



Status of the Implementation of the OAI GEF Audit Management Actions

1 July 2021

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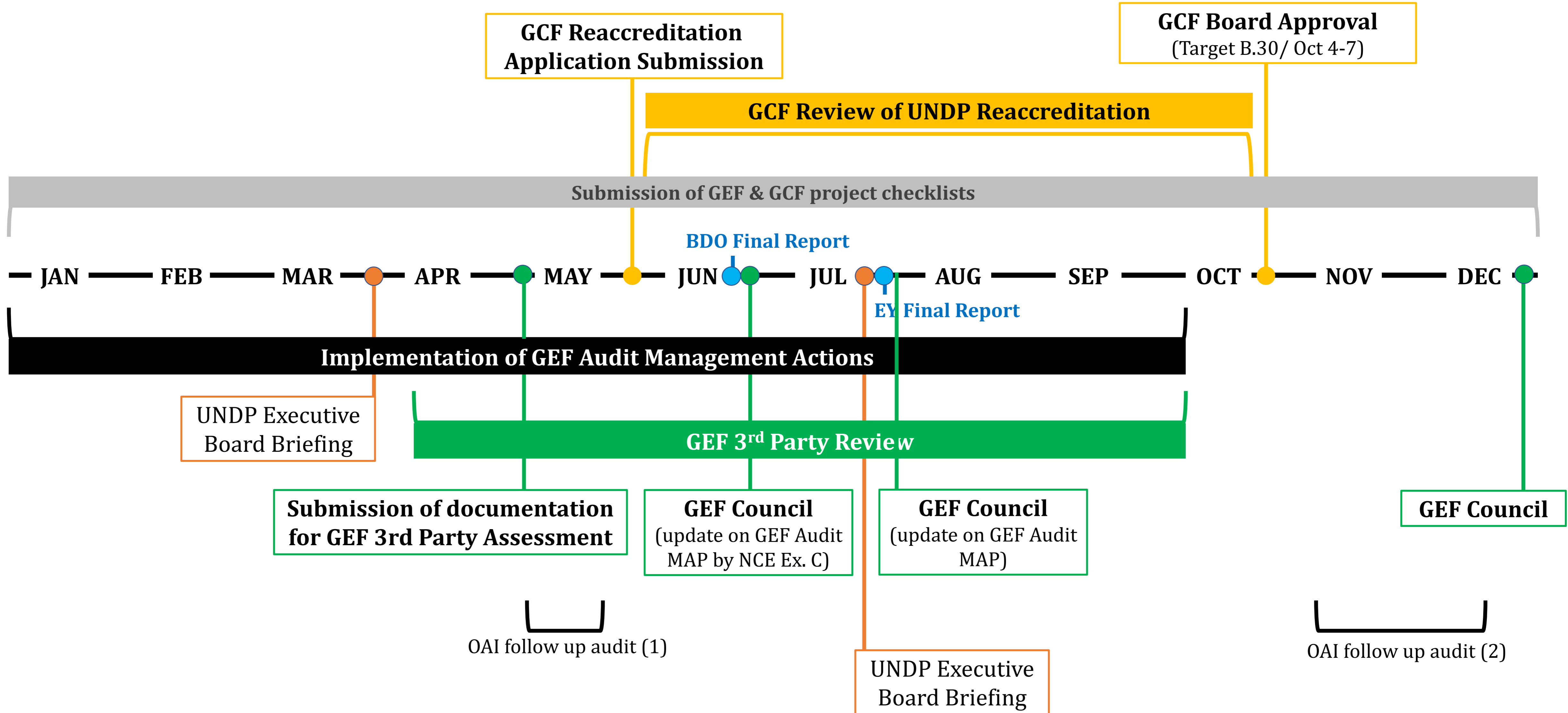
Executive Coordinator- Environmental Finance

