

**Audit**

**of**

**Joint Audit of the UN-REDD Programme –  
Implementation and Coordination by the three Participating Agencies FAO,  
UNDP and UNEP and the UN-REDD Secretariat**

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INTERNAL AUDIT SERVICES OF FAO, UNDP and OIOS

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**EXECUTIVE SUMMARY**

REDD is a mechanism on 'Reducing Emissions from Deforestation and Forest Degradation' to create an incentive for developing countries to protect, better manage and wisely use their forest resources, contributing to the global fight against climate change. In essence, REDD strategies aim to make forests more valuable standing as opposed to cut down, by creating a financial value for the carbon stored in trees. Once this carbon is assessed and quantified, the final phase of REDD prospectively involves developed countries paying developing countries carbon offsets for their standing forests. REDD+ strategies go beyond deforestation and forest degradation, and include the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in reducing emissions.

REDD+ is a climate change mitigation solution that many initiatives are currently developing and supporting. This includes the United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (UN-REDD Programme) which was launched in 2008 and builds on the convening role and technical expertise of the Food and Agriculture Organization of the United Nations (FAO), the United Nations Development Programme (UNDP), and the United Nations Environment Programme (UNEP). It supports nationally led REDD+ processes and promotes informed and meaningful involvement of all stakeholders, including indigenous peoples and other forest-dependent communities, in national and international REDD+ implementation. By October 2014, approved funding for the overall UN-REDD Programme totalled USD 228 million, while overall expenditure amounted to USD 112 million. Norway is by far the largest donor of the programme.

The Programme is governed by a Policy Board with representatives of member countries, donors, Indigenous Peoples (IP), Civil Society Organizations (CSOs), and the three participating UN Agencies. Programme management is composed of: (i) a Strategy Group, which directs the Participating Agencies' contributions to the UN-REDD Programme; (ii) a Management Group responsible for ongoing programme management; and (iii) a Secretariat, based in Geneva, responsible for programmatic coordination and quality assurance, as well as the administrative and logistical support to the afore-mentioned decision-making bodies of the UN-REDD Programme.

The Programme supports national REDD+ readiness efforts in 55 partner countries, spanning Africa, Asia and the Pacific, and Latin America, in two ways: (i) supranational normative support through common approaches, guidelines, methodologies, tools, data and best practices, developed through the UN-REDD Support to National Action Programme (SNA) under the Global Programme Framework 2011-2015; and (ii) direct national support to countries through the design

and implementation of UN-REDD National Programmes as well as Targeted Support, both based on country-driven requests.

In early 2014, the Internal Audit Services (IAS) of the three Participating Agencies began a joint audit of the UN-REDD Programme, which was carried out in three stages. The first stage, largely completed in 2014, covered implementation of the National Programmes in different countries and the second focused on the individual Agencies' corporate level coordination for the SNA Programme, including Targeted Support. The results of these two audit stages are available in the Agencies' individual audit reports and are summarized at the end of this report.

The aim of the third stage of the audit, completed in 2015, was to assess overall and interagency implementation and coordination of the Global UN-REDD Programme by the three Participating Agencies: FAO, UNDP and UNEP, and the UN-REDD Secretariat. This audit work was jointly performed by FAO's Office of the Inspector General (OIG) and UNDP's Office of Audit and Investigations (OAI). The UN Office of Internal Oversight Services (OIOS), which provides the internal audit function for UNEP, contributed by providing information on the UNEP dimension.

All three Participating Agencies have particular expertise and comparative advantages in their support to REDD+ in developing countries. The UN-REDD Programme provides an important platform to benefit and raise synergies from these comparative advantages. Since the inception of the Programme in 2008, concepts and conditions have become more concrete and, as a result, the Programme's alignment with the needs of its partner countries and the United Nations Framework Convention on Climate Change (UNFCCC) is continually improving.

As the UN-REDD Programme moves forward and objectives, plans and frameworks are being drawn up for a second Phase starting in 2016, the joint audit aimed at identifying areas for improvement in the current structures, processes and approaches. Key observations presented in detail in this report include:

- **Objectives and strategic positioning of the UN-REDD Programme** - there is widespread overlap of UN-REDD activities with those of other REDD+ implementing partners and funding sources, such as the Forest Carbon Partnership Facility (FCPF), Forest Investment Program (FIP), Biocarbon Fund (BCF), Global Environment Facility (GEF), Green Climate Fund (GCF), NGOs and Civil Society. These activities need to be systematically coordinated and aligned at the international and national levels, to avoid inconsistency and duplication, which may affect the efficiency, effectiveness and economy of REDD+-related undertakings. Programme Management should ensure that the new strategic framework provides clear guidance on the scope and boundaries of the Programme and how it relates to the other major undertakings in the overall REDD+ context.
- **Roles, responsibilities and resource allocation** - Currently, the Programme lacks comprehensive principles and guidelines for the allocation of resources for SNA activities amongst the Participating Agencies and for the division of resources between SNA normative support at the supranational level and the National Programmes and Targeted Support at the country level. Historically, the split appeared unbalanced as most resources were allocated to SNA normative support. However, at this point Programme Management plans to decrease the budget allocation for the supranational level and focus more on the benefit of actions at the country level, including both Targeted Support and

National Programmes. To this end Programme Management should ensure the funds available to the UN-REDD Programme are subdivided among the Agencies based on agreed objectives, taking into consideration their respective comparative advantages and actual work load, and bearing in mind efficiency savings and avoidance of overlaps. These objectives should clearly guide the allocation of resources between overarching normative work, Targeted Support and the National Programmes, as well as within individual National Programmes.

- **Performance measurement and results** - The implementation of the Programme is based on a detailed results-based monitoring logframe which is maintained on a regular basis. However, this focuses on SNA and does not track the overall performance and impact of the Programme as a whole for all National Programmes and SNA activities, including Targeted Support. In addition, the logframe is overly complex and not sufficiently focused. It contains 34 outputs broken down into 81 Key Performance Indicators (KPIs), some of which are too vague to unambiguously define the SNA's achievements and contribution to the quality of the National Programmes. Moreover, as the logframe has been under continuous revision, it is difficult to measure historical progress and draw conclusions on the effectiveness and efficiency of SNA's interventions. Therefore, the logframe needs to be overhauled comprehensively and stabilized. Furthermore, while the role of quality assurance and oversight is generally within the mandate of the Secretariat, its Terms of Reference in this regard need to be more specific to systematically monitor the overall effectiveness and efficiency of individual and joint interventions of the Participating Agencies.
- **Joint programming and integration of the different layers of the UN-REDD Programme** - A variety of stakeholders interviewed both at the supranational level as well as during the review of the National Programmes indicated that they had observed or experienced shortcomings in interagency cooperation and coordination. This needs to be addressed by clarifying the streamlining of governance arrangements, including the TORs, roles and responsibilities of the Strategic Group, the Management Group, as well as the Secretariat. Furthermore, in many instances stakeholders' expectation that the Participating Agencies 'Operate as One' is not met. Financial and administrative integration, both at the country and Secretariat level, needs to be advanced to ensure smoother operations.
- **Communications and knowledge management** – The Secretariat lacks authority to lead and coordinate the individual communication and knowledge management activities of the Participating Agencies under the UN-REDD Programme, which affects their purposefulness and comprehensiveness. Programme Management should further develop the current communication strategy for the Programme to strengthen advocacy and liaison, and raise its visibility. Programme Management should also establish clear roles, responsibilities and reporting lines for the communication and knowledge management functions.

Altogether, this report makes 11 Recommendations to address the above weaknesses and other areas for consideration. As indicated in Annex 2, Recommendations are mainly addressed to Programme Management, i.e. the

'Management Group', which is composed of key UN-REDD managers of the three Participating Agencies as well as the Secretariat. Recommendation nine is also addressed to the Policy Board and Recommendation seven to the Strategy Group.

Joint Audit of the UN-REDD Programme – Implementation and Coordination by the UN-REDD Secretariat and the three Participating Agencies FAO, UNDP and UNEP

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## INTERNAL AUDIT SERVICES OF FAO, UNDP and OIOS

Joint Audit of the UN-REDD Programme – Implementation and Coordination by the three Participating Agencies FAO, UNDP and UNEP and the UN-REDD Secretariat**I. INTRODUCTION**

- 1 The United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (UN-REDD Programme) was launched in 2008 and builds on the convening role and technical expertise of the Food and Agriculture Organization of the United Nations (FAO), the United Nations Development Programme (UNDP) and the United Nations Environment Programme (UNEP) (jointly referred to as the Participating Agencies in this report). The UN-REDD Programme supports nationally-led REDD+<sup>1</sup> processes and promotes the informed and meaningful involvement of all stakeholders, including Indigenous Peoples and other forest-dependent communities, in national and international REDD+ implementation.
- 2 The Programme supports national REDD+ readiness efforts in 55 partner countries,<sup>2</sup> spanning Africa, Asia-Pacific and Latin America, in two ways:
  - (i) normative support through common approaches, guidelines, methodologies, tools, data and best practices, developed through the UN-REDD - Support to National Action Programme (SNA) under the Global Programme Framework 2011-2015; and
  - (ii) direct support to countries through the design and implementation of UN-REDD National Programmes as well as Targeted Support both based on country-driven requests and the latter as an integral part of the SNA Programme.

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<sup>1</sup> REDD is a mechanism to create an incentive for developing countries to protect, better manage and wisely use their forest resources, contributing to the global fight against climate change. In essence, REDD strategies aim to make forests more valuable standing as opposed to cut down, by creating a financial value for the carbon stored in trees. Once this carbon is assessed and quantified, the final phase of REDD prospectively involves developed countries paying developing countries carbon offsets for their standing forests. REDD+ strategies go beyond deforestation and forest degradation, and include the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in reducing emissions.

<sup>2</sup> As at October 2014.



The overarching goal of the UN-REDD Programme is to support the efforts of partner countries to achieve full “readiness” on REDD+ and progress towards implementation and results-based actions.

