



INTERNAL AUDIT DIVISION

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Audit of the management of the Regional Office of the Development Coordination Office in Latin America and the Caribbean and Resident Coordinator Offices in Colombia, Guatemala and Panama

The selected resident coordinator offices delivered on their mandates in line with their strategic objectives, but some improvements were needed to strengthen the capacity and efficiency of coordination mechanisms

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Audit of the management of the Regional Office of the Development Coordination Office in Latin America and the Caribbean and Resident Coordinator Offices in Colombia, Guatemala and Panama

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of the management of the Regional Office of the Development Coordination Office in Latin America and the Caribbean (DCO LAC) and Resident Coordinator Offices (RCOs) in Colombia, Guatemala and Panama. The objective of the audit was to assess the adequacy and effectiveness of the management of these offices and determine whether they delivered their mandates in an efficient and effective manner in line with their strategic objectives. The audit covered the period from January 2021 to June 2023 and included the following higher and medium risk areas in the management of the respective offices: (a) facilitation and coordination of the interagency programme cycle; (b) RCO support to the management of pooled funds; and (c) management of office resources.

DCO LAC and the RCOs in Colombia, Guatemala and Panama delivered on their mandates in line with their strategic objectives, including through leading and enabling coordination with host country authorities and providing leadership and substantive support to the relevant United Nations country teams (UNCTs) and other coordination mechanism such as National-United Nations joint steering committees and strategic results groups. However, there was a need to improve the capacity and efficiency of some of the coordination mechanisms. For example, strategic results groups, while demonstrating strength in monitoring and reporting on the implementation of cooperation frameworks, were less effective in facilitating adequate stakeholder coordination of the strategic priorities outlined in the frameworks. Likewise, the visibility of issue-based coalitions needed to be increased to enhance their value addition in strengthening synergies and coherence of the United Nations at the regional level.

OIOS made five recommendations. To address issues identified in the audit:

DCO needed to:

- Work with the Regional Collaborative Platform for Latin America and the Caribbean to develop an action plan to increase the visibility and added value of issue-based coalitions to Resident Coordinators and UNCTs; and
- Support the RCOs in Colombia, Guatemala and Panama to develop and implement an action plan to ensure all staff complete the mandatory training courses in a timely manner.

RCOs needed to, as applicable:

- Work with UNCTs in Colombia, Guatemala and Panama to develop a roadmap to strengthen the capacity and positioning of strategic results groups;
- Implement a robust risk management process, in coordination with relevant stakeholders, to identify, assess and mitigate project and portfolio level risks of the Trust Fund for Peace in Colombia; and
- Advocate with relevant government departments in Guatemala to establish a streamlined process for the approval of Peacebuilding Fund projects to ensure timely implementation.

DCO and RCOs accepted the recommendations, implemented two of them, and initiated action to implement the rest. Actions required to close the remaining recommendations are indicated in Annex 1.

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Audit of the management of the Regional Office of the Development Coordination Office in Latin America and the Caribbean and Resident Coordinator Offices in Colombia, Guatemala and Panama

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the management of the Regional Office of the Development Coordination Office in Latin America and the Caribbean (DCO LAC) and Resident Coordinator Offices (RCOs) in Colombia, Guatemala and Panama.

2. DCO LAC is responsible for providing strategic and technical support to Resident Coordinators (RCs) and United Nations country teams (UNCTs) in the region and connecting them to regional expertise through the Regional Collaborative Platform (RCP) for Latin America and the Caribbean, the main United Nations-wide collaboration platform for sustainable development at the regional level. DCO LAC is a member of RCP LAC’s joint secretariat together with the United Nations Development Programme (UNDP) and Economic Commission for Latin America and the Caribbean (ECLAC). It contributes to providing quality assurance support to UNCTs on Common Country Analyses (CCAs) and United Nations Sustainable Development Cooperation Frameworks (cooperation frameworks) and also participates in and supports other parts of RCP LAC. In addition, DCO LAC is responsible for the management of the RC system in the region, including the day-to-day management of RC performance.