Bureau for Policy and Programme Support (BPPS)/GPN

United Nations Development Programme



TIMELINE 2021

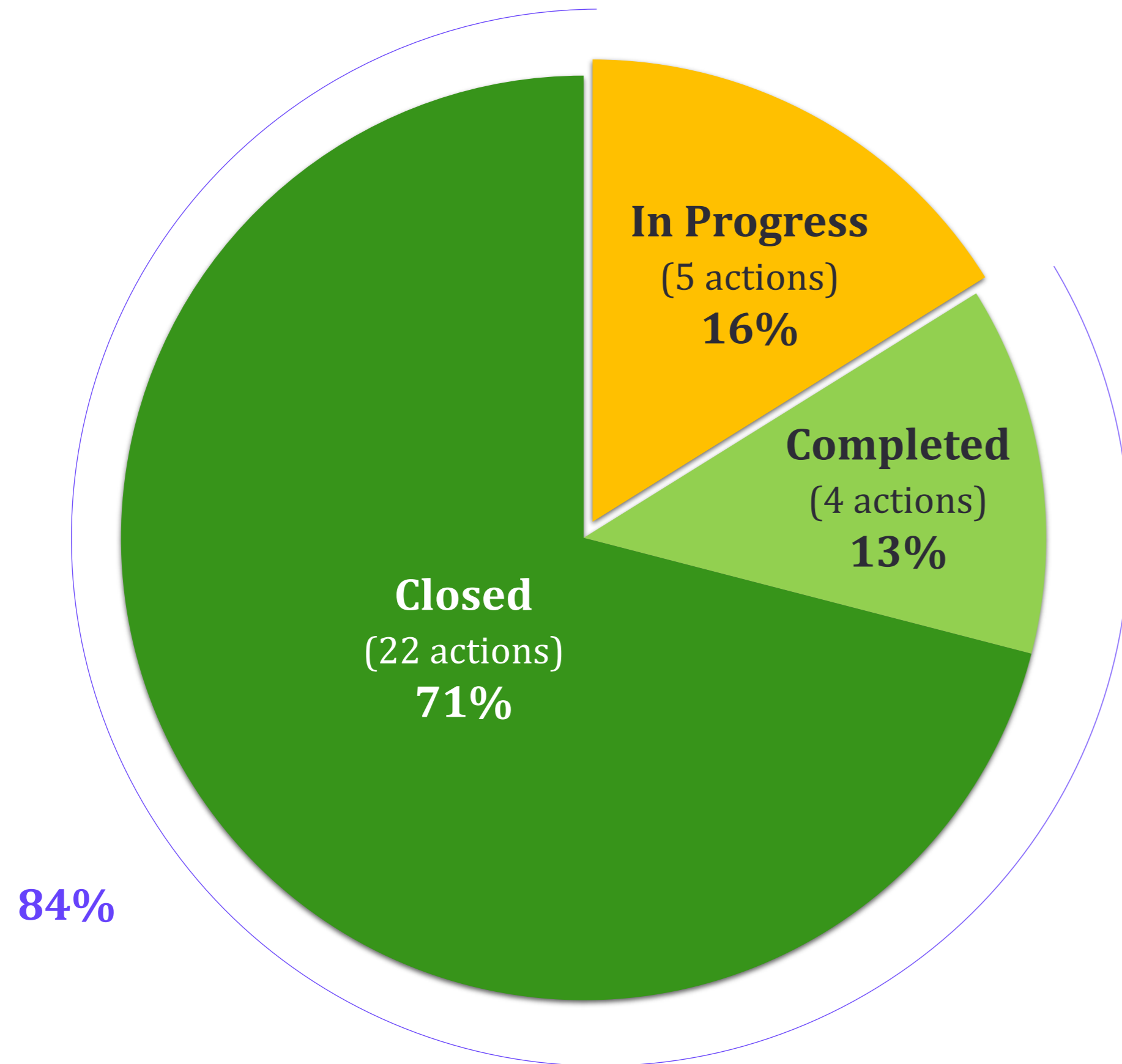




Status of Implementation of the 31 Management Actions

<https://www.undp.org/gef-audit-transparency>

- UNDP inter-bureau task force at work
- Enhanced monitoring by UNDP Organizational Performance Group (OPG)
- All UNDP Country offices are currently being sensitized via trainings (once a week)
- Corporate Performance Unit was established in the Executive Office



23
Sensitization webinars
26 Jan-30 June

160
Participants (on avg.)



GEF Audit Management Actions: Key Issues



Internal Control Framework



Procurement Management




Risk Monitoring
Incl. from IP audits



Assurance Activities
Financial Transactions



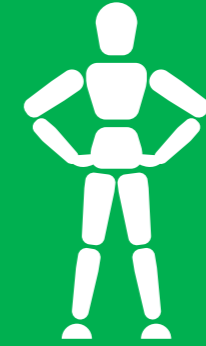
AML/CFT Policy
Finalize and Approve



SOPs & Guidance
POPP/PPM



Oversight Roles
DOA, RACI, etc.