- 3 By October 2014, approved funding for the current phase of the Programme amounted to USD 227.7 million, USD 146.5 million (64 percent) of which the Policy Board allocated to the SNA, including Targeted Support in partner countries, and USD 81.2 million (36 percent) to individual National Programmes in 21 partner countries to support development and implementation of REDD+ readiness activities. Altogether USD 87.0 million (38 percent) has been allocated to UNDP for programme implementation at both the global and national levels, USD 86.3 million (38 percent) to FAO and USD 54.4 million (24 percent) to UNEP. A total of USD 112.2 million of the overall budget has been spent thus far.<sup>3</sup>
- 4 The Programme is governed by a Policy Board with representatives of member countries, donors, Indigenous Peoples (IPs), Civil Society Organizations (CSOs), and the three participating UN Agencies. The Board meets twice a year, sets the strategic direction for the Programme, and approves the overall workplan and budget allocations.
- 5 The Programme is managed by: (i) a Strategy Group which directs the Participating Agencies’ contributions to the Programme; (ii) a Management Group responsible for ongoing programme management; and (iii) a Secretariat responsible for programmatic coordination and quality assurance, as well as the administrative and logistical support to the afore-mentioned decision-making bodies of the Programme. The combined Strategy and Management Groups are also referred to jointly as the Coordination Group.
- 6 The UN-REDD Programme Secretariat was established in 2008 as an inter-agency body of the three Participating Agencies. Its role is, in particular, to provide leadership in strategic planning, and to develop and manage reporting, monitoring and evaluation frameworks for the Programme. It is also responsible for raising awareness of, and championing the UN-REDD Programme,

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<sup>3</sup> Figures taken from the Multi-Partner Trust Fund Office gateway (<http://mptf.undp.org>), as at 31 Oct 2014.

providing information to external partners and liaising with other REDD+ initiatives. The Secretariat is also charged with facilitating inter-agency collaboration and communication, aiming at effective Programme implementation. It supports the Policy Board by organizing meetings, and monitors and reports on the implementation of Policy Board decisions. Its offices function as a central meeting point for the UN-REDD Programme.<sup>4</sup>

- 7 The SNA has seven outcomes (outcomes 2 and 3 have been merged), each led by one of the Participating Agencies or the Secretariat:

Outcomes	Lead Agency
Outcome 1: REDD+ countries have systems and capacities to develop and implement MRV and monitoring	FAO
Outcome 2: Credible, inclusive national governance systems are developed for REDD+ implementation	UNDP
Outcome 3: Transparent, equitable and accountable management - merged with Outcome 2	UNDP
Outcome 4: Indigenous People, local communities, civil society organizations and other stakeholders participate effectively in national and international REDD+ decision-making, strategy development and implementation.	UNDP
Outcome 5: Safeguards are addressed and respected and multiple benefits of REDD+ are realized.	UNDP/UNEP/FAO
Outcome 6: Green economy transformation and REDD+ strategies and investments are mutually reinforcing.	UNEP
Outcome 7: UN-REDD Programme knowledge is developed, managed, analyzed and shared to support REDD+ efforts at all levels	Secretariat
Outcome 8: Timely and effective UN-REDD Programme Secretariat services provided to the UN-REDD partner countries, Policy Board and the UN Agencies	Secretariat

- 8 The current UN-REDD Programme should be completed at the end of 2015. Both the Policy Board and key donors expressed their interest in launching a second Phase in 2016. At the time of the audit, Programme Management was developing a new strategy for Phase II. A first draft was presented to the Policy Board on 13 November 2014 and a completed version of the new strategic framework was presented for adoption to the Policy Board on 14 May 2015.

<sup>4</sup> The UN-REDD Programme Strategy 2011-2015, section 7.3.

## II. **AUDIT OBJECTIVES, SCOPE AND METHODOLOGY**

- 9 In early 2014, the Internal Audit Services (IAS) of the three Participating Agencies began a joint audit of the UN-REDD Programme. IAS consists of the Office of the Inspector General (OIG) of FAO, the Office of Audit and Investigations (OAI) of UNDP and the UN Office of Internal Oversight Services (OIOS), which provides the internal audit function for UNEP.
- 10 The audit was carried out in three stages. The first focused on UN-REDD activities at country level, based, in particular, on the review of selected National Programmes. The second, building on the results of the country level work, assessed the individual Agencies' corporate-level coordination of the Programme and their implementation arrangements for SNA. The third stage of the review, which is presented in this report, covered the interagency dimension of the Programme.
- 11 The objective of the third stage of the audit was to jointly assess the overall coordination of the Programme by the UN-REDD Secretariat, and implementation by the three Participating Agencies (FAO, UNDP and UNEP). The work for the third stage drew on the audit results and outputs of the preceding two stages, with primary focus being on synthesizing the results and outputs and complementing them, as necessary, with additional review of documents and interviews with different stakeholders.
- 12 The joint audit team based its third stage assessment on identified key risks that may adversely impact the successful implementation of the UN-REDD Programme. These risks were identified through risk assessment workshops and meetings with key stakeholders, supported by analysis of pertinent documents. They were grouped into the following six categories and used as audit criteria:
  - **Objectives and strategic positioning of the UN-REDD Programme:** SMART objectives are defined and agreed, and the strategic positioning of the Programme within REDD+ initiatives is ensured;

- **Performance measurement and results:** implementation is making reasonable progress in line with workplan and budget parameters; and operations are actively managed and monitored;
  - **Funding and resource allocation:** funding and resource allocation is led by the defined objectives and outcomes, result-focused, and adequately supported by the workplans; organizational set-up and governance (roles, responsibilities and accountability) of the Programme are clear and appropriate;
  - **Joint programming and integration of the different layers of the UN-REDD Programme:** Collaboration among the three Agencies in implementing the Programme is coordinated well and is constructive; Agencies' contribution is in line with agreements, prompt and useful;
  - **Advocacy, liaison and communication with internal and external stakeholders:** There are regular and adequate communications with internal stakeholders (between programme teams, regional and country offices involved and within technical fields) and external stakeholders (with Board, countries, donors, CSOs and IP); and
  - **Knowledge management:** There is adequate knowledge management established and implemented to ensure sharing of information and accumulated knowledge in a timely fashion.
- 13 In its assessment, the joint audit team also considered the overall evolution of the UN-REDD Programme since its inception in 2008, including the benefits and challenges of its current organizational set-up and approaches, as well as related value-for-money aspects.
- 14 Audit criteria for the joint team's assessment were i.a. drawn from the UN-REDD Programme Strategy (2011-2015), governance and management documents (MOU, Framework Documents, Terms of Reference), the UN Development Group (UNDG) Guidance Note on Joint Programmes, as well as policies and procedures of the individual Participating Agencies and internationally recognized project management principles.
- 15 For the purpose of this report, "Programme Management" refers to the Management Group composed of key UN-REDD managers of the three Participating Agencies as well as the Secretariat.

- 16 The audit scope includes events and documents up to 30 November 2014.

### **III. OVERVIEW OF KEY STRENGTHS**

- 17 All three Participating Agencies have particular expertise and comparative advantages in their support to REDD+ in developing countries. The UN-REDD Programme provides an important platform to benefit and raise synergies from these comparative advantages.
- 18 In addition, all have a functional organizational structure of UN-REDD covering the corporate and country dimension, with regional coordinators fulfilling an important role in ensuring coordination among the different layers and entities, including where there is no direct country presence (in particular UNEP). FAO, UNDP and UNEP have also established standing working groups and channels to facilitate communication and coordination.
- 19 In the early stage of the UN-REDD Programme, from 2008 to 2010<sup>5</sup>, the requirements for countries to achieve REDD+ readiness were unclear and the Programme was required to operate in an evolving and uncertain international context. However, in recent years, the framework concepts and conditions have been specified and, as a result, the Programme's alignment with the needs of its partner countries and the United Nations Framework Convention on Climate Change (UNFCCC) has improved considerably. Implementation approaches for Targeted Support as well as the individual National Programmes (see Annex 1), aimed at REDD+ readiness, have become more focused and fine-tuned based on the experience gathered, and can now draw on committed resources and expertise to provide tailored support to partner countries in their REDD+ related interventions.
- 20 Programme Management is also increasing the Programme's visibility. A new knowledge management and communications strategy has been developed that aims at achieving defined outcomes and identifying concrete actions to strengthen collaboration and knowledge exchange amongst the Programme, its partner countries and other stakeholders and knowledge carriers.

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<sup>5</sup> Preceding the Cancun Agreements (2010) and the approval of the current UN-REDD Global Programme Framework (2011-2015).

- 21 The UN-REDD Programme has disseminated a number of pertinent papers, guidance material, country needs assessments, technical reviews, assessments of available tools and guidelines, and case studies of countries in preparation for REDD+ readiness.

#### **IV. KEY IMPLEMENTATION CHALLENGES AND RECOMMENDATIONS**

- 22 As the UN-REDD Programme moves forward, and objectives, plans and frameworks are being drawn up for Phase II, with this report the IAS aim to identify current weaknesses and areas for Programme Management's consideration to improve and streamline the structures, processes and approaches, as a starting point for the new phase of the Programme.

##### *Objectives and Strategic Positioning of the UN-REDD Programme*

- 23 The objectives and strategic framework of the UN-REDD Programme are currently being comprehensively revised to provide a new reference point for Phase II. This process is informed by the results of an external evaluation of the current phase concluded in mid-2014 that highlighted several areas for improvement, including the need to clarify the Programme's objectives and revise set-up and direction of the overall Programme at the interagency level.<sup>6</sup>
- 24 As a general prerequisite for its strategic positioning, the UN-REDD Programme is required to operate in an environment where the donor community supports countries through a variety of funds and implementation partners supporting REDD+, including:
- Forest Carbon Partnership Facility (FCPF)
  - Forest Investment Program (FIP)
  - Biocarbon Fund (BCF)
  - Global Environment Facility (GEF)
  - Green Climate Fund (GCF)
  - NGOs, Civil Society, etc.

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<sup>6</sup> The report on the "External Evaluation of the United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (the UN-REDD Programme)" was issued in July 2014. To avoid duplication IAS built on the report's findings and 12 recommendations which had been agreed with key stakeholders, including the Policy Board and the Secretariat.

