



AUDIT

OF

**THE JOINT UNDP-DPA PROGRAMME ON BUILDING NATIONAL
CAPACITIES FOR CONFLICT PREVENTION**

Report No. 1890
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Report on the Audit of the Joint UNDP-DPA Programme on Building National Capacities for Conflict Prevention Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted a performance audit of the Joint UNDP-DPA Programme on Building National Capacities for Conflict Prevention (the Programme) from 11 September to 31 October 2017. Performance auditing is an independent examination of an entity to assess whether the entity is achieving economy, efficiency and results in the employment of available resources.

The audit aimed to assess the extent to which the Programme has contributed to building and consolidating initiatives and capacities in UN Country Teams (UNCTs) and national entities for conflict prevention.

The audit covered the activities of the Programme from 1 January 2016 to 30 June 2017. This was the first audit of the Programme.

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

Overall audit rating

OAI assessed the Programme as **partially satisfactory / some improvement needed**, which means “the assessed governance arrangements, risk management practices and controls were generally established and functioning, but need some improvement. Issues identified by the audit do not significantly affect the achievement of the objectives of the audited entity/area.” This rating was mainly due to the Programme not adhering to the principles of Results-Based Management.

Key recommendations: Total = 3, high priority = 1

The three recommendations aim to ensure the achievement of the Programme’s strategic objectives.

For high (critical) priority recommendations, prompt action is required to ensure that UNDP is not exposed to high risks. Failure to take action could result in major negative consequences for UNDP. The high (critical) priority recommendation is presented below:

Programme not adhering to the principles of Results-Based Management (Issue 2)

The Programme Document did not fully reflect a Results-Based Management orientation and the outputs were not specific, measurable, achievable, relevant and time-bound (SMART). Also, the Programme did not have a monitoring framework. Reporting of the progress of the Programme was not related to the measuring of achievements against targets.

There was no country-specific results planning. The audit reviewed 15 requests for Peace and Development Advisors (PDAs) made by Resident Coordinators and noted that none of these requests included a specific time-bound plan to enhance UNCT and local capacities; only one request made clear reference to the planning of national entities on conflict prevention. All the other requests made no, or very partial reference to capacity-building and none of the requests made statements about expected results. They only listed activities to be undertaken by the PDA.

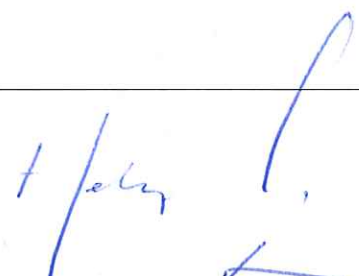
The prioritization of countries for deployment of PDAs was not based on the likelihood of achieving results and did not assess how and when capacities would be created by every existing and newly deployed PDA. Also, the same assessment was used for new deployments and countries which already had a PDA deployed.

Recommendation 2: The Programme should adopt a Results-Based Management approach by: (a) improving the design of the next Programme with clear results and indicators and developing a monitoring framework to measure progress in achieving targets; (b) prioritizing deployment of PDAs based on projected results; and (c) prioritizing requests for deployment of PDAs also based on targets for building local capacities.

Management comments and action plan

The Director of the Bureau for Policy and Programme Support accepted all recommendations and is in the process of implementing them. Comments and/or additional information provided have been incorporated in the report, where appropriate.

Low risk issues (not included in this report) have been discussed directly with management and actions have been initiated to address them.

A handwritten signature in blue ink, appearing to read 'H. Ostveiten', is located above the printed name.

Helge S. Ostveiten
Director
Office of Audit and Investigations

I. About the Programme

The Joint UNDP-DPA Programme on Building National Capacities for Conflict Prevention (the Programme) aims to build and consolidate national capacities and to have initiatives strengthened for conflict prevention, in conflict-affected, fragile countries, as well as countries undergoing political instability or difficult transitions. The current Programme started in 2015 and will end in 2018. The five strategic areas of engagement of the Programme are:

- (i) deployment of Peace and Development Advisors (PDAs) to help build long-term capacity of national partners and UN Country Teams (UNCTs) to undertake conflict/political analysis, and design and implement conflict-sensitive programming;
- (ii) mechanisms and capacities for collaboration and dialogue;
- (iii) mechanism for deployment of short-term expertise to respond and engage in crisis settings;
- (iv) coordinated and complementary UNDP and the United Nations Department of Political Affairs (DPA) support, analysis, and engagement in target countries; and
- (v) capacity of UNCTs, DPA, and UNDP to share good practices, lessons learned, and engage in community of practice.