Assessing Capacity
CO & IP





Examples of Changes on the Ground

- **GEF/LDCF Burundi (PPG) & GEF Sudan & Chad (FSP)**, among 11 other projects, issued **Delegation of Authority (DoA) letters using the newly updated templates** that provide clear division of oversight responsibilities and accountabilities and strict functional separations between oversight v.s execution support
- **GEF Cook Islands**, focused on enhancing biodiversity considerations and effective protected area management, **conducted a Pre-Investment Steering Committee meeting**; the committee discussed potential risks, capacity needs and strategic opportunities, based on which they decided to support the proposal development.
- **6 RBAP country offices** (Bangladesh, Bhutan, China, Lao PDR, Malaysia and Fiji MCO), among a total of 40 COs across regions, are **participating in the pilot phase of the Vertical Fund Needs Assessment Tool (June - Dec 2021)** which aims to identify capacity needs of the CO and recommend measures to mitigate risks and address needs required for performing oversight functions for VF projects
- **11 RBLAC country offices** (Uruguay, Chile, Peru, Jamaica, Guatemala, Guyana, El Salvador, Colombia, Mexico , Brazil and Bolivia) are working with RBX and BPPS/NCE to **implement a risk management action plan** for 12 high risk projects identified via the PIMS+ risk dashboard.
- **Nearly 400 staff in UNDP offices around the world are keeping track of the time spent on various oversight functions.** This together with clearer roles, responsibilities and accountabilities, in addition to documentation, permits a tracing of oversight function to the use of dedicated resources to cover oversight.

Implementation & Monitoring: All of UNDP Approach



Implementation

Executive Office

Corporate Performance Unit

Inter-bureau task force

BPPS

BMS

RBX

Sub-Committees

Design → Consult → Review → Clear → CARDS

OAI

- Advise the task force on required evidence for completing actions

- Review evidence
- Close action items

- 1st follow up audit scheduled April 19-30

- 2nd follow up audit scheduled in Oct/Nov

Communication & Roll Out

CO Sensitization Webinars
Dedicated Webinars for RR
Trainings & Follow up

Monitoring/Reporting

Within UNDP

- Executive Board & Group
- Administrator & Executive Office
- OPG – monthly update


External

- GEF Council & Secretariat – monthly report and submission of checklists
- GCF Board & Secretariat – monthly report and submission of checklists
- Public disclosure: <https://www.undp.org/gef-audit-transparency>



Independent Assessment [GEF & GCF]



 Alignment of UNDP's policy framework with GEF/GCF policies and fiduciary standards

 Application of UNDP and Fund Specific Policies at Country Level

10 Countries

18 Countries

20-30 GEF Projects

18 GCF Projects

Objective:

External independent assessment of UNDP's management of GEF resources

Phase 1 (Completed)

- Reviewing the alignment of UNDP policies, procedures and systems with the GEF Fiduciary Standards

Phase 2 (Completed)

- Assessment of effectiveness of application of UNDP policies and procedures in oversight of the GEF portfolio at country level

Next Steps

- Draft report was shared with UNDP for comments
- **Final report to be issued in early July**

Objective:

External independent assessment of UNDP's management of GCF resources

Phase 1 (Completed)