- 25 In addition, there are bilateral agreements with donors at the country level (for example, Norway's agreements with Brazil, Guyana, Indonesia and Peru) and bilateral multi-country initiatives such as Australia's Forest and Climate Initiative, the United States' Lowering Emissions in Asia's Forests project (LEAF), Japan's MRV support and Germany's REDD+ Early Movers initiative (REM).
- 26 Based on the review of various National Programmes and SNA activities under the UN-REDD Programme, reported on under the earlier phases of the audit, IAS found that there is widespread actual and potential overlap of UN-REDD activities with those of other implementing partners and funding sources. For example, in one country, a UN-REDD National Programme amounting to USD 4.3 million was implemented simultaneously with a variety of other REDD+-related activities totalling approximately USD 85 million, with no marked differentiation or coordination among these activities.<sup>7</sup> In this regard, an independent evaluation report concluded that the effectiveness, sustainability of and likelihood for significant impacts of the REDD+ activities were stifled by a combination of poor coordination and collaboration, lack of national strategic direction and a flawed design that lacked robust analysis of the national context to identify key risks.
- 27 In general, if such activities are not systematically coordinated and aligned at the international and national level there is a high risk of inconsistency and duplication, which will affect the efficiency, effectiveness and economy of all REDD+-related undertakings, and could lead to confusion and increased work load for the partner countries and other stakeholders involved. However, in their interviews with Programme Management, IAS found that, at the time of the audit, the active positioning of the UN-REDD Programme within the REDD+ community and a clear delineation of its scope within the broader REDD+ context had not yet been included as an integral part in the development of the new strategic framework.

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<sup>7</sup> 'Final Evaluation of the UN-REDD Tanzania National Programme' report from 4 December 2013

**Recommendation 1:** Programme Management should ensure that the new strategic framework provides clear guidance on the scope and boundaries of the UN-REDD Programme and how it relates to the other major undertakings in the overall REDD+ context. While it is not fully within its control, Programme Management should also consider advocating with donors better coordination with the different initiatives and funding sources, and promoting the Programme's and Participating Agencies' comparative advantages and services for REDD+.

**Management Action Plan:**

Accepted - The new strategy sets a clear delineation that the UN-REDD Programme will support countries through the UNFCCC/Warsaw Framework process. Furthermore, initial steps have been undertaken as part of the new strategy, including defining the scope and thematic interventions of the programme, partnerships that could be established and synergies with other REDD+ actors. More rigorous approaches for (i) the selection of countries and (ii) scoping programme support in country are foreseen that will address the issue of comparative advantage, niche of the programme and complementarity with other initiatives active in country. One emerging request to the programme (e.g. responses to the call for expression of interest for new national programmes) support for coordinating technically, managerially and substantively REDD+ initiatives are indicated as needs. The new Strategic Framework also outlines how improved coordination with other initiatives in the REDD+ arena will also be fostered through the enhanced role of the Policy Board in this specific field, as well as through the establishment of dedicated National Steering Committees that will play this role at the national level.

*Roles, Responsibilities and Resource Allocation*

Roles, Responsibilities and Cooperation

28 The Memorandum of Understanding (MoU) between the Participating Agencies



and the Multi Partner Trust Fund Office (MPTF Office)<sup>8</sup>, as well as the Framework Document agreed between the three Agencies, are the key steering documents for their cooperation and set out the respective roles and responsibilities, including financial matters, audit, implementation of programmatic activities, fraud/corruption prevention, and reporting. The IAS found that these documents require updating and a definition of roles and responsibilities to facilitate efficient cooperation and coordination among the MPTF Office, Secretariat and Participating Agencies.

**Recommendation 2:** Programme Management should use the prospective 2015 updated version of the MOU and amend the relevant annexes with the MPTF Office to facilitate efficient cooperation and coordination among the MPTF Office, the Secretariat and Participating Agencies.

**Management Action Plan:**

Accepted - The updated MOU by UNDG will serve as the MOU for the new fund. A TOR detailing the programming cycle and governance of the programme, including roles and functions of the different entities involved, will be prepared and annexed to the MOU. In addition, a note fleshing out common operations of the programme is being prepared and an agreement delineating modalities for cooperation among agencies is also under consideration. These aim to clarify and institutionalize the modus operandi of the programme.

Resource Allocation

- 29 Currently, there are no clear principles and guidelines for the allocation of resources for SNA activities as regards normative support at the supranational level as well as Target Support at the country level, amongst the Participating Agencies. At the inception of the UN-REDD Programme, the budget was apparently divided equally between the Agencies, which then developed individual workplans based on the funds assigned to them. However, given that

<sup>8</sup> Established in 2003 and housed within UNDP, MPTF Office assists the UN system and national governments in establishing and administering pooled financing mechanisms—multi-donor trust funds and joint programmes—to collect and allocate funding from a diversity of financial contributors to a wide range of implementing entities in a coordinated manner.

the resource requirements of the different activities and expected outcomes are not uniform, such an approach may not have allocated all funds effectively to the Agencies, against the backdrop of the overall objectives of the Programme. Although this initial egalitarian approach has been relaxed in recent years, the value-for-money attained through the SNA activities of the individual Agencies is still not systematically assessed, and the combination of activities as well as resources, to raise potential savings and synergies, is not systematically pursued. In this regard, the external evaluation report concluded that all three Participating Agencies face strong incentives to promote activities that favour their interests, as well as increase in house capacities in lieu of local solutions.

- 30 At the National Programme level, the budget is allocated separately for the three Participating Agencies and, due to complex budget revision procedures, it is cumbersome to reallocate funds among the Agencies should the priorities of a National Programme change.<sup>9</sup> This creates the impression of parallel projects rather than a joint approach at the country level.
- 31 Historically, the split between SNA normative work at the supranational level versus SNA Targeted Support and the National Programmes at the country level appears unbalanced as most of the resources were allocated to the former. Programme Management explained that this was due to the fact that the Programme's vision and approach to SNA had evolved since inception in 2008, with a transition from global normative work to increased country support. Initially, there was a strong need to develop common approaches and methodologies, as well as tools and guidelines under the SNA umbrella. At this point, Programme Management is confident that the Participating Agencies have accumulated broad capacity and expertise to support the agreed outcomes, and therefore plans to decrease the budget allocation for overarching activities and focus more on the benefit of actions at the national level, including both SNA Targeted Support and National Programmes. However, it is still unclear how the Participating Agencies intend to put this into action.

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<sup>9</sup> Such budget revisions require Policy Board involvement which takes considerable time and efforts.

- 32 Targeted Support, the country level dimension of SNA, is defined as being demand-driven specific financial and technical support and other capacity strengthening support that a country may request to address a critical REDD+ readiness aspect identified, which is not covered by other multilateral or bilateral initiatives or its National Programme, and where the UN-REDD Programme has comparative advantages to provide such support. Countries requesting targeted support are expected to have developed, or to be in the process of developing, a National REDD+ strategy so that they can specify gaps that could be filled by this additional support.
- 33 Targeted Support facilitates distributing limited funds across more UN-REDD partner countries and allows fast response to country demands to fill identified gaps. To this end, approval is more flexible compared to National Programmes, in particular, in that Targeted Support does not require the endorsement of the Policy Board pre-project assessment or a formal project document. At the time of the audit there were, however, no clear criteria for the allocation and use of the funds reserved for Targeted Support, including use of simplified logframes, or reporting on and monitoring of such interventions, in particular, those of a larger scale. This may have led to such funds being allocated to agency-driven initiatives, or to conceal poor design, planning and implementation of National Programmes. Consequently the provision of Targeted Support may have induced suboptimal results, and affected the overall economy, effectiveness and efficiency of the UN-REDD interventions.

**Recommendation 3:** Programme Management should ensure that funds available to the UN-REDD Programme are subdivided according to agreed objectives and supported by tailored workplans. Programme activities and related resources should be distributed among the Agencies according to their comparative advantages and actual work load, bearing in mind efficiency savings and avoidance of overlaps. Objectives should also guide the allocation of resources between overarching normative work, Targeted Support and the National Programmes, as well as within individual National Programmes. Furthermore, criteria and tools to enable the prioritization and purposeful use of Targeted Support should be developed, without compromising the flexibility of

this modality.

**Management Action Plan:**

Accepted with amendments - In the immediate term, the MG has clarified the allocation of Targeted Support as follows in a message communicated to all staff: "To clarify guidance regarding Targeted Support (TS) requests, we have decided that this support should be left in reserve for other partner countries that do not have National Programmes (NPs). For countries with ongoing NPs, all Programme support should be anticipated in NPs and TS considered only under exceptional circumstances (e.g. if a NP is nearing completion or for topics that were not foreseen in the design of NPs), when well justified and in case it cannot be accommodated through a revision of the budget or other adaptive management measures. In such cases, justification of the exceptional circumstances must be provided when considering TS requests." It should also be noted that TS modality requires a request from country UN-REDD focal points for triggering approval of funds.

In going forward, the programmatic and financial split between SNA and NPs will no longer exist. Indeed the new strategic framework provisions for a single theory of change entirely geared towards actions that will benefit countries. The programming cycle is being reviewed to cater for stronger country ownership, more tailored packages adapted to country and context, modalities that will allow for better accountability while preserving the flexibility provided for by TS. More rigorous scoping will define UN-REDD Programme support, including which agencies are involved and lead. A shift towards integrated planning and management of financial and human resources, (i.e. operating jointly through a streamlined inter-agency decision making team) is being clearly outlined in the 2016-2020 Strategy. Implementation arrangements that will enable streamlining of programme support without losing the identity, visibility and added value of the three Agencies are also being defined in the context of the new strategy.

As regards budget revisions at the country level, there has been a change in the submission form which now enables the reallocation of funds on the basis of agreement among agencies and governments.

## *Performance Measurement and Results*

### Results-based Monitoring Logframe and Quality Assurance

- 34 The implementation of the UN-REDD Programme is reinforced by a results-based monitoring logframe consisting of a set of expected outputs and key performance indicators (KPIs). The purpose of this tool is to regularly measure and report on the progress of the Programme, based on the KPIs. The logframe contains detailed information and is maintained on a regular basis, however, the IAS also identified several areas for its improvement:
- The logframe focuses on SNA and does not track overall performance and impact of the Programme as an umbrella for all National Programmes and SNA activities, including Targeted Support.
  - It is overly complex and not sufficiently focused; it contains 34 outputs broken down into 81 KPIs. Some of the KPIs are vague and there are too many to unambiguously define the achievements of SNA and its contribution to the quality of the National Programmes. Moreover, as the logframe has been continuously revised, it is difficult to measure the SNA's historical progress and draw conclusions on the effectiveness and efficiency of its interventions.
  - There is potential overlap in the individual outputs among the three Participating Agencies, and a lack of clarity and agreement on the instances where individual comparative advantages of the Participating Agencies should prevail in executing the activities to attain certain outputs, or where they should join forces to be of better service to the overall Programme.
- 35 The above weaknesses affect the clarity of the Programme's priorities and the purposefulness of its resources allocation (see also paragraphs 29 et seqq. above). Moreover, they complicate the collection and verification of data for progress reports.
- 36 Given these impediments, the current progress reports lack clarity and usefulness for decision making processes, and do not capture the impact of the UN-REDD interventions. This is further compounded by the fact that the progress reports are based on accumulated rather than annualized data,

making it difficult to assess the annual progress of activities, even more so as the logframe revisions were not combined with a remapping of historical data.