The Programme deploys PDAs to build national capacities in complex political situations. The PDAs are supposed to provide conflict and political analysis to UN Resident Coordinators, UNCTs and UN Headquarters, informing a conflict-sensitive response of the UN and offering strategic guidance to the implementation of conflict prevention and peacebuilding initiatives and to national counterparts. In 2016, there were 42 PDA posts. The PDAs were deployed to countries in Africa, Arab States, Asia Pacific, Europe and Central Asia, and Latin America and the Caribbean. Apart from the deployment of PDAs the Programme also provides support to UNCTs and regional and national entities by means, inter alia, of short-term technical assistance missions, advisory services, and analytical work and assessments. The donors for the Programme include Germany, Norway, Sweden, Switzerland and the United Kingdom. The Peacebuilding Support Office (PBSO) also contributed to cost-sharing of nine posts in 2016. The total expenditure from 1 January 2016 to 30 June 2017 was \$12.3 million.

A. Audit Objectives

The audit objective was to assess the extent to which the Programme has contributed to building and consolidating initiatives and capacities in UNCTs and national entities for conflict prevention.

The audit answered the following questions:

1. Are governance arrangements functioning effectively and in line with the Programme Document?
2. Are planned outputs being realized?
3. Are operations performed in compliance with UNDP policies and procedures?

B. Audit Methodology

This performance audit built on document reviews and interviews/written inquiries.

Question 1 was addressed through a systematic review of the governance section of the Programme Document, and minutes of the Steering and Technical Committees. The Programme's methodology for the selection of new Programme countries "criticality assessment" was reviewed. The review was complemented by interviews with members of the Steering and Technical Committees. There were also surveys/questionnaires sent to Resident Coordinators and PDAs.

Question 2 was assessed through a review of the Programme Document, bi-monthly reports, annual reports and the evidence of any programme outputs reported. This was complemented by interviews with the Programme staff and questionnaires sent to Resident Coordinators and PDAs.

Question 3 was addressed through a review of a sample of PDA recruitments, payments, and procurement cases for compliance with UNDP policies and procedures. Budgets and actual expenditures for the Programme were also reviewed. This was complimented by interviews with staff.

C. Audit Criteria

The main audit criteria for this audit was defined by the Programme Document, the 'UN Development Group Results-Based Management Handbook' and the 'UNDP Programme and Operations Policies and Procedures' (POPP).

Governance Arrangements

The management and coordination arrangements section of the Programme Document states that the Programme will be managed jointly by UNDP and DPA through the Steering Committee, with a working level Technical Committee to oversee the regular operational and programmatic issues. The Programme is supported by a dedicated Secretariat that reports to the UNDP and DPA co-chairs of the Technical Committee. The PDA Advisory Group is consulted on key issues pertaining to the management and activities of the Programme.

Planned outputs

The 'UN Development Group Results-Based Management Handbook' requires that Programme Documents be based on a problem analysis and that the proposed interventions logically lead to the solving of the identified problem. Goals and objectives are to be, as much as possible specific, measurable, achievable, relevant and time-bound (SMART). Progress to goals are to be measured against clear indicators.

The Programme Document states the following:

- (a) The goal of the deployment of PDAs is to make themselves redundant by strengthening local and UNCT capacities by having clear exit strategies for existing and new PDA's. Clear time frames and sets of objectives will be formulated and set against clear indicators for the development of national and UNCT capacities.
- (b) Because of increased capacity, UNCTs will be able to perform conflict/political analysis as well as design and implement conflict sensitive programming. In addition, local partners will be able to perform conflict/political analysis, implement mechanisms for dialogue and meditation and conflict resolution.

Operations

According to the UNDP Recruitment and Selection Framework Policy, the paramount consideration in the recruitment and selection of staff members shall be "the necessity of securing the highest standards of efficiency, competence and integrity."

The core governing principle of UNDP's procurement is to obtain the best value for money, which means selecting the offer that presents the optimum combination of life cycle costs and benefits. Business units are responsible for protecting the integrity of the procurement process.

