

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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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.