- 37 The IAS also found that, beyond the level of the individual Participating Agencies, there is no systematic quality assurance of the delivery of the Participating Agencies. The Secretariat compiles annual and semi-annual reports for both the National Programmes and SNA. While the role of quality assurance and oversight is generally within the mandate of the Secretariat (see paragraph 6), the Secretariat's Terms of Reference are not specific enough to systematically ensure the consistency and accuracy of the information provided. For example, the UN-REDD Secretariat combines and reports financial information provided by each Organization based on three different accounting and reporting procedures and formats to the MPTF Office.
- 38 The Participating Agencies prepare individual budget allocations and annual workplans and report on them to the Secretariat only on an aggregate level. Detailed plans are not systematically shared with the Secretariat or amongst the Agencies.

**Recommendation 4:** Programme Management should (i) comprehensively overhaul the results-oriented monitoring logframe of the UN-REDD Programme to bring all SNA and National Programme activities together and allow measurement and reporting on progress and impact, based on a set of streamlined and clear outcomes and KPIs; and (ii) establish a quality assurance and oversight function with sufficient authority to ensure the effectiveness and efficiency of individual and joint interventions of the Participating Agencies.

**Management Action Plan:**

Accepted - To address the shortcomings in the logframe and the quality assurance issues, the Secretariat has hired a consultant to undertake a retroactive design of an all-encompassing theory of change and associated results framework for the current phase of the programme in order to better document programmatic results. The aim is to enable the provision of information on the overall achievements of the UN-REDD Programme and facilitate the measurement of impact. This is being increasingly done through the reporting cycle. The Management Group has initiated portfolio management

overviews which provide information, including financial, on the detailed planning of activities for SNA. In the context of the new strategy, a TOC is being developed from the onset that provides a single programmatic framework for the programme's support, associated with a results framework and a suite of indicators applicable irrelevant of modality, scope and scale of support provided.

### Performance of Individual National Programmes

- 39 When reviewing the National Programmes, the IAS found that, in most cases, implementation progress was considerably delayed and several required a no-cost extension of duration. The IAS identified a number of common causes for the delays:
- Complexity of the overall UN-REDD Programme and the ambitious objectives of the National Programmes; against this backdrop, the fairly short duration of the National Programmes did not provide sufficient leeway for corrections and mitigating measures.
  - Time required to establish certain constituting elements of the National Programmes was not factored into the workplans – even in cases where they were apparent from the outset, e.g. the establishment of governance structures, the need for inter-ministerial coordination and collaboration, and recruitment of key staff; consequently the initial National Programme workplans rapidly became inoperable.
  - Inadequate risk assessment at the initiation of National Programmes, including challenges in local capacity and environment; and weak risk management during implementation of National Programmes in that risks were not mitigated by National Programme management in a timely manner.
- 40 Once the initial difficulties were overcome, progress on the National Programmes was made in most countries, however, the remaining time was often not sufficient to achieve all agreed outcomes. Thus, timeframes, activities and deliverables had to be revised. As these revisions were often based on no-cost extensions, they had repercussions on the composition and quality of the work performed. In particular, costs to maintain the team continued to

accumulate while fewer funds were available for other expenditures (training, workshops, travel, equipment, etc.).

- 41 Furthermore, due to timeline pressure, in some countries there was a tendency to focus on the conclusion of activities rather than ensuring achievement of results. This compounded the uncertainties of the already affected purposefulness of programme implementation, based on the initial intention of the National Programmes' design. Moreover, there was less time to analyse the success of the activities.

**Recommendation 5:** Programme Management should ensure initial project workplans of National Programmes, as well as those of subsequent Programmes, are realistic. Country Offices of Participating Agencies should be more closely involved in the design of National Programmes. In particular, time requirements to initiate a governance structure and recruit key personnel, should be factored in, and the commencement of activities that depend on such prerequisites should be phased accordingly. In addition, a thorough risk assessment should form an integral part of programme development and active risk management should be performed throughout programme duration.

**Management Action Plan:**

Accepted - More sober programmes have been designed lately, with cut-off dates and better guidance provided on planning for inception – both at a programme level and individually within the agencies.

On no-cost extensions and operational costs, this is also an observation reached by the MG as part of its portfolio oversight function and attention is being given for strengthening planning, more realistic assessment of time-frames at the onset of programme design, and for more careful adaptive management during programme implementation. An operations note, as a companion document to the 2016-2020 strategic framework, is being developed that includes a set of “conditions to be met for programme initiation” to replace the current practice of considering the signing date of the NPD as its starting date.

The 2014 annual reporting template for NPs includes a section on risks, their impacts, and likelihood and mitigation action in line with the UNDG risk



management guidance. Similarly, at a portfolio level the RADAR includes a risk module covering both macro types of risks and risks associated with REDD+. The current practice does not require countries to include a risk assessment at the time of requesting PB approval of fund allocation; the submission requirements will be revised to include a risk log for presentation to PB.

Going forward, these practices will be further strengthened and applied across the board.

### *Joint Programming and Integration of the Different Layers of the UN-REDD Programme*

#### Management Structure, Roles and Responsibilities

- 42 A number of stakeholders indicated to the IAS that they had observed or experienced shortcomings in inter-agency cooperation and coordination. Such shortcomings were noted at the corporate level of the UN-REDD Programme as well as at the country level. The main issues identified included:
- unclear, vague and overlapping roles and responsibilities of the Strategy Group, Management Group, Secretariat and Participating Agencies, combined with ineffective delegation of authority and accountability;
  - delays in addressing key challenges affecting the effectiveness and efficiency of joint delivery of SNA and the National Programmes by the Management Group and the Strategy Group; and
  - incidents where transparency and trust was lacking amongst Participating Agencies at the global level as well as in some countries, and reluctance of Participating Agencies to share information with each other.
- 43 In general, the IAS found that the role of the Strategy Group to provide strategic direction to staff members of Participating Agencies responsible for managing and implementing the UN-REDD Programme, was not carried out systematically, and meetings were not held on a regular basis, due to other work priorities of its members. This weakened oversight and reduced any value added by the Strategy Group.

- 44 Similarly, the IAS found that the Management Group, including the thematic working groups<sup>10</sup> that support it, encountered challenges in the ongoing management of the UN-REDD Programme. Generally, Participating Agencies do not delegate the decision-making authority on programme management issues among each other or to the Secretariat, but prefer to attain consensus at the group level. This slows down the decision-making process significantly, as groups only meet at certain intervals and consensus building may become cumbersome.
- 45 The inertia in decision-making is compounded by the fact that the Secretariat's role in ongoing programme management is not clearly defined (see paragraph 37 above). As a consequence, the Secretariat mainly facilitates the Participating Agencies' work without having relevant decision-making authority. In addition to losing the benefits of a centralized decision-making body, this lack of authority is in contrast to the staffing complement of the Secretariat, which includes four high-level Professionals: Head of the Secretariat, a D1, and three P5s, leading the areas of SNA, National Programmes and Strategy Development.<sup>11</sup> As a comparison, individual Agencies have only one or two full-time staff at similar grade levels dedicated to the overall coordination of the UN-REDD Programme at the corporate level: a P5 at FAO, a D1 and a P5 (D1 until 2015) at UNDP, and a P5 at UNEP.

**Recommendation 6:** Based on the new vision, objectives and strategy for Phase II of the UN-REDD Programme, Programme Management should (i) clarify and streamline governance arrangements, including the roles and responsibilities of the Strategic Group, the Management Group, as well as the Secretariat, enhancing their value added to the Programme; (ii) strengthen coordination through clarified accountability, roles and authority for individuals, teams and Agencies; and (iii) ensure sharing of information and resources among Agencies, and provide for delegation of decision-making power to the

<sup>10</sup> The working groups partially have the same members as the Management Group. There are working groups i.a. for: (i) National Programmes implementation, (ii) SNA implementation, (iii) communications, and (iv) knowledge management.

<sup>11</sup> Currently two of the three P5 positions are filled by staff from the Participating Agencies. The third position, for strategy development, was created in mid-2013 but has not yet been permanently filled. A secondee from the Danish Government is currently carrying out this function on a two-year appointment.

most appropriate Lead Agency or UN-REDD Programme body on the different topics.

**Management Action Plan:**

Accepted - All elements of this recommendation are addressed in the new inter-agency operational arrangements and governance structure set out in the new Programme Strategy 2016-2020.

Operating as One

- 46 There is an expectation by UN-REDD Programme stakeholders that Participating Agencies 'Operate as One'. Through its review of National Programmes, as well as SNA activities, in many instances the IAS found that this expectation is not met. In general, Participating Agencies' Country Offices receive a share of a National Programme budget individually, and implement their portion based on individual channels and modalities, including each Agency's own financial and administrative rules, policies and procedures. In this context, the IAS identified the following issues:
- The design of the National Programmes did not anticipate that each Participating Agency would transfer funds to the same national counterpart based on divergent financial and administrative modalities, which created inconsistencies and inefficiencies. This affected implementation progress in an already complex environment, and increased the transaction costs and administrative burden for the Country Offices.
  - In some countries, Participating Agencies' staff were not supportive of the UN-REDD Programme's inter-agency approach. They preferred to work separately at an individual pace and in synchronization with their own complementary project and pipeline portfolio, rather than focusing on collaboration with the other Agencies. Team members of different Agencies frequently seemed more oriented towards their contracting Agencies and individual workplans rather than to the National Programme's objectives.
  - In some cases, difficulties were also encountered in information sharing between the Agencies and providing progress reports by individual

Agencies, which, to some extent, was also a result of the different systems, procedures and purposes.

