



CONSOLIDATED REPORT

ON

**THE UNITED NATIONS COLLABORATIVE PROGRAMME ON REDUCING EMISSIONS FROM
DEFORESTATION AND FOREST DEGRADATION (UN-REDD) QUICK START PROGRAMME
IN THE DEMOCRATIC REPUBLIC OF THE CONGO
(FAO-UNDP-UNEP)**

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Consolidated Report on the audit of the UN-REDD Quick Start Programme in the Democratic Republic of the Congo Executive Summary

Background

The United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (UN-REDD Programme) was created in September 2008 to assist developing countries with building capacity to reduce emissions and to participate in a future REDD+ mechanism, which beyond deforestation and forest degradation, includes the role of conservation, sustainable management of forests and enhancement of forest carbon stocks. The UN-REDD Programme builds on the convening role and technical expertise of its three Participating United Nations Organizations: FAO, UNDP and UNEP. The UN-REDD Programme is funded mainly through the UN-REDD Programme Fund, administered by the UNDP Multi-Partner Trust Fund Office.

From its inception in 2008 through the end of 2011, the UN-REDD Programme Fund received a total of \$118.3 million in contributions from donors. As at 31 December 2011, the UNDP Multi-Partner Trust Fund Office, as the Administrative Agent of the Fund, had transferred about \$90.9 million to the Participating United Nations Organizations, of which \$39.5 million or 43 percent had been expended, with the Programme in the Democratic Republic of the Congo (the Country) representing 10 percent of total UN-REDD transfers up to 31 December 2011.

Organization	Transfers	Expenditure	Delivery
FAO	33,939,160.00	11,505,903.64	34%
UNDP	35,279,411.00	15,451,527.57	44%
UNEP	21,677,192.00	12,533,593.00	58%
TOTAL	\$90,895,763.00	\$39,491,024.21	43%

Source: MPTF Gateway.

Through its partnership at the end of 2011 with 42 countries in Africa, Asia and the Pacific, and Latin America and the Caribbean, and through related global activities, the UN-REDD Programme is supporting Governments to prepare national REDD+ strategies, build monitoring systems, engage stakeholders and assess the multiple benefits of REDD+. The Participating United Nations Organizations have agreed to implement the UN-REDD Programme through joint national programmes. The Country is one of the original nine pilot countries of the UN-REDD Programme.

The Country is at the heart of the Congo Basin, where the second largest tropical forest in the world is located. The Country launched a REDD+ national process in 2009 along with the first "Quick Start Project" under UN-REDD financial and technical support. It basically consisted of capacity building and technical assistance at the national and sub-national levels. In October 2009, a second programme was designed to develop the REDD+ strategy, the institutional framework for implementation, and a monitoring system by March 2013.

In accordance with the Framework for Auditing Multi-Donor Trust Funds, endorsed by the United Nations Development Group in September 2007, and after consultation with the Multi-Partner Trust Fund Office and the UN-REDD Programme, the UNDP Office of Audit and Investigations initiated a coordinated audit of the UN-REDD Programme in the Country. This coordinated audit aimed to provide a summary of the management of risks, the adequacy of internal controls and recommendations related to the implementation of projects and activities undertaken by the Participating United Nations Organizations. The audit work was conducted from 14 to 25 January 2013 by the audit firm Mazars Cameroun on behalf of the Participating United Nations Organizations.

Coverage

The project expenditures covered by the audit for each of the three organizations in the Country totalled \$4.1 million pertaining to FAO project TF5C35CD09615, UNDP project 00071908, and UNEP project RED/2C05, as indicated in the table below.

Organization	Total expenditure up to 31 Dec 2011	Audited expenditure	% audited / total expenditure
FAO	888,964	696,754	78%
UNDP	2,492,453	2,074,662	83%
UNEP	692,582	690,647	100%
TOTAL	\$4,073,999	\$3,462,063	85%

The expenditure figures are those available for the audit in the Country Offices – with slight variations from data available on the MPTF Gateway (UNDP \$2,481,276 and UNEP \$695,369).

The audit covered the financial transactions as well as internal controls and systems for the purpose of expressing an opinion on whether the financial statements present fairly, in all material aspects, the projects' operations, as well as to assess compliance with the organizations' regulations, rules, policies and procedures and donor agreements. The audit covered the projects' Statements of Expenditure for the period from 1 January 2009 to 31 December 2011 and Statements of Assets as at 31 December 2011, except for the UNEP project which did not have any assets. For each project, the audit also reviewed the organizations' relevant systems, procedures and practices in place in the areas of organization and staffing, project management, human resources management, financial and cash management, procurement, asset management, information systems and general administration, as they relate to the Programme.

This report consolidates the results of the individual audits.

Audit results

The financial statements of FAO and UNDP projects received qualified audit opinions with a total net financial impact of \$43,129, or 1.2 percent of the total audited expenditure of the three organizations. The main reason for the qualified opinions was the lack of adequate supporting documentation for expenditures.

The auditors concluded that the internal control systems of the FAO and UNDP UN-REDD projects were sound, adequately designed and operating well, although there were minor weaknesses. Overall, the audit resulted in 18 recommendations. A majority of the recommendations were made to UNDP and FAO in the areas of finance and asset management. For the UNEP-implemented project, more significant weaknesses on the quality of the information system and reporting were highlighted. The recommendations in that regard were accepted and were being addressed by UNEP.

UNEP commented that, although relevant, the weaknesses identified by the auditors were not of a nature that would jeopardize the accomplishment of the objective or constitute any significant deviation from established rules and practices. From UNEP's perspective, "significant weakness" would qualify as instances having a direct impact on its capacity to stand by its commitments and present the delivery of the objectives. UNEP cannot be in agreement with the statement that non respect of reporting deadlines for financial and technical reports or non-formal acknowledgement of technical reports, although important, were putting the system objectives at risk. With an implementation rate at nearly 100 percent and the delivery of all outputs in the period under review, UNEP cannot concur with the grading of the weakness which appears, in this context, disproportionate with the observations of the audit itself.



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