II. Audit results

OAI made one recommendation ranked high (critical) and two recommendations ranked medium (important) priority.

Low priority issues/recommendations were discussed directly and agreed with the Programme and are not included in this report.

High priority recommendation:

- (a) Adopt a Results-Based Management approach (Recommendation 2).

Medium priority recommendations, arranged according to significance:

- (a) Reformulate and implement a new cost-sharing strategy (Recommendation 3).
- (b) Reconstitute the Advisory Group or establish alternative feedback mechanisms with the PDAs (Recommendation 1).

The detailed assessment is presented below, per audit area:

A. Are governance arrangements functioning effectively and in line with the Programme Document?

The governance arrangements were to a great extent functioning and in line with the Programme Document. The Steering and Technical Committees comprised of members from both DPA and UNDP. The audit noted that UNDP and DPA were working well together. The Steering and Technical Committees were supported by the Programme Secretariat, which was responsible for the day-to-day administrative support and financial management of the Programme. The Committees also facilitated criticality assessments, liaised with donor partners and supported information-sharing and exchange within and between UNDP and DPA. The Committees met and discussed issues relevant to the Programme.

The audit noted the following:

Issue 1 Advisory Group not functional

According to the Programme Document, the PDA Advisory Group was established in 2014 in response to recommendations emanating from the 2013 global PDA retreat. The aims and objectives of the Advisory Group include: (i) to advise on operational and programmatic challenges faced by PDAs to the Technical Committee, identifying issues not necessarily captured in bi-monthly PDA reports; (ii) to serve as a sounding board or reality check for planned DPA and UNDP activities or responses; and (iii) to provide insight on the strategic direction of the Programme.

Whilst the Steering and Technical Committees met, the Advisory Group was not functional during the audit period. According to the Secretariat it was discontinued in 2015 and a decision was to be made on its reconstitution at the next PDA retreat, which was to be held in late 2017. Two out of nine PDAs who responded to the audit questionnaire indicated the need for an Advisory Group to enable requesting advice or sharing ideas, as global retreats were only held once every two years. Management indicated that they had not received demand for the Advisory Group in the past year. Instead, PDAs had voiced their interest in a community of practice and sharing experience. Based on these requests, the Programme team was working on the establishment of the online portal for the community of practice and providing more systematic opportunities for sharing experience with the PDAs.

Without a functioning Advisory Group or a mechanism for systematic feedback on operational and programmatic challenges faced by PDAs and for strategic direction and activities planned for the Programme, the Programme may not achieve its objectives.

Priority	Medium (Important)
Recommendation 1:	
The Programme should reconstitute the Advisory Group or establish alternative feedback mechanisms with the PDAs, such as an online community of practice.	
Management action plan:	
Both the Advisory Group and the online community of practice were discussed during the PDA Convention in Lausanne (4-8 December 2017). The PDAs were mostly concerned about launching the online community of practice and getting mentoring on specific thematic topics (e.g. conflict analysis and peacebuilding programming).	
Based on the recommendations by the PDAs, the peace infrastructures portal including the online community of practice for the PDAs will be launched in 2018. The portal can also be utilized by PDAs who are willing to act in advisory or mentoring capacity roles to other PDAs on specific topics.	
Estimated completion date: August 2018	