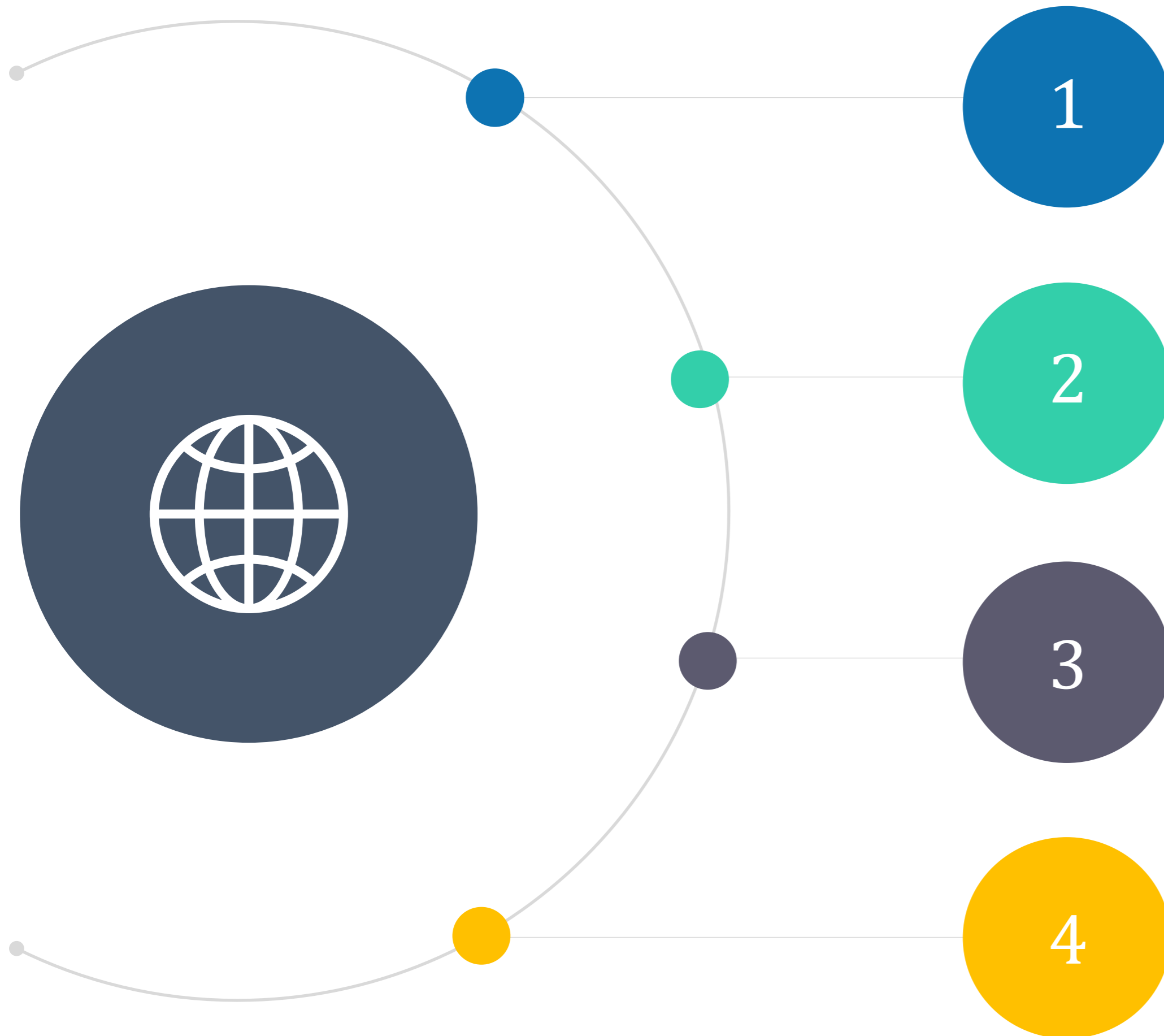
- Reviewing the alignment of UNDP's policies, procedures and systems with GCF policies
- Reviewing UNDP's Reaccreditation application

Phase 2 (Completed)

- Assessment of effectiveness of application of UNDP policies and procedures in oversight of the GCF portfolio at country level

Final report was submitted to UNDP in early June 2021

Insights from the Independent Assessments



1

Established and functioning governance arrangements, risk management practices and controls are in place and COs are aware of them; but they need improvement.

2

EY findings are similar in nature to OAI findings. The nature/extent of observations are expected if enquiries of similar scope and duration was performed across other organizations of the size and nature of UNDP's GEF portfolio.

