to ensure personnel are capacitated to implement the new guidance on an on-going basis.



- UNDP's standard contractual provisions with contractors require compliance with the SES and human rights. UNDP is confident that the strengthening of the mentioned due diligence processes and promoting stronger alignment with the UNDP SES framework will serve to address the risks identified in respect of all stakeholders.
- Strengthened training will be rolled out on UNDP's SES, including stakeholder engagement and consideration of contextual risks.
- The team will explore adding SES requirements to the transparency dashboard that tracks public disclosure of SESP and required assessments.

I would like to reiterate UNDP's and my strong personal commitment to continue assessing and improving how we work to better anticipate, prevent, and mitigate social and environmental risks as part of our organizational culture, ensuring that our SES underpin all that we do.

A handwritten signature in black ink, which appears to read 'Achim Steiner'.

Achim Steiner
Administrator
15 May 2025