B. Are the planned outputs being realized?

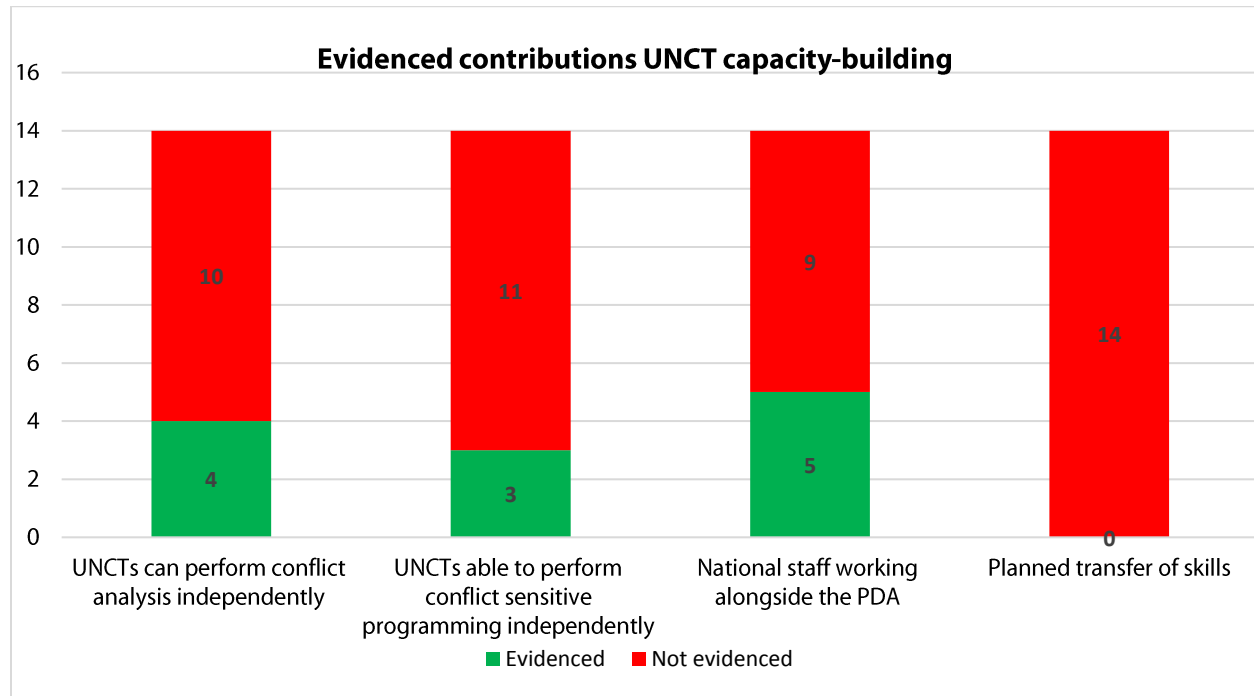
The audit could not establish to what extent the planned outputs were realized. In order to measure the Programme's progress, country-specific planning including objectives and clear timeframes should have been formulated and set against clear indicators for the development of national and UNCT capacities. This did not take place and consequently there was no framework for monitoring progress and capturing outputs by the Programme.

However, there were indications of achievements in building UNCT and local capacities for conflict prevention in Programme countries. These indications were based on feedback from an OAI survey to Resident Coordinators and document reviews of reported results.

According to the Resident Coordinators who participated in the OAI survey, the capacity of UNCTs was directly enhanced with the deployment of PDAs. However, there was no evidence that this deployment would be sustainable for the majority of UNCTs. Specifically:

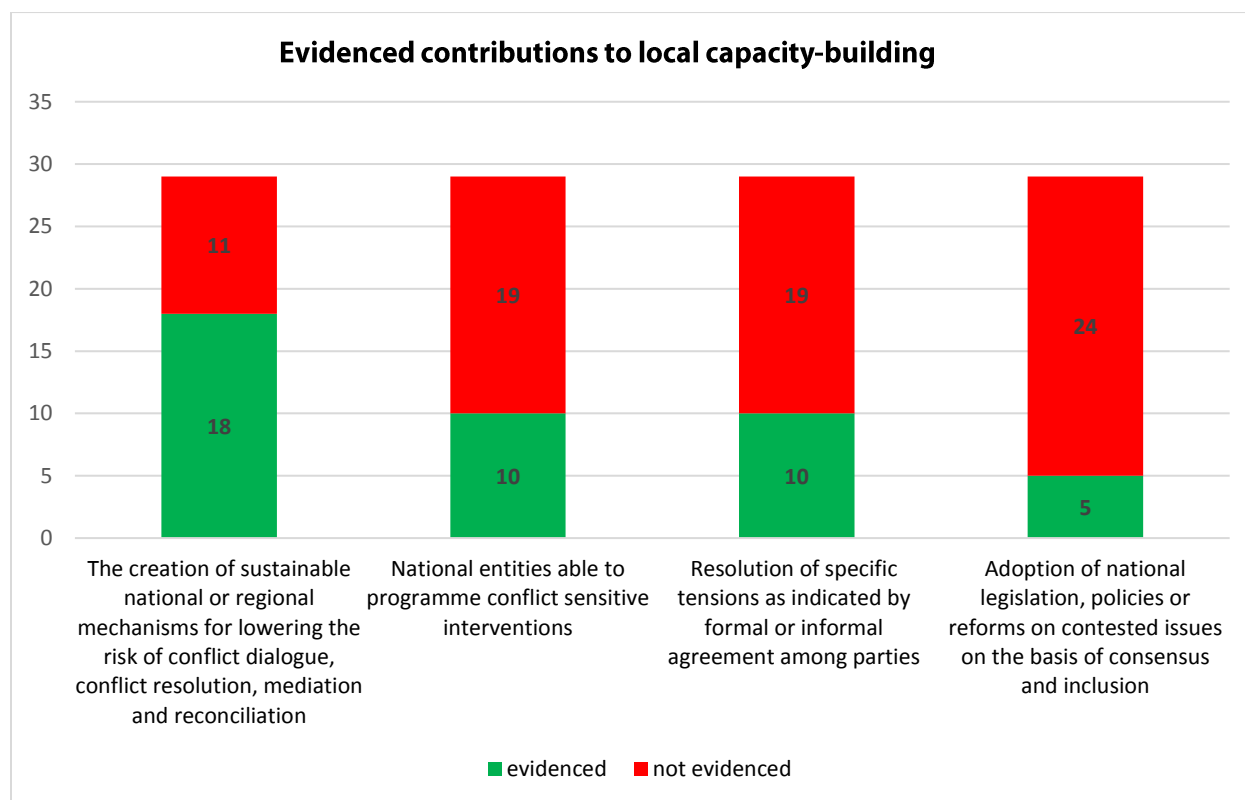
- 4 out of 14 UNCTs would be able to perform conflict analysis independently after the completion of the Programme assistance;
- 3 out of 14 UNCTs would be able to perform conflict sensitive programming independently after the completion of the Programme assistance; and
- 5 out of 14 UNCTs had National Officers working alongside PDAs.