3. At the country level, the United Nations development system coordination mechanisms comprise at a minimum, the RC, UNCT, National-United Nations joint steering committees (JSC), strategic results groups (results groups) that are aligned with the strategic priorities of the cooperation framework, and Operations Management Teams (OMTs). RCs hold the highest-ranking position and serve as the designated representative of the Secretary-General for development operations in the country. RCs chair the UNCTs and manage and provide strategic guidance and oversight to the RCOs. RCOs fulfil the following five key functions in support of the responsibilities of the RC and the UNCT: (a) strategic planning (cooperation framework); (b) development economics; (c) partnerships and sustainable development goals (SDG) financing; (d) data, results management and reporting; and (e) communications and advocacy. RCOs support RCs in their leadership of the UNCT through the provision of strategic policy, programmatic and operational advice on the above-mentioned areas, as well as any other area relevant to interagency coordination.

4. All countries in scope had transitioned from legacy United Nations Development Assistance Frameworks to the new generation of cooperation frameworks. Details of the status of their current cooperation frameworks are shown in table 1. RCs take the lead in guiding and supporting UNCTs in developing, monitoring and reporting on cooperation frameworks. Cooperation frameworks are aligned with national development priorities and are co-developed with, and approved by, the host country authorities.

Table 1: Cooperation frameworks cycle status and resources by country

Country	Cooperation framework cycle	Required resources	Available resources	Coverage of required resources	Cooperation framework status
Colombia	Jan 2020 to Dec 2023	\$1.2 billion	\$1.1 billion	96%	Next framework in design
Guatemala	Jan 2021 to Dec 2025	\$1.2 billion	\$1.1 billion	94%	Under implementation
Panama	Jan 2021 to Dec 2025	\$0.3 billion	\$0.2 billion	91%	Under implementation
Total		\$2.7 billion	\$2.4 billion	94% (average)	

5. DCO LAC and the RCOs in Colombia and Guatemala are led by a Regional Director or Resident Coordinator at the D-2 level, while the RCO in Panama is headed by a Resident Coordinator at the D-1 level. DCO LAC has six approved posts funded under the Special Purpose Trust Fund, which funds all the core posts within the RC system, while the RCOs in Colombia, Guatemala and Panama have seven, nine and eight approved posts respectively.

6. The total approved budget for DCO LAC and the RCOs in Colombia, Guatemala and Panama for the period 2021 to 2023 was \$19 million as shown in table 2. Staffing costs accounted for over 70 per cent of the total budgets.

Table 2: Budget 2021 – 2023 (in United States dollars)

Office	2021	2022	2023	Total	Approved posts as of June 2023
RCO Colombia	1,400,728	1,509,921	1,281,650	4,192,299	8
RCO Guatemala	1,711,231	1,682,203	1,791,350	5,184,784	9
RCO Panama	1,420,715	1,371,910	1,374,320	4,166,945	8
DCO LAC	1,922,047	2,060,634	1,643,412	5,626,093	6
Total	6,454,721	6,624,668	6,090,732	19,170,121	31

7. Colombia and Guatemala were pre-approved to access the Peacebuilding Fund’s (PBF) peacebuilding and recovery facility that has a 5-year eligibility period with funding of up to \$5 million per year. Both countries also received funding from PBF’s Immediate Response Facility during 2021 and 2022. RCs lead the country-level preparation, review and submission of PBF project concept notes and final project proposals with full participation from the UNCT and national authorities.

8. Comments provided by DCO and RCOs are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

9. The objective of the audit was to assess the adequacy and effectiveness of the management of the DCO LAC and the RCOs in Colombia, Guatemala and Panama and determine whether they delivered their mandates in an efficient and effective manner in line with their strategic objectives.

10. This audit was included in the 2023 risk-based work plan of OIOS due to the risk that the cooperation framework and other initiatives might not be effectively and efficiently implemented at country and regional levels.

11. OIOS conducted this audit from September to December 2023. The audit covered the period from January 2021 to June 2023. Based on an activity-level risk assessment, the audit covered higher and medium risks areas in the management of the respective offices, which included: (a) facilitation and coordination of the interagency programme cycle; (b) RCO support to the management of pooled funds; and (c) management of office resources.

12. The audit methodology included: (a) interviews with key personnel and representatives of interagency coordination mechanisms, (b) review of relevant documentation, processes and information management systems, (c) sample testing of transactions related to multi-partner trust fund projects and procurement of low-value items, and (d) direct observation of some meetings conducted by interagency coordination mechanisms during the audit fieldwork in Panama City, Guatemala City and Bogota.