- The process and criteria to determine the Lead Agency for the different National Programmes are not documented. In particular, justification was not included in the respective National Programme document, approved by the Policy Board. The selection of a Lead Agency should, however, be substantiated to ensure its commensurate country presence and/or competencies to best support a country's National Programme.
- 47 At the global level, the IAS also observed divergence in procedures and systems. The functions and staff of the Secretariat are divided among the three Participating Agencies for which they separately administrate the budgets.<sup>12</sup> There is no common budget under a combined budget-holdership within the Secretariat. For any administrative process, such as recruitment, procurement, or travel, the Secretariat has to handle three different sets of rules, three budgets and three accounting and reporting systems, to which the Secretariat's Finance Officer does not always have direct access.

**Recommendation 7:** The Strategic Group of the UN-REDD Programme should systematically advance further integration of the National Programme teams of the three Participating Agencies at country-level, and promote financial and administrative integration both at the country and Secretariat level, to ensure smoother operations.

**Management Action Plan:**

Partially accepted - The new strategic framework states that: The Secretariat will facilitate overall coordination and support the operation of the MG and the Programme's governance mechanism. The hosting arrangements for the secretariat will be further streamlined with the view to increase efficiency and effectiveness and to reflect the size and scope of the Programme, its governance structure and to meet the requisites of different types of support

<sup>12</sup> The Head of the Secretariat, contracted by UNEP, recently became the budget holder for UNEP's funds allocated for the Secretariat work (with limitations on certain transactions), the SNA Lead Officer is the budget holder for FAO's funds, while UNDP's budget is still with the UNDP Programme Coordinator outside of the Secretariat.

envisaged. This will be assessed and decided as the new strategy unfolds and its implementation and coordination needs are further developed. Country level integration and administration are being addressed through a number of measures delineated in the operations note, in the role and function of the lead advisors and in the selection of the lead agency. Certain aspects fall outside the remit of the programme and may not be fully integrated or adjusted. For new NPs, the UNDG tools made available for “operating as one” will be analysed systematically during NP formulation, in order to find the best tailor made solution for each country. Formulation of NPs requires stronger involvement of colleagues with operations knowledge and is not exclusively a technical task.

### *Communications and Knowledge Management*

#### Communication Strategy and Related Activities

- 48 As described above (paragraph 19), at the initial stage, following its inception in 2008, the Programme was operating in a rapidly evolving and uncertain international context. In particular, requirements for countries to achieve REDD+ readiness were unclear. Against this backdrop, the leverage and purposefulness of the Programme’s communications and knowledge management activities were limited and not always implemented at the same pace as the Programme evolved. As the REDD+ concepts and conditions became more concrete, Programme Management developed an elaborate Communication Strategy, for the period 2012-15, and the position of a Communications Officer within the Secretariat was upgraded from P3 to P4 level. However, the new Communication Officer did not join the Secretariat until April 2014.
- 49 The above shortcomings affected the implementation of the communications and knowledge management activities. Initially, this was primarily due to the uncertainties of the REDD+ initiative but then were compounded by the fact that the Communications Officer post was vacant for an extended period, in 2013 and 2014, at a time when the new Communication Strategy 2012-15 needed to be put into action. As a consequence, there were periods when the communications and knowledge management activities were cursory and fragmented. Newsletters were not produced at regular intervals, the website

was often out-of-date and external stakeholders did not receive systematic updates. In addition, publications were not properly coordinated amongst Agencies. For example, there were instances where the Agencies produced publications outside their assigned areas without communicating and coordinating the work with the other Agencies in a timely manner, which affected the accurateness and inclusiveness of these publications. To address this, the new Communication Officer developed a workflow for publications, which is currently pending approval by all Agencies.

- 50 The cohesiveness of the communication strategy is further affected by the fact that the Communication Officer has no supervisory authority over the staff working on communication issues at the agency level, as these were hired autonomously by the individual Agencies. As a consequence, the Communication Officer has not been regularly informed or involved in their activities.
- 51 The situation has recently improved as more regular meetings of the communication working group are being held, organized by the Communication Officer, in which the Agencies' communication focal points participate, and develop and share their workplans. However, challenges persist given that the Communication Officer does not have delegated authority to comprehensively lead and supervise all communication activities under the UN-REDD Programme, in particular at the regional level, which in general operates fairly autonomously for some of the Agencies, including the handling of communication-related issues.

#### Knowledge Management (KM)

- 52 The knowledge generated by technical and other Programme teams is codified through a number of processes, such as the five-year publication, policy briefs, etc. However, the Programme currently does not have a dedicated knowledge management function. Therefore, its accumulated knowledge, including lessons learned from concluded activities, is not systematically captured, analysed and shared. To close this gap, Programme Management is now planning to include KM as one of four components in the new Strategic Framework and some decisions have already been taken to this end:

- additional funds of USD 2.9 million have been assigned for this purpose (thereof USD 1 million for the REDD academy, run by UNEP, and USD 1.9 million for corporate KM enhancement, with UNDP as Budget Holder);
- KM regional focal points have been established; and
- a working group has been organized and the first workshop carried out.

53 At the same time, the IAS noted the following:

- While the Secretariat's Communication Officer is responsible for overall KM of the UN-REDD Programme, she does not have authority over the allocated global budget, which is wholly assigned to the Participating Agencies (UNDP and UNEP).
- Similar to the communication function, the Communication Officer does not have supervisory authority over individual Participating Agencies' staff working on KM, nor is she systematically informed of KM interventions at individual Agency level. KM coordinators in the regions are hired under UNDP contracts, and none of the focal points from the three Agencies report directly to the Communication Officer. She is also not involved in reviewing their workplans, and is therefore unable to align corporate KM with activities in the regions.
- KM staff are hired under short-term consultancy contracts, which leads to high staff turnover and affects continuity, a major drawback for a function that is expected to provide institutional memory.

54 As a result, the Communication Officer's responsibilities and accountability related to KM are not reinforced by a commensurate level of authority, making it difficult to ensure an integrated, effective and efficient KM.

**Recommendation 8:** Programme Management should further develop the current communication strategy for the UN-REDD Programme (2014-2015), based on its new objectives and vision, to strengthen advocacy and liaison, and raise the Programme's visibility. Programme Management should also establish clear roles, responsibilities and reporting lines for the communication and KM functions to ensure purposefulness and comprehensiveness of services to the

UN-REDD Programme and REDD+ community.

**Management Action Plan:**

Accepted - Given the increasing importance of communication and knowledge management, these functions have already been established in the recent (June 2015) approval of the revised programme. The clarification of roles and responsibilities on communication and KM and the TOR for the inter-agency KM/Comm group have already been revised to ease implementation in the current period. The new Programme strategy 2016-20 includes Communications and Knowledge Management as a cross-cutting issue. The approach will be periodically revisited and adapted to further strengthen advocacy and liaison, and raise the visibility of the Programme.

*Issues with Efficiencies and Effectiveness*

- 55 This section includes issues that the IAS identified in the course of the audit that deserve closer scrutiny by Programme Management under cost-effectiveness and value-for-money aspects.

Policy Board Meetings

- 56 The cost of the Policy Board meeting in Lima (PB12) in July 2014 amounted to USD 374 000, to be borne by the UN-REDD Programme. Thereof, USD 209 000 was incurred by the Secretariat for the participation of Policy Board members, and USD 165 000 by the three Agencies for travel of their staff and other organizational costs. Of the 88 meeting participants, 40 were from the three Agencies and the Secretariat.<sup>13</sup>
- 57 The Secretariat maintains detailed information on the expenses incurred under the Secretariat budget. They average approximately USD 200 000 for the last five meetings. However, information on the costs incurred by the Agencies under their respective UN-REDD Programme budgets is not readily available and had to be provided for PB12 upon request of the IAS.
- 58 There are usually two Policy Board meetings per year, therefore the combined annual cost for the UN-REDD Programme may be in about USD 600 000 or

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<sup>13</sup> Six of the Agencies' staff were located in Peru therefore no travel costs incurred.



more. As a comparison, the average budget spent on Targeted Support to an eligible partner country amounts to USD 380 000.

**Recommendation 9:** The Policy Board and Programme Management should consider measures to increase the cost-effectiveness and value-for-money of Policy Board meetings, including the necessary level of attendance of the Agencies.

**Management Action Plan:** Accepted - Governance structures in the context of the new strategy are being streamlined, with proposals for leaner and more focused PB/Executive Boards and shorter meetings more focused on decision-making processes. The matter will be finalized prior to the launch of the new phase of the programme. Furthermore, the number of UN staff members attending PB meetings has already been significantly reduced after PB 12 Lima (which was an exceptional case due to the combination of the PB meetings with participatory meetings in the run-up to the UNFCCC COP20 which was also held in Lima a few months later).

### **Staffing Structure**

59 Currently there are 152 staff and consultants employed full or part time by the Programme. They are distributed among the Secretariat and the three Participating Agencies as follows:<sup>14</sup>

FAO	52
UNDP	41
UNEP	40
Secretariat	19

60 The question as to what would be an optimal staffing distribution and structure funded by the Programme, is a complex issue given that the Secretariat and Agencies are assigned with different tasks and activities, which vary in human resources requirements, and each have divergent existing capacity and infrastructure at the country and regional level.

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<sup>14</sup> Equivalent to 137 full time staff.

- 61 For example, at FAO, the experts for Measurement, Reporting and Verification (MRV) systems and Reference Emission Levels (REL) are located at headquarters from where they backstop the National Programmes together with the respective regional coordinators. In some cases, in particular, for large National Programmes such as Viet Nam, there are also experts directly outposted to Country Offices.<sup>15</sup> FAO's UN-REDD Programme Coordinator at headquarters is directly responsible for recruitment of technical advisors both at headquarters and in the countries. They report to her and she can relocate them when needed.
- 62 At UNDP, the organizational decentralization is generally more marked, with a strong presence in the countries, and UN-REDD regional Technical Advisors playing an important role in liaison between the UNDP corporate and country levels. However, country level UN-REDD staff function more independently from the regional and corporate level UN-REDD structure as they are recruited directly by the respective Country Office heads to whom they also primarily report against the backdrop of local field programme requirements. This may lead to conflicting priorities and friction with competing reporting lines.
- 63 UNEP does not have an onsite presence in most partner countries. It relies on the World Conservation Monitoring Centre (UNEP-WCMC), located in Cambridge with 12 staff, to provide support on safeguards and spatial planning to partner countries in all three UN-REDD regions. WCMC's cost accounting model prescribes that only hours actually worked on the UN-REDD Programme are charged to it. Consequently, costs incurred are based on actual activity levels as opposed to the fixed cost that would be incurred should a standing team be maintained.<sup>16</sup>
- 64 Currently, there is no integrated assessment of staff distribution across the overall UN-REDD Programme. At the same time, Programme Management is considering strengthening regional teams, however, without a clear assessment of the benefits and challenges of the Participating Agencies' different approaches and rationales of staff distribution, there is a heightened risk that a

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<sup>15</sup> FAO co-funds some of these positions with other REDD+-related programmes in the countries.