Moreover, the transfer of skills or a PDA exit strategy was not planned for in any UNCT, according to the survey.



Source: OAI's Resident Coordinators survey, September 2017

The review of records from 29 countries indicated that the Programme had contributed to developing mechanisms that aimed at lowering the risk of conflict; enhanced national entities capacity for conflict sensitive programming in 10 countries; contributed to the resolution of specific tensions in 10 countries; and contributed to the adoption of national legislation, policies and reforms in 5 countries.



Source: OAI review of records from 29 countries

Issue 2 Programme not adhering to the principles of Results-Based Management

Results-Based Management requires that the Programme Document be based on a problem analysis and that the proposed interventions logically lead to the solving of the identified problem. Goals and objectives are to be, as much as possible, specific, measurable, achievable, relevant and time-bound (SMART). Progress to goals are to be measured against clear indicators. The November 2014 independent evaluation of the Programme recommended that a specific strategy and intervention logic be developed for each Programme country. Such planning provides better guidance for a PDA's work with partners and facilitates monitoring of progress.

(i) *Programme design not results-based*

The Programme did not adhere to the principles of Results-Based Management. The outputs were not SMART, were not related to obtaining specific results, and confused outputs (results) with inputs. For example, the number of PDAs (output 1), the number of short missions (output 3) and the number of joint missions (output 4) were stated as output indicators, whereas in the view of this audit, they represented input indicators. The results framework was therefore not suitable for monitoring progress to outputs as the indicators were only partially related to the results of the Programme. Further, the Programme had no monitoring framework. Monitoring of the progress of the Programme was not related to the measuring of achievements against targets.

At the country level, there was no country-specific results planning. The audit reviewed 15 requests for support from the Programme made by Resident Coordinators during the audit period and noted that none of these requests included a specific time-bound plan. Only one request made clear reference to planning of national entities on conflict prevention, while all others made no, or very partial reference to capacity-building. None of

the requests made statements about expected results; the requests only listed activities to be undertaken by the PDA. Consequently, the results were also not tracked at the country level. The audit reviewed a sample of 15 PDA monthly and bi-monthly reports that were issued during the audit period and noted that only one report contained information on milestones achieved.

The Programme's management indicated that the planning and measuring of results were challenging as the Programme dealt with conflict prevention and politically sensitive issues. Due to the sensitivity of the Programme, some PDA reports were confidential, which made it difficult to comply with the UNDP policies on reporting results. In addition, given that all country contexts are different, it was difficult to identify indicators common to many prevention contexts. However, when results are planned for longer term and are accompanied by milestones, the Programme will be better equipped to monitor results and reduce the risk that deployed PDAs will be used for functions outside the scope of the Programme.