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

III. AUDIT RESULTS

A. Facilitation and coordination of the interagency programme cycle

Mechanisms for coordination with host country authorities were functioning, while Colombia RCO continues to work with OLA for a new host country agreement

14. In all the countries covered in the audit, coordination for cooperation framework design and implementation at the national level was led by a JSC that was co-chaired by the RC and a high-ranking government official. In Panama, the RCO was covered under the UNDP host country agreement, and the JSC, which also includes civil society, was installed in 2022 and has been meeting at least annually since then. The RCO and the Directorate of International Cooperation of the Government of Panama made up the technical secretariat of the JSC. Guatemala RCO was also covered by the UNDP host-country agreement, operationalized through an exchange of letters, and the JSC met at least twice a year.

15. In Colombia, however, the government did not accept the host country agreement with UNDP to be applied to the new office of the RC after its delinking from UNDP in 2019 and requested a new host country agreement. Discussions have taken place between the government and the Office of Legal Affairs (OLA) since 2019 with the involvement of DCO to find a way forward. Immediate consequences of not having an updated host country agreement include inability to get official accreditation for the RC, as well as difficulties in receiving exemptions from sales and imports taxes. Interviews with both the RCO and government representatives however, indicated that the working relationship to advance the strategic development goals has otherwise been sufficient through the JSC and line ministries, while installation of the current RC was facilitated through an accreditation process under UNDP.

16. The RC and UNCT in Colombia maintained robust engagement with national authorities, both for routine issues and for special engagements, such as the development of the new cooperation framework. The JSC met at least once a year and RCO provided supporting documentation for the meetings, including minutes of previous meetings and action/progress on the decisions that were taken.

17. DCO stated that it would continue to work closely with OLA to expedite the negotiations and signing of a new host country agreement with Colombia.

With the support of UNCTs, RCs should strengthen the strategic positioning of results groups under the current cooperation frameworks

18. According to the Management and Accountability Framework, RCs lead and enable joint work of the UNCT to ensure effective coordination of country-level activities to deliver on the strategic results agreed in the cooperation framework. Among the coordination structures that report to the UNCT, the results groups are responsible for improving internal coordination and ensuring a coherent system-wide approach to the strategic priority areas in the cooperation frameworks. RCs and RCOs are expected to facilitate and support the establishment and functioning of results groups, while – given their thematic nature – UNCT member entities are expected to lead (co-chairing at the representative level) and actively participate in them.

19. There were five results groups established in Guatemala that were aligned with the cooperation framework key strategic outcomes on (a) social development; (b) solid institutions; (c) peace, security and justice; (d) economic development; and (e) environment. Colombia had three results groups on: (a) peace with legality; (b) migration as a factor of development; and (c) technical assistance for the SDG catalysts. Panama had four of strategic results groups aligned with the cooperation framework strategic outcomes on:

(a) social inclusion and economic development; (b) civic engagement, governance and justice; (c) climate change and disaster risk reduction; and (d) reducing all forms of violence and human rights.

20. RCOs supported the UNCT, results groups and technical working groups to develop annual workplans aligned with the cooperation framework, monitor their implementation and report to the UNCT. Interviewees expressed general satisfaction with the contributions of RCs and RCOs but highlighted some challenges at the interagency level that RCs could help to resolve. For example, several interviewees, including some heads of agencies, funds and programmes (AFPs), suggested that the results groups were not yet operating at optimal levels (as expected in guidelines) as they had room to take on a stronger, more strategic role in facilitating effective stakeholder coordination at the strategic outcome level under the strategic guidance of JSCs. They viewed the current state as being less joined-up and more dependent on individual agency processes, with results groups adding the most value in annual reporting processes but less value in coordinating stakeholders to implement the strategic priority areas outlined in the cooperation frameworks. This was partly attributable to the groups operating mainly at the technical level rather than at the head of agency level, as envisaged in the cooperation framework guidelines.

21. Review of meeting records indicated that there were inconsistencies in the frequency with which results groups met, which could be an indication of less active collaboration, but also reflected the variations in their functioning from one results group to the other, and among different countries. Within their roles, RCs could facilitate the strengthening of the capacity and positioning of the results groups to shift their discussions from technical/monitoring to more strategic dialogues that, among other things, address more systemic cross pillar analysis of results and opportunities for furthering synergies and joint work.

(1) Resident Coordinator Offices in Colombia, Guatemala and Panama should work with United Nations country teams to develop a roadmap to strengthen the capacity and positioning of strategic results groups to ensure a more coherent system-wide approach for the implementation of each strategic priority area in the cooperation framework.