<sup>16</sup> The assessment of UNEP's collaborative centres was outside of OIOS' audit scope, thus cost-effectiveness and monitoring of the results produced by the WCMC were not reviewed by this audit.

general decentralization or redistribution of staff among the entities may not lead to the desired results or may provide uneven support to attain the various expected outcomes of the Programme.

**Recommendation 10:** Based on the revised roles, responsibilities and authority among the Secretariat and the three Participating Agencies, including the Country and Regional Offices networks, Programme Management should comprehensively assess distribution of staff resources among the different entities as well as regarding their location and level of decentralization. The different expected outcomes of the UN-REDD Programme may require diverse approaches in terms of staff composition and location.

**Management Action Plan:**

Partially Accepted - Concur with the audit team that the size of the secretariat should be reassessed, and this is already ongoing. Measures are already being taken during the current phase through the streamlining of the existing team. Also the new Programme Strategy will clearly emphasise the coherent and centralised management of the team composition, set-up, regional distribution and roles and TOR of each team member, so as to provide a more coordinated, cost-effective and efficient support to each partner country. However, noting that agency positions in the country offices are not funded from UN-REDD resources but from the CO budgets and do not report to UNDP's REDD+ team, there are limits to what the Programme can do in meeting this recommendation fully. Nevertheless, the UN agencies are committed to strengthening country support and increasing the orientation of human resources towards country support. This will be greatly enhanced through the application of inter-agency country support teams – that harness the relevant technical and advisory services for a country from across the UN-REDD Programme's human resources.

*Other Issues*

- 65 As mentioned above, the strategic framework is currently being overhauled for the new phase of the UN-REDD Programme. This is still at an early stage, however, key elements are already being determined by the Management Group, including the aim to re-focus the Programme's objectives from

“readiness” to “result-based actions”, and to concentrate more on a limited number of countries covered.

66 There are several areas associated with this new strategy, which the aforementioned evaluation report (paragraph 23) brought up and which the IAS would like to highlight and update:

- The evaluation report raised the need for the development of a Theory of Change. While the objectives of the new phase of the Programme were already being drafted at the time of the audit, the work on a Theory of Change had not yet commenced. This may lead to a disconnect between the new objectives of the Programme and the implementation approaches to achieve them, if they are not developed holistically and in an integrated way.
- The Programme has little experience with “result-based actions” regarding REDD+ readiness, based on Reference Emission Levels (REL) for the countries, to be filed with the UNFCCC. The Programme will need time and resources to acquire the required knowledge and expertise.
- According to information provided by the Secretariat, the next Phase will commence with five to six selected countries to develop REDD+-related result-based actions based on the Warsaw guidelines. The new strategy, in its current preliminary draft version, does not, however, elaborate on a rationale for country selection.
- Another key area which has not yet been included in the development of the new framework relates to inter-agency collaboration, including the applicable modalities. The IAS’ review of Phase I showed that this area was particularly weak throughout the SNA and National Programmes (see paragraph 46). It is the understanding of IAS that the Management Group has reinforced efforts to address this issue.

**Recommendation 11:** Programme Management should ensure the objectives of the second phase of the UN-REDD Programme are developed holistically with the implementation approaches (Theory of Change). The resource requirements to realign the Programme towards REDD+-related results-based actions should be determined, the criteria of country selection for such actions

should be outlined clearly and purposefully, and the approaches and modalities for inter-agency collaboration should be clearly established.

**Management Action Plan:**

Accepted - All elements of this recommendation are clearly addressed in the complete Strategic Framework that was considered by the PB and will be further fleshed out in the TOR of the fund. The criteria for country selection and prioritization are a matter of governance and will further be defined once the new programme is launched. A first effort in this direction is however being made, with a prioritization of countries to receive national programme support in 2015 based on emission reduction potential, absorptive capacity and ability to programme within the year.

## **V. INDIVIDUAL IAS REVIEW SUMMARIES**

- 67 This section contains summaries of the audit reports prepared individually by the IAS, covering the first and second stage of the audit of the UN-REDD Programme.

### *Summary of Findings on FAO*

- 68 The Office of the Inspector General (OIG) began its audit of the FAO dimension of the UN-REDD Programme in early 2014. This work was carried out during the first two stages of the joint audit as follows:
- (i) The first stage, largely completed in September 2014, focused on the review of UN-REDD activities at country level. Missions were conducted to eight countries to review their National Programmes on site: Cambodia, Congo/Brazzaville, Nigeria, Panama, the Philippines, Tanzania, Viet Nam and Zambia. The results of the reviews were presented in individual reports on the respective Country Office.<sup>17</sup>

<sup>17</sup> Report Nos. are as follows: Zambia – AUD1614; Panama – AUD1714; Congo/Brazzaville – AUD2114; Viet Nam – AUD2214; Nigeria – AUD2314; Tanzania – AUD2414; Cambodia – AUD2514 and Philippines – AUD2914. In addition the Bolivia Country Office was audited (AUD2614) but UN-REDD activities had barely started at the time. This audit was therefore not included in the capping analysis.

- (ii) The second stage, building on the country level work, assessed FAO's corporate-level coordination of the UN-REDD Programme and the implementation arrangements for SNA. This included a capping analysis of the UN-REDD National Programmes reviewed by OIG, to identify common issues for corporate attention, the results of which are presented in OIG's report AUD 3214.
- 69 FAO is widely recognized by the stakeholders of the UN-REDD Programme as the expert agency in key areas such as forest management, Measurement, Reporting and Verification (MRV) systems, Reference Emission Levels (REL), land tenure, legal preparedness and governance in land issues. In this regard, FAO's technical expertise is visible and its contributions are purposeful and appreciated. The Programme provides an important platform for FAO to contribute its comparative advantages and spearhead development in these areas.
- 70 There had been a dual structure at FAO, where the Forest Assessment, Management and Conservation Division (FOM) shared the organizational set-up and management responsibilities for UN-REDD with the Climate, Energy and Tenure Division (NRC). During the audit, this dual structure stood out as a considerable impediment for programme implementation. In September 2014, the Deputy Director-General, Natural Resources, addressed this organizational constraint by deciding to merge FAO's UN-REDD team under the leadership of FOM.
- 71 The key challenges to FAO's SNA identified in report AUD 3214, for which OIG makes recommendations, included:
- (i) revisiting the objective, vision and implementation strategy for FAO's component of SNA and its linkage to the National Programmes, partially induced by the fact that REDD+ was a new concept. This included streamlining the KPIs anchored in the corresponding logframe, and the results-focused reporting thereon;
  - (ii) clarifying roles and avoiding potential overlaps in the SNA outputs, both within FAO as well as among the three Participating Agencies, as to how their comparative advantages could contribute to the Programme;

(iii) streamlining the operational arrangements and structure following the merger of the two teams, including the rearrangement of governance, roles and responsibilities.

- 72 With regard to OIG's reviews of eight National Programmes at the country level, three were rated as Satisfactory overall, three as Partially Satisfactory and two as Unsatisfactory. Thus, in five of the eight cases, there were major impediments or breakdowns that affected the implementation and achievement of objectives of the respective National Programme. There were weaknesses noted in all areas included in the scope of the review, however, programme implementation progress and coordination among the three Participating Agencies were found to be particularly weak.
- 73 FAO management is committed to the Programme's success and proactively participated in the audit process. Work on addressing many of the issues identified had already commenced before the final audit report was issued.

#### *Summary of Findings on UNDP*

- 74 In 2014, the Office of Audit and Investigations (OAI) of UNDP conducted an audit of the UNDP dimension of the UN-REDD Programme
- (i) The first stage focused on the review of UN-REDD activities at country level. Missions were conducted to Cambodia and Ecuador to review their National Programmes; and to Viet Nam for a review of the UN-REDD Programme Phase II<sup>18</sup>.
  - (ii) The second stage assessed UNDP's corporate-level coordination of the Programme and implementation arrangements for SNA. This included an analysis of UNDP's monitoring and follow-up and governance arrangements.
- 75 The results are presented in OAI's report 1423 issued in March 2015. In the following areas the audit concluded satisfactory performance:
- (i) UNDP was largely successful in facilitating the implementation of the UN-REDD Programmes in Ecuador, Cambodia and Viet Nam;

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<sup>18</sup> UN-REDD Viet Nam Programme Phase II is building on the completed UN-REDD National Programme in the country with the objective to *enhance Viet Nam's ability to benefit from future results-based payments for REDD+ and undertake transformational changes in the forestry sector*, and has its own Memorandum of Understanding and fund. The Programme is governed by the UN-REDD Viet Nam Executive Group and not by the UN-REDD Policy Board.

- (ii) Government counterparts in Ecuador played an active role in implementing the UN-REDD Programme;
  - (iii) Collaboration between the three Participating UN Organizations in implementing the Programme in Cambodia, Ecuador and Viet Nam was found satisfactory as it pertains to UNDP;
  - (iv) UNDP completed activities in the work areas, where particular UN-REDD responsibilities were assigned;
  - (v) UNDP's implementation strategy was flexible and tailored to meet specific country needs; and
  - (vi) a new knowledge management and communications strategy was being developed in the UN-REDD Secretariat supported by UNDP, and was expected to improve knowledge sharing.
- 76 OAI assessed UNDP's support to National UN-REDD Programmes in selected countries and UNDP's Support to National Action (SNA) and the management at the UNDP corporate level as partially satisfactory.
- 77 For the SNA, OAI made the following medium priority recommendations for the Bureau for Policy and Programme Support:
- (i) to assess benefits, costs and risks for UNDP in continuing to use UNOPS as an executing partner for UN-REDD;
  - (ii) to contribute to further development of a results-based reporting framework reflecting key priorities for UN-REDD and UNDP, and use the framework to achieve better oversight and more active management of UNDP's dimension of the Programme; and
  - (iii) to develop plans to sustain knowledge and capacities when UN-REDD National Programmes in Phase I are ending.
- 78 With regard to OAI's reviews of the National UN-REDD Programmes in Cambodia and Ecuador, and UN-REDD Vietnam Programme Phase II, OAI issued the following high-priority recommendations:
- (i) In consultation with the Viet Nam Country Office, the Bureau for Policy and Programme Support should, facilitate discussions with FAO and UNEP headquarters on common fund management procedures to reduce administrative costs.