(ii) *Prioritization of deployment of PDAs not based on projected results*

The Programme was mainly operationalized through the deployment of PDAs. As there were more requests for PDAs than available resources, the Programme prioritized the countries that received PDAs through criticality assessments, which were introduced in 2016. At the time of the audit, two assessments had been undertaken with the scoring being done by regional focal points representing DPA, UNDP and the PBSO where applicable. Staff interviewed indicated that the criticality assessments allowed staff from UNDP, DPA and PBSO to come together and agree on the deployment countries.

The audit noted that the criticality assessments were not based on the likelihood of achieving planned outputs. The audit reviewed the quality of evidence of data from 32 UNCTs provided for the April 2017 criticality assessment and noted that none of the UNCTs provided explicit information on outputs achieved. Management indicated that the criticality assessment process was recently improved with the Programme team reviewing and monitoring the process for better results.

(iii) *PDA Terms of Reference not linked to capacity building*

The PDA Terms of Reference were not explicit on enhancing the skills and knowledge of UNCT staff and local counterparts in order to ensure adequate capacity would develop and remain within UNCT at the end of the deployment (only 1 out of 10 stated this explicitly). The Performance Management and Development objectives for PDAs also did not assess this aspect. PDA reporting did not always contain information on progress made towards set targets.

If the Programme does not adhere to the principles of Results-Based Management, there is a risk that PDA deployment may not contribute to capacity-building for conflict prevention and sustainable results may not be achieved. This situation may negatively impact the effectiveness and efficiency of the Programme.

Priority	High (Critical)
Recommendation 2:	
The Programme should adopt a Results-Based Management approach by:	
<ul style="list-style-type: none"> (a) improving the design of the next Programme with clear results and indicators and developing a monitoring framework to measure progress in achieving planned outputs; (b) prioritizing deployment of PDAs based on projected results; and (c) prioritizing requests for deployment of PDAs also based on targets for building local capacities. 	

Management action plan:

The Programme's management team takes note of the recommendation and the following actions will be taken to address the recommendation:

- (a) The Programme management team agrees that the Programme outputs and indicators need to be critically reviewed and revised for the Programme to be able to better measure progress. The next phase of the Programme (and the new Programme Document) will be drafted during the first half of 2018 and will include clearer outputs, indicators and targets, as well as a monitoring framework.
- (b) It has been agreed that all Resident Coordinators will be requested to outline the expected results for the PDA before new PDAs are deployed. The Programme team will also request PDAs to link their work plans to the new Programme Document results framework.
- (c) The requesting Resident Coordinator, UNDP and DPA desk officers, and the Programme team will agree on a common set of criteria through which the expected results for each new PDA deployment can be assessed within any given country context (noting that less ambitious results in more complex countries does not mean PDA deployment is less important).

Estimated completion date: December 2018

C. Are operations performed in compliance with UNDP policies and procedures?

The audit noted that Programme's operations were conducted in compliance with the POPP in the areas of recruitment of PDAs, management of travel, and procurement of goods and services, including contracting of individual consultancy services.

Recruitments of PDAs were conducted through a combination of external recruitment and selection from rosters. The 10 cases sampled complied with UNDP policies and procedures.

For travel the audit verified that the 10 missions sampled were approved in advance as required by the POPP, and they were related to the Programme. Back to Office reports were submitted as required. Vendors that provided goods and services to the Programme, including individual consultancy services, were selected in accordance with procedures outlined in the POPP.

In addition, the Programme was in compliance with the requirements as specified in donors' agreements. These included complying with UNDP policies and procedures when utilizing donor resources, submitting annual progress reports, and providing certified financial statements to donors on the utilization of contributions.

Issue 3 Lack of adherence to cost-sharing provisions

According to the Programme Document, the duration of PDA deployment to countries is expected to be about three years. The Programme Document outlines that cost-sharing arrangements are to be established in the first year of PDA deployment. Specifically, UNCTs are to contribute at least 25 percent of PDA costs in the second year, 30 percent in the third year and 50 percent in subsequent years.

The audit noted the following:

- A review of the actual cost-sharing status for the 42 countries where PDAs were deployed as of October 2017 showed that 32 UNCTs were not making any contributions to the PDA costs. Therefore, UNCTs were not adhering to the cost-sharing provisions per the Programme Document. The table below shows the UNCT contributions.