The RCOs accepted recommendation 1 and indicated planned actions to strengthen the capacity and positioning of results groups. RCO Colombia envisioned strengthened coordination mechanisms across results groups starting with the implementation of the new cooperation framework in 2025. RCO and UNCT in Guatemala had already brought together their results groups and government counterparts for a more coherent system-wide approach in each priority area of the cooperation framework. Meanwhile, Panama UNCT had rotated the results group leader and co-lead agencies to strengthen the capacity and positioning of the results group, pending implementation of the new cooperation framework in 18 months and composition of a new UNCT.

Colombia conducted a successful evaluation of its 2020-2023 cooperation framework that supported the design of the new framework

22. Colombia commissioned an end of term evaluation of the 2020-2023 cooperation framework in 2022, in accordance with cooperation framework guidelines, which requires the evaluation to be conducted in the penultimate year of the cycle. The evaluation was conducted concurrently with a detailed CCA that would help determine the priorities of a new cooperation framework for implementation starting in 2024. Development of the CCA followed an inclusive process that included engagement with the UNCT, the United Nations Verification Mission in Colombia (UNVMC), humanitarian country team, the Interagency Group on Mixed Migration Flows (GIFMM), as well as governmental and other stakeholders. The process resulted in the identification of seven thematic areas for transformation, in addition to the cross-cutting issues of gender equality and leaving no one behind.

23. Both the evaluation and CCA had been substantially completed, and their outcomes were already influencing UNCT internal and external conversations around the design of a new cooperation framework. The preliminary evaluation report indicated a performance rating of "moderately satisfactory," finding that the RCO had enhanced the coherence and effectiveness of the United Nations system by facilitating strategic collaboration that benefited government entities and other stakeholders in addressing important national issues. The evaluation made specific recommendations including on strengthening internal and external coordination and enhancing relevance to beneficiaries, such as through promoting, encouraging, and periodically convening result groups as spaces for strategic discussion and political advocacy. The process of designing a new cooperation framework (still in progress) presented the UNCT in Colombia with the opportunity to redefine not only the strategic outcomes, but to also redesign the structure and functioning of results groups to achieve optimal coordination and coherence at the strategic outcome level.

24. In 2023, Panama completed a mid-term review of the cooperation framework, which is optional under current guidelines, to analyze the contributions and mid-term results of the implementation of the cooperation framework. The review found that the United Nations system had made progress in fostering interagency coordination, government connections, and effective collaboration through the different modalities of action provided for in the cooperation framework, particularly demonstrated during the response to the COVID-19 crisis. Among others, the review recommended recognizing and strengthening leadership of the results groups to facilitate the systematization of collective agreements and priorities.

25. OIOS considered that both the mid-term review in Panama and end of term evaluation in Colombia were good practices that should continue to be implemented in accordance with cooperation framework guidance.

DCO needed to improve the efficiency of data collection for UN Info

26. Results groups are responsible for routine monitoring of implementation of the cooperation framework and reporting into UN Info, the online platform for planning, monitoring and reporting that digitizes the cooperation framework. The platform, which is owned and managed by DCO, is a key component of the United Nations' commitment to enhance transparency, accountability, coherence, and coordination, aligning with the objectives of the 2030 Agenda and the pursuit of the strategic development goals. RCOs support AFPs by conducting completeness and quality checks of data and ensuring timely updates from every agency for annual reporting in UN Info. RCOs also develop guidelines and provide training on the platform with support from DCO. UN Info data was utilized for reporting to the government and to support preparation of UNCT annual reports. Furthermore, each RCO established a monitoring and evaluation group, comprising UNCT members serving as focal points for UN Info management, quality control, technical assistance in monitoring and evaluation, and strategies for result aggregation and efficiencies.

27. Each RCO/UNCT had a distinct approach to uploading their information in UN Info, as further described below:

- (a) Colombia RCO operated, in addition to UN Info, a monitoring/reporting tool called 4W as a gateway to feed information into UN Info and the government's official development assistance tracking system. AFPs input their information into 4W, and the RCO was responsible for uploading the information into UN Info. The AFPs were expected to start uploading their information directly into UN Info in 2024 for the new cooperation framework, but as some system enhancements were pending, RCO staff were supporting both UN Info and 4W rather than freeing up their time to deal with other RCO priorities. DCO stated that it would accompany the Colombia UNCT in developing its next joint work plan to reduce data points and lighten the UN Info process (particularly through

the reduction of sub-outputs), while at the same time pursuing opportunities to enable analysis in line with the current 4W approach, both with a view to use UN Info as the only interagency system.