- (ii) The Viet Nam Country Office should enhance cooperation with the National Implementing Partner and the other Participating Agencies to strengthen the role of the Project Executive Board and use it as a mechanism to monitor and document the status of implementation of recommendations of the annual review report.
- (iii) The Viet Nam Country Office and the Bureau for Policy and Programme Support should hold formal quarterly discussions to agree on the quality assurance elements connected to technical assistance inputs, and seek clarification for full cost-recovery of BPPS expenses.

#### *Summary of Findings on UNEP*

- 79 From May to July 2014, the Office of Internal Oversight Services (OIOS) conducted an audit to assess the adequacy and effectiveness of UNEP's governance, risk management and control processes in providing reasonable assurance regarding the efficient and effective management of activities performed by UNEP relating to the UN-REDD Programme. The audit was conducted at UNEP Headquarters in Nairobi and the UN-REDD Secretariat offices in Geneva, and covered the period January 2011 to December 2013.
- 80 The key controls tested for the audit were: (a) performance monitoring indicators and mechanisms; and (b) regulatory framework. For the purpose of this audit, OIOS defined these controls as follows:
- a) Performance monitoring indicators and mechanisms - controls that provide reasonable assurance that metrics are: (i) established and appropriate to enable monitoring of performance; and (ii) used to manage operations effectively; and
  - b) Regulatory framework - controls that provide reasonable assurance that policies and procedures: (i) exist to guide the operations of the UNEP component of the UN-REDD Programme, including in areas such as financial management and procurement; (ii) are implemented consistently; and (iii) ensure the reliability and integrity of financial and operational information.
- 81 The results of the audit are presented in OIOS Audit Report No. 2015/007. The UNEP governance, risk management and control processes examined were

partially satisfactory<sup>19</sup> in providing reasonable assurance regarding the efficient and effective management of activities performed by UNEP relating to the UN-REDD Programme.

- 82 There were specific and measurable performance indicators for the two work areas that UNEP took the lead in, as well as for the UN-REDD Secretariat. This facilitated objective performance measurement and evaluation and reporting to stakeholders. UNEP established partnerships and monitored the implementation of activities in accordance with the UNEP Partnership Policies and Procedures. However, there were areas that required strengthening at the UN-REDD Secretariat and implementing agencies, such as: (a) establishing a mechanism to provide evidence of reported performance in order to assure the quality of performance reports; and (b) developing processes and tools to improve information sharing, quicken the decision making processes, and enhance efficiency in programme delivery.
- 83 OIOS made three important<sup>20</sup> recommendations to address issues identified in the audit, as follows:
- (i) UNEP, in coordination with the UN-REDD Secretariat, should establish a mechanism that requires implementing agencies to provide evidence of reported performance in order to assure the quality of performance reports;
  - (ii) UNEP should ensure compliance with the reporting requirements prescribed in the Memorandum of Understanding with the Administrative Agent and maintain proper records to demonstrate compliance; and
  - (iii) UNEP, in collaboration with the Participating Agencies, should develop processes and tools to harmonize the programme administrative processes and protocols, with a view to improving information sharing, quickening the decision making processes and enhancing efficiency in programme delivery.

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<sup>19</sup> A rating of "partially satisfactory" means that important (but not critical or pervasive) deficiencies exist in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

<sup>20</sup> Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

## Annex 1: UN-REDD National Programmes by Country (incl. the FAO, UNDP and UNEP components)

National Programmes	State of the National Programmes	Countries Receiving Targeted Support from the Global Programme	Countries Receiving Backstopping Support from the Programme	Approved Budget	Expenditure as at 31 Oct 2014
Argentina	National Programme approved during the last Policy Board. Currently preparing all documentation (project document, and budget) to open the project probably in 2015.	V	V	3,842,370	-
Bangladesh	National Programme approved during the last Policy Board. Currently preparing all documentation (project document, and budget) to open the project probably in 2015. FAO	V	V	2,300,500	-
Bolivia	National Programme already opened NTE 31/12/2015		V	1,187,591	147,599
Cambodia	National Programme already opened NTE 31/12/2014		V	3,001,350	2,068,679
Colombia	National Programme approved during the last Policy Board. Currently preparing all documentation (project document, and budget) to open the project probably in 2015.		V	4,000,000	-
Cote d'Ivoire	National Programme approved during the last Policy Board. Currently preparing all documentation (project document, and budget) to open the project probably in 2015.	V	V	3,210,000	-
DRC	CLOSED.	V	V	7,383,200	7,186,150
Ecuador	National Programme already opened NTE 31/12/2014		V	4,000,000	2,995,039
Indonesia	CLOSED	V	V	5,644,250	5,448,084
Mongolia	National Programme approved during the last Policy Board. Currently preparing all documentation (project document, and budget) to open the project probably in 2015.	V		3,996,450	-
Nigeria	National Programme already opened NTE 28/02/2015		V	4,000,000	1,053,651
Panama	National Programme already opened NTE 30/06/2015		V	5,300,000	3,676,677
PNG	National Programme already opened NTE 31/12/2015			6,388,884	2,012,763
Paraguay	National Programme already opened NTE 31/08/2014			4,720,001	1,854,180

## Annex 1: UN-REDD National Programmes by Country (incl. the FAO, UNDP and UNEP components)

Philippines	CLOSED		V	500,000	460,515
Congo	National Programme already opened NTE 31/12/2015		V	4,000,000	564,931
Solomon Islands	National Programme already opened FAO is collaborating but the whole budget is under UNDP. FAO is giving Targeted Support from the Global Programme.	V		550,000	468,001
Sri Lanka	National Programme already opened NTE 30/04/2016			4,000,000	491,168
Tanzania	CLOSED		V	4,280,000	4,094,817
Vietnam	PHASE I (CLOSED - under the UNREDD Programme Fund) - PHASE II (OPENED - not under the UNREDD Programme Fund)		V	4,384,756	4,351,862
Zambia	National Programme already opened NTE 31/12/2014	V	V	4,490,000	3,695,728
<b>Total</b>				81,179,352	40,569,844

## Annex 2: Summary of Recommendations

Recommendation		Responsible Unit	Timeframe	Management Action Plan
1	Programme Management should ensure that the new strategic framework provides clear guidance on the scope and boundaries of the UN-REDD Programme and how it relates to the other major undertakings in the overall REDD+ context. While it is not fully within its control, Programme Management should also consider advocating with donors better coordination with the different initiatives and funding sources, and promoting the Programme's and Participating Agencies' comparative advantages and services for REDD+.	UN-REDD Programme Management	Ongoing effort and January 2016 (start date of new Strategy)	<p><b>Accepted:</b></p> <p>The new strategy sets a clear delineation that the UN-REDD Programme will support countries through the UNFCCC/Warsaw Framework process. Furthermore, initial steps have been undertaken as part of the new strategy, including defining the scope and thematic interventions of the programme, partnerships that could be established and synergies with other REDD+ actors. More rigorous approaches for (i) the selection of countries and (ii) scoping programme support in country are foreseen that will address the issue of comparative advantage, niche of the programme and complementarity with other initiatives active in country. One emerging request to the programme (e.g. responses to the call for expression of interest for new national programmes) support for coordinating technically, managerially and substantively REDD+ initiatives are indicated as needs. The new Strategic Framework also outlines how improved coordination with other initiatives in the REDD+ arena will also be fostered through the enhanced role of the Policy Board in this specific field, as well as through the establishment of dedicated National Steering Committees that will play this role at the national level.</p>
2	Programme Management should use the prospective 2015 updated version of the MOU and amend the relevant annexes with the MPTF Office to facilitate efficient cooperation and coordination among the MPTF Office, the Secretariat and Participating Agencies.	UN-REDD Programme Management	31 Dec 2015	<p><b>Accepted:</b></p> <p>The updated MOU by UNDG will serve as the MOU for the new fund. A TOR detailing the programming cycle and governance of the programme, including roles and functions of the different entities involved, will be prepared and annexed to the MOU. In addition, a note fleshing out common operations of the programme is being prepared and an agreement delineating modalities for cooperation among agencies is also under consideration. These aim to clarify and institutionalize the modus operandi of the programme.</p>
3	Programme Management should ensure that funds available to the UN-REDD Programme are subdivided according to agreed objectives and supported by tailored workplans. Programme activities and related resources should be distributed among the Agencies according to their comparative advantages and actual work load, bearing in mind efficiency savings and avoidance of overlaps. Objectives should also guide the allocation of resources between overarching normative work, Targeted Support and the National Programmes, as well as within individual National Programmes. Furthermore, criteria and tools to enable the prioritization and purposeful use of Targeted Support should be developed, without compromising the flexibility of this modality.	UN-REDD Programme Management	Ongoing effort and January 2016 (start date of new Strategy)	<p><b>Accepted with amendments:</b></p> <p>In the immediate term, the MG has clarified the allocation of Targeted Support as follows in a message communicated to all staff: "To clarify guidance regarding Targeted Support (TS) requests, we have decided that this support should be left in reserve for other partner countries that do not have National Programmes (NPs). For countries with ongoing NPs, all Programme support should be anticipated in NPs and TS considered only under exceptional circumstances (e.g. if a NP is nearing completion or for topics that were not foreseen in the design of NPs), when well justified and in case it cannot be accommodated through a revision of the budget or other adaptive management measures. In such cases, justification of the exceptional circumstances must be provided when considering TS requests." It should also be noted that TS modality requires a request from country UN-REDD focal points for triggering approval of funds.</p> <p>In going forward, the programmatic and financial split between SNA and NPs will no longer exist. Indeed the new strategic framework provisions for a single theory of change entirely geared towards actions that will benefit countries.</p>