Status of UNCT contributions to PDA costs as of October 2017

Percentage of UNCT contribution	Number of countries
100 percent	1
50 percent	2
25 percent	2
20 percent	5
No contribution	32
Total	42

Source: Deployment of PDAs Cost Sharing

The Programme's management indicated that although UNCTs had not met the contribution requirements, some countries had secured funding from the European Union and PBSO. Specifically, the European Union was contributing 20 percent of the PDA costs in three countries. On the other hand, PBSO was contributing 50 percent and 10 percent of the PDA costs in 10 countries and 1 country, respectively. Notwithstanding, the Programme was still contributing the full costs of PDA deployment in 20 out of the 42 countries.

- The template for PDA requests did not require the UNCTs to explicitly outline how they were planning to achieve the cost-sharing provisions in the Programme Document.
- In the last two years of the Programme only two UNCTs were able to absorb the costs involved in PDA deployment, where elsewhere there was very limited evidence that the phasing out of a PDA did result in increased capacity in the Resident Coordinator Office.

The Programme's management indicated that it was difficult for UNCT in all countries to achieve the cost-sharing targets as some of them did not have the required resources and yet had a compelling or strategic need for a PDA deployment. The Technical Committee in their meeting of April 2017 recommended that the Programme develop a revised cost-sharing strategy. This was after a request by the Steering Committee in their December 2016 meeting for the Secretariat and Technical Committee to develop a concept note outlining options for cost-sharing to inform the development of the Programme position on cost-sharing arrangements with UNCTs and other partners.

Management indicated that given the challenges that Resident Coordinator Offices were facing with reductions in their budgets, the collection of General Management Service fees centrally, and the requirements to charge staff salaries and related operational costs to projects, it was challenging to implement the cost-sharing policy outlined in the Programme Document. In addition, all offices had been covering other related costs of the PDAs.

Without a sustainable cost-sharing strategy, the Programme may not realize planned contributions in selected countries, thus negatively impacting the continuity of initiatives started by the PDAs.

Priority	Medium (Important)
Recommendation 3:	
The Programme should reformulate and implement a new cost-sharing strategy which will ensure the continuity of initiatives started by PDAs. This should include clarifying cost-sharing in the requests for PDAs and finalizing funding arrangements in the first year of deployment.	
Management action plan:	
The co-chairs of the Programme have now agreed to implement a new cost-sharing policy by which all Resident Coordinators/UNCTs will be requested to identify cost-sharing amounting to 20 percent of the proforma cost of PDA salary beyond the second year of PDA deployment.	
The source of the cost-sharing can be from PBSO, or any other source locally identified.	
Estimated completion date: June 2019	

Definitions of audit terms - ratings and priorities

A. AUDIT RATINGS

- **Satisfactory** The assessed governance arrangements, risk management practices and controls were adequately established and functioning well. Issues identified by the audit, if any, are unlikely to affect the achievement of the objectives of the audited entity/area.
- **Partially Satisfactory / Some Improvement Needed** The assessed governance arrangements, risk management practices and controls were generally established and functioning, but need some improvement. Issues identified by the audit do not significantly affect the achievement of the objectives of the audited entity/area.
- **Partially Satisfactory / Major Improvement Needed** The assessed governance arrangements, risk management practices and controls were established and functioning, but need major improvement. Issues identified by the audit could significantly affect the achievement of the objectives of the audited entity/area.
- **Unsatisfactory** The assessed governance arrangements, risk management practices and controls were either not adequately established or not functioning well. Issues identified by the audit could seriously compromise the achievement of the objectives of the audited entity/area.

B. PRIORITIES OF AUDIT RECOMMENDATIONS

- **High (Critical)** Prompt action is required to ensure that UNDP is not exposed to high risks. Failure to take action could result in major negative consequences for UNDP.
- **Medium (Important)** Action is required to ensure that UNDP is not exposed to risks. Failure to take action could result in negative consequences for UNDP.
- **Low** Action is desirable and should result in enhanced control or better value for money. Low priority recommendations, if any, are dealt with by the audit team directly with the Office management, either during the exit meeting or through a separate memo subsequent to the fieldwork. Therefore, low priority recommendations are not included in this report.