- (b) In Guatemala, UN Info focal points were designated by the leading agency of each results group and its sub-groups. AFP staff were required to complete Excel spreadsheets maintained in Teams by each results group, with details on projects, product information, fund requirements, periods, etc. Once completed, UN Info focal points and the RCO reviewed the information for accuracy, reaching out to AFPs in case of inaccuracies or errors. After the spreadsheets were cleared, the information was uploaded into UN Info.
- (c) In Panama, AFPs were responsible for uploading their data directly into UN Info. The RCO supported the AFPs in various ways, including the preparation of guidelines, providing training, and conducting quality checks on the data uploaded into UN Info.

28. During interviews, representatives of AFPs highlighted that the data and reporting requirements could be overwhelming, especially for smaller agencies that may not have a country presence. Improved interoperability of data between UN Info and AFPs' own reporting platforms could enhance productivity, data accuracy and consistency. DCO indicated that the development of an interface between UN Info and AFP systems had been conceptualized, and the UN Info team had been working on a proof of concept in select countries with two agencies that have a large field presence. Successful implementation of this change would depend on effective collaboration between DCO and relevant AFP focal points within the United Nations Sustainable Development Group (UNSDG) working groups.

29. Expediting the project to collect UN Info data directly from AFP's enterprise resource planning systems would improve efficiency. However, DCO stated that it would not be able to make progress on this unless/until UNSDG entities determined that interoperability was a priority and mandated necessary changes to their enterprise resource planning systems to allow for such interoperability. Even then, with the ongoing financial challenges that the RC system faced, DCO's efforts may be further constrained. In light of DCO's comments, OIOS did not make a recommendation on this issue at this time and will monitor the risk for consideration in planning for any appropriate OIOS assignments.

RCOs supported the establishment and functioning of task forces for the prevention of sexual exploitation and abuse

30. RCs have a system-wide responsibility for ensuring that a collective strategy and country-level action plan are developed for PSEA. The strategies and action plans are designed not only to prevent SEA from happening in the first place, but to also build effective mechanisms for detecting and addressing instances where it is alleged to have occurred, such as community-based complaints mechanisms. The underlying principles, as outlined in the Secretary-General's strategy (special measures) to improve the United Nations system-wide approach to preventing and responding to SEA (A/71/818), are: (a) a zero-tolerance policy towards SEA; (b) putting victims first; (c) ending impunity; (d) engaging civil society and external partners; and (e) improving strategic communications for education and transparency.

31. The special measures were operationalized at the country level through a PSEA strategy and action plan developed and managed by an interagency PSEA task force. The strategy typically included building complaint and feedback mechanisms, including community-based complaints mechanisms and implementing training and awareness campaigns.

32. However, RCOs did not have dedicated funding to support the RC system-wide responsibility for PSEA; therefore, there were inconsistencies in the set-up of PSEA support structures, depending on resources allocated by each UNCT to the programme. For example, Colombia had a dedicated PSEA

coordinator whose position was co-funded by participating agencies under a contract with the World Food Programme (WFP). On the other hand, Panama and Guatemala only had PSEA focal points in the RCO whose primary roles were not PSEA. All three countries had PSEA task forces which, although set up differently, had developed PSEA action plans that included building community-based complaints mechanisms and building the capacity of both staff and partners to prevent SEA and respond appropriately to allegations.