## Annex 2: Summary of Recommendations

				<p>The programming cycle is being reviewed to cater for stronger country ownership, more tailored packages adapted to country and context, modalities that will allow for better accountability while preserving the flexibility provided for by TS. More rigorous scoping will define UN-REDD Programme support, including which agencies are involved and lead. A shift towards integrated planning and management of financial and human resources, (i.e. operating jointly through a streamlined inter-agency decision making team) is being clearly outlined in the 2016-2020 Strategy. Implementation arrangements that will enable streamlining of programme support without losing the identity, visibility and added value of the three Agencies are also being defined in the context of the new strategy.</p> <p>As regards budget revisions at the country level, there has been a change in the submission form which now enables the reallocation of funds on the basis of agreement among agencies and governments.</p>
4	<p>Programme Management should (i) comprehensively overhaul the results-oriented monitoring logframe of the UN-REDD Programme to bring all SNA and National Programme activities together and allow measurement and reporting on progress and impact, based on a set of streamlined and clear outcomes and KPIs; and (ii) establish a quality assurance and oversight function with sufficient authority to ensure the effectiveness and efficiency of individual and joint interventions of the Participating Agencies.</p>	UN-REDD Programme Management	Ongoing effort and January 2016 (start date of new Strategy)	<p><b>Accepted:</b></p> <p>To address the shortcomings in the logframe and the quality assurance issues, the Secretariat has hired a consultant to undertake a retroactive design of an all-encompassing theory of change and associated results framework for the current phase of the programme in order to better document programmatic results. The aim is to enable the provision of information on the overall achievements of the UN-REDD Programme and facilitate the measurement of impact. This is being increasingly done through the reporting cycle. The Management Group has initiated portfolio management overviews which provide information, including financial, on the detailed planning of activities for SNA. In the context of the new strategy, a TOC is being developed from the onset that provides a single programmatic framework for the programme's support, associated with a results framework and a suite of indicators applicable irrelevant of modality, scope and scale of support provided.</p>
5	<p>Programme Management should ensure initial project workplans of National Programmes, as well as those of subsequent Programmes, are realistic. Country Offices of Participating Agencies should be more closely involved in the design of National Programmes. In particular, time requirements to initiate a governance structure and recruit key personnel, should be factored in, and the commencement of activities that depend on such prerequisites should be phased accordingly. In addition, a thorough risk assessment should form an integral part of programme development and active risk management should be performed throughout programme duration.</p>	UN-REDD Programme Management	31 Dec 2015	<p><b>Accepted:</b></p> <p>More sober programmes have been designed lately, with cut-off dates and better guidance provided on planning for inception – both at a programme level and individually within the agencies.</p> <p>On no-cost extensions and operational costs, this is also an observation reached by the MG as part of its portfolio oversight function and attention is being given for strengthening planning, more realistic assessment of time-frames at the onset of programme design, and for more careful adaptive management during programme implementation. An operations note, as a companion document to the 2016-2020 strategic framework, is being developed that includes a set of “conditions to be met for programme initiation” to replace the current practice of considering the signing date of the NPD as its starting date.</p> <p>The 2014 annual reporting template for NPs includes a section on risks, their impacts, and likelihood and mitigation action in line with the UNDG risk management guidance. Similarly, at a portfolio level the RADAR includes a risk module covering both macro types of risks and risks associated with REDD+. The current practice does not require countries to include a risk</p>

## Annex 2: Summary of Recommendations

				<p>assessment at the time of requesting PB approval of fund allocation; the submission requirements will be revised to include a risk log for presentation to PB.</p> <p>Going forward, these practices will be further strengthened and applied across the board.</p>
6	Based on the new vision, objectives and strategy for Phase II of the UN-REDD Programme, Programme Management should (i) clarify and streamline governance arrangements, including the roles and responsibilities of the Strategic Group, the Management Group, as well as the Secretariat, enhancing their value added to the Programme; (ii) strengthen coordination through clarified accountability, roles and authority for individuals, teams and Agencies; and (iii) ensure sharing of information and resources among Agencies, and provide for delegation of decision-making power to the most appropriate Lead Agency or UN-REDD Programme body on the different topics.	UN-REDD Programme Management	Ongoing effort and January 2016 (start date of new Strategy)	<p><b>Accepted:</b></p> <p>All elements of this recommendation are addressed in the new inter-agency operational arrangements and governance structure set out in the new Programme Strategy 2016-2020.</p>
7	The Strategic Group of the UN-REDD Programme should systematically advance further integration of the National Programme teams of the three Participating Agencies at country-level, and promote financial and administrative integration both at the country and Secretariat level, to ensure smoother operations.	UN-REDD Programme Management	Ongoing effort and January 2016 (start date of new Strategy)	<p><b>Partially accepted:</b></p> <p>The new strategic framework states that: The Secretariat will facilitate overall coordination and support the operation of the MG and the Programme's governance mechanism. The hosting arrangements for the secretariat will be further streamlined with the view to increase efficiency and effectiveness and to reflect the size and scope of the Programme, its governance structure and to meet the requisites of different types of support envisaged. This will be assessed and decided as the new strategy unfolds and its implementation and coordination needs are further developed. Country level integration and administration are being addressed through a number of measures delineated in the operations note, in the role and function of the lead advisors and in the selection of the lead agency. Certain aspects fall outside the remit of the programme and may not be fully integrated or adjusted. For new NPs, the UNDG tools made available for "operating as one" will be analysed systematically during NP formulation, in order to find the best tailor made solution for each country. Formulation of NPs requires stronger involvement of colleagues with operations knowledge and is not exclusively a technical task.</p>
8	Programme Management should further develop the current communication strategy for the UN-REDD Programme (2014-2015), based on its new objectives and vision, to strengthen advocacy and liaison, and raise the Programme's visibility. Programme Management should also establish clear roles, responsibilities and reporting lines for the communication and KM functions to ensure purposefulness and comprehensiveness of services to the UN-REDD Programme and REDD+ community.	UN-REDD Programme Management	Ongoing effort and January 2016 (start date of new Strategy)	<p><b>Accepted:</b></p> <p>Given the increasing importance of communication and knowledge management, these functions have already been established in the recent (June 2015) approval of the revised programme. The clarification of roles and responsibilities on communication and KM and the TOR for the inter-agency KM/Comm group have already been revised to ease implementation in the current period. The new Programme strategy 2016-20 includes Communications and Knowledge Management as a cross-cutting issue. The approach will be periodically revisited and adapted to further strengthen advocacy and liaison, and raise the visibility of the Programme.</p>
9	The Policy Board and Programme Management should consider measures to increase the cost-effectiveness and	UN-REDD Policy	Ongoing effort and January	<p><b>Accepted:</b></p>

## Annex 2: Summary of Recommendations

	value-for-money of Policy Board meetings, including the necessary level of attendance of the Agencies.	Board; Programme Management	2016 (start date of new Strategy)	Governance structures in the context of the new strategy are being streamlined, with proposals for leaner and more focused PB/Executive Boards and shorter meetings more focused on decision-making processes. The matter will be finalized prior to the launch of the new phase of the programme. Furthermore, the number of UN staff members attending PB meetings has already been significantly reduced after PB 12 Lima (which was an exceptional case due to the combination of the PB meetings with participatory meetings in the run-up to the UNFCCC COP20 which was also held in Lima a few months later).
10	Based on the revised roles, responsibilities and authority among the Secretariat and the three Participating Agencies, including the Country and Regional Offices networks, Programme Management should comprehensively assess distribution of staff resources among the different entities as well as regarding their location and level of decentralization. The different expected outcomes of the UN-REDD Programme may require diverse approaches in terms of staff composition and location.	UN-REDD Programme Management	Ongoing effort and January 2016 (start date of new Strategy)	<b>Partially Accepted:</b>  Concur with the audit team that the size of the secretariat should be reassessed, and this is already ongoing. Measures are already being taken during the current phase through the streamlining of the existing team. Also the new Programme Strategy will clearly emphasise the coherent and centralised management of the team composition, set-up, regional distribution and roles and TOR of each team member, so as to provide a more coordinated, cost-effective and efficient support to each partner country. However, noting that agency positions in the country offices are not funded from UN-REDD resources but from the CO budgets and do not report to UNDP's REDD+ team, there are limits to what the Programme can do in meeting this recommendation fully. Nevertheless, the UN agencies are committed to strengthening country support and increasing the orientation of human resources towards country support. This will be greatly enhanced through the application of inter-agency country support teams – that harness the relevant technical and advisory services for a country from across the UN-REDD Programme's human resources.
11	Programme Management should ensure the objectives of the second phase of the UN-REDD Programme are developed holistically with the implementation approaches (Theory of Change). The resource requirements to realign the Programme towards REDD+-related results-based actions should be determined, the criteria of country selection for such actions should be outlined clearly and purposefully, and the approaches and modalities for inter-agency collaboration should be clearly established.	UN-REDD Programme Management	Ongoing effort and January 2016 (start date of new Strategy)	<b>Accepted:</b>  All elements of this recommendation are clearly addressed in the complete Strategic Framework that was considered by the PB and will be further fleshed out in the TOR of the fund. The criteria for country selection and prioritization are a matter of governance and will further be defined once the new programme is launched. A first effort in this direction is however being made, with a prioritization of countries to receive national programme support in 2015 based on emission reduction potential, absorptive capacity and ability to programme within the year.



## List of Acronyms

**BCF** - Biocarbon Fund  
**CSO** - Civil Society Organization  
**FAO** - Food and Agriculture Organization of the United Nations  
**FCPF** - Forest Carbon Partnership Facility  
**FIP** - Forest Investment Programme  
**FOM** - Forest Assessment, Management and Conservation Division (at FAO)  
**GCF** Green Climate Fund  
**GEF** - Global Environment Facility  
**IAS** - Internal Audit Services  
**IP** – Indigenous Peoples  
**KM** - Knowledge Management  
**KPI** - Key Performance Indicator  
**MOU** - Memorandum of Understanding  
**MRV** - Measurement, Reporting and Verification  
**NRC** - Climate, Energy and Tenure Division (at FAO)  
**OIA** - Office of Audit and Investigations - UNDP  
**OIG** - Office of the Inspector General - FAO  
**OIOS** - UN Office of Internal Oversight Services  
**REDD** -Reducing Emissions from Deforestation and Forest Degradation  
**REL** - Reference Emission Levels  
**SNA** - Support to National Action Programme  
**TOR** - Terms of Reference  
**UNDG** - UN Development Group  
**UNDP** - United Nations Development Programme  
**UNEP** - United Nations Environment Programme  
**UNFCCC** - United Nations Framework Convention on Climate Change  
**UNOPS** - United Nations Office for Project Services  
**UNREDD** - United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries  
**WCMC** - World Conservation Monitoring Centre