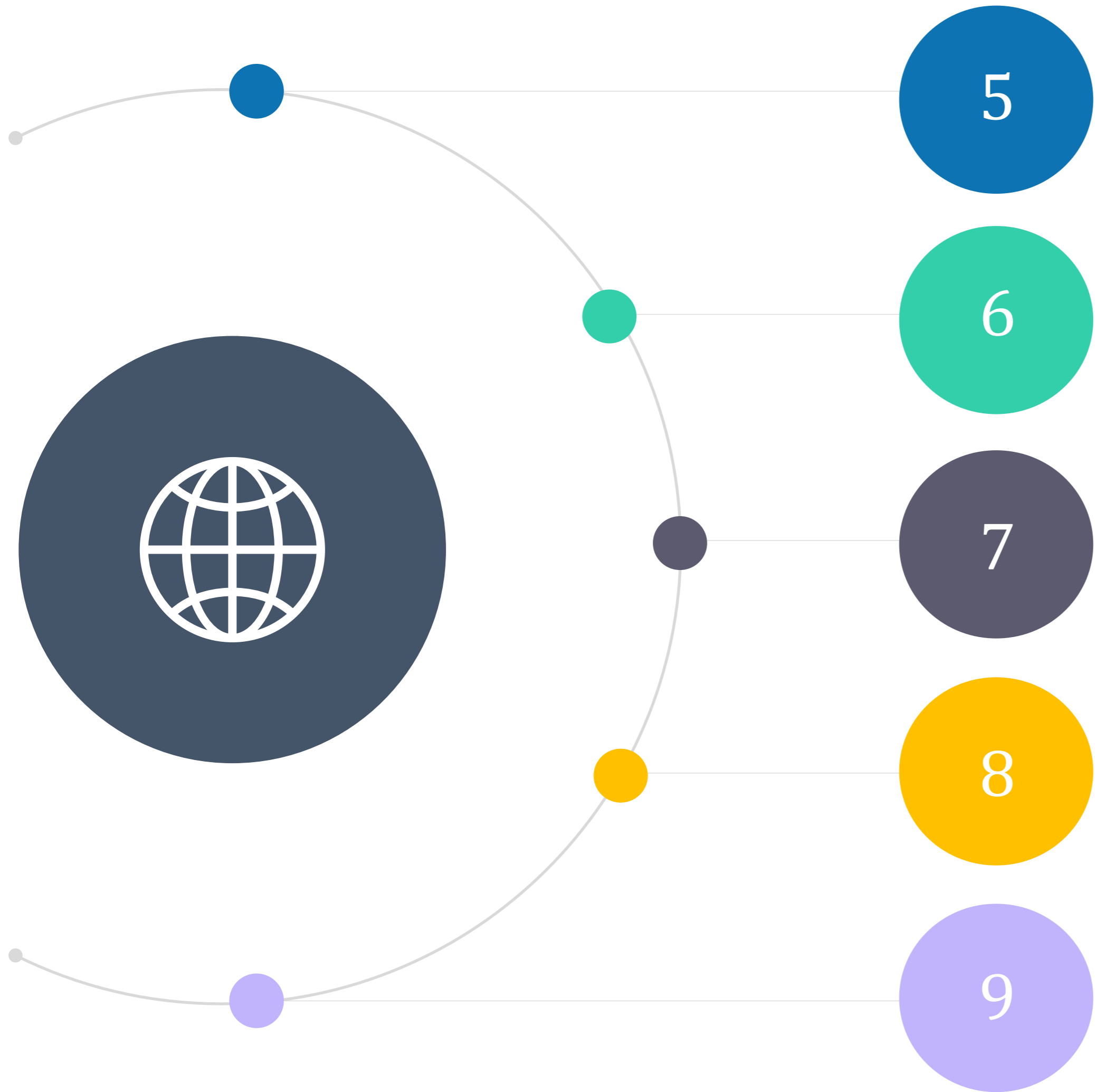
3

UNDP's MAP is an adequate response to remediate the OAI findings, subject to a couple of recommendations

4

UNDP's whistleblowing hotline reviewed by EY's investigators specialized in whistleblowing frameworks. EY observed that the UNDP whistleblowing framework is well established, is actively used, indicating good level of awareness and trust across the organization. UNDP has an active process to respond to reports made through the hotline.

Insights from the Independent Assessments



5

UNDP policy framework is mostly aligned with the associated GCF standards.

Minor non-alignment found in a few areas that are mostly addressed by the GEF audit MAP

6

Across the 18 GCF projects assessed, BDO raised 21 individual findings across 9 projects; 50% of projects had no findings at all.

7

Role of the Regional Bureaux in providing risk-based and portfolio level oversight role was not clearly visible in key documents

8

Of the 9 NIM GCF projects, 6 had up-to-standard management of IPs and full application of HACT framework while 3 were found to have some weaknesses

Of the total 15 GCF projects, 4 projects were found to have weaknesses in project board oversight (missing documentation; frequency of meetings)

9

Delays in project implementation and some instances of non-compliance in financial resources management (procurement and asset management)

Looking forward: Key Milestones



Continue work to ensure consistent application of UNDP policies and procedures, Staff engagement, identification of bottlenecks, update from learnings.

GEF 3rd Party Review of UNDP's Compliance with GEF Standards

UNDP's Re-accreditation to the GCF

OAI 2nd follow up audit in Oct/November

OAI IP Audit in 2021