33. In addition, OIOS noted the following regarding PSEA activities in each country.

- (a) The Panama PSEA group has been in place since the onset of the UNCT in 2021, as a responsibility of the Gender Interagency Group (GIG). The Panama UNCT also created a dedicated PSEA task force in 2023 to provide a stronger exclusive focus on PSEA. As of audit date, the new PSEA task force did not yet have formal terms of reference as these were being developed. However, their activities were mainly concentrated on the Panama UNCT. Considering that Panama is a regional hub for the United Nations, the RCO in Panama should work with the DCO Regional Office to engage both the Panama UNCT and regional directors of AFPs to design and fund a programme that can address PSEA requirements for all United Nations staff that are based in Panama. The RC in Panama stated that the Panama RCO would collaborate with the DCO Regional Office on a Regional/National PSEA task force.
- (b) In Guatemala, the specialized group on PSEA is a sub-group of the OMT that is led by the RCO. An annual action plan was developed to guide the group's work, and interim standard operating procedures were established in July 2022 to outline the actions to be taken in the event of allegations of SEA committed by United Nations and associated personnel or by an implementing partner. The PSEA group also leveraged one agency's confidential reporting line into a co-funded interagency hotline and worked on developing the capacities of female-headed community protection networks to deal with SEA from a victims' rights perspective.
- (c) The Colombia PSEA task force had 15 member entities, including UNVMC, GIFMM and OCHA, and was co-chaired by United Nations Children's Fund and UN Women, with coordination and support from the RCO. The RCO hosted a full time PSEA Coordinator, who had a WFP contract but was co-funded by all members of the PSEA task force. As of audit date the coordinator's contract was funded up to March 2024, with an expectation that it would continue to be extended on a short-term basis based on justification of need and availability of funds. PSEA issues were reviewed by the UNCT in 2023 during which it approved the revised budget for the PSEA workplan. Based on discussions with members of the task force, no PSEA risk assessment had been conducted at the national level, but several had been done at the regional level. Likewise, no interagency community-based complaints mechanism was in place, although plans were in place to conduct a pilot in Arauca.

34. A zero-tolerance approach to SEA necessitates a robust plan of action to prevent or detect cases. If the plan of action is not adequately coordinated or resourced, cases of SEA may go undetected, and where cases are identified, the UNCT may not have adequate means to respond appropriately with a victim-centered approach. OIOS was of the opinion that DCO should engage with AFPs at the global, regional and country levels to develop more viable and sustainable funding models to support interagency programmes for PSEA more effectively. However, DCO indicated that this was beyond their control and scope to implement. In this regard, OIOS noted that the Secretary-General, in his latest report on special measures for PSEA, (A/78/774) highlighted the severe underfunding and underresourcing of work on PSEA at both Headquarters and in the field and advocated for resources to fund PSEA coordinators to facilitate system-wide coordination. In light of this, OIOS did not make a recommendation on this issue.

DCO LAC supported new generation cooperation frameworks and capacity-building of RCs but needed to take actions to increase the visibility of issue-based coalitions

35. One of the roles of DCO LAC is to “enable RCs and indirectly UNCTs to access regional expertise, including through issue-based coalitions (IBCs), and to receive strategic advice, guidance and support from RCP members, including operational activities relating to cross-border and sub-regional matters.”

36. RCP LAC was established in November 2020 with 13 core functions, including promoting regional coherence of policies and linkages between development and humanitarian programming. RCP LAC is made up of ECLAC and the regional offices of United Nations entities and serves as the main platform for United Nations development system collaboration in the region. Its working mechanisms are grouped into three levels:

- (a) Seven groups for substantive engagement, consisting of four demand-driven IBCs on climate change and resilience, equitable growth and financing for development, governance for peace, justice and strong institutions, and human mobility, and three thematic working groups focussed on gender equality and empowerment of women and girls, populations left behind, and youth;
- (b) Seven operational and programmatic working groups, including the Peer Support Group (PSG), data and statistics group, evaluation working group, and the advisory board for the Comprehensive Development Plan for El Salvador, Guatemala, Honduras, and south-southeast Mexico; and
- (c) A joint secretariat consisting of DCO LAC, UNDP and ECLAC.

37. The mechanisms for engagement between RCP LAC and RCs/UNCTs in the region are described in standard operating procedures that were developed by the Joint RCP secretariat. DCO LAC is the co-chair of the PSG and the RCP LAC’s partnerships and communications working group and provided dedicated country support to Haiti and Nicaragua. Through the PSG, DCO LAC led quality control of 13 new generation cooperation frameworks since 2021 (including one multi-country cooperation framework) covering 34 countries and territories. DCO LAC also provided capacity-building support to the PSG and RCs covering a variety of topics such as human rights, theory of change and environmental sustainability. While there was no formally documented division of roles and responsibilities between the three parties to the Joint RCP secretariat, interviews with DCO and ECLAC, as well as with members of various IBCs and working groups, indicated that they were generally satisfied with the support they got from DCO LAC and that members of the secretariat worked in a collaborative manner.

38. DCO LAC also had a structure in place for bringing together core and non-core RCO resources in networks for knowledge sharing and capacity-building, such as the economists network. DCO LAC maintained a log of the status of country teams regarding mandatory elements of the reforms such as the cooperation framework, CCA (including annual updates), joint workplans, PSEA strategies and gender scorecards that were used to support RC performance appraisals and identification of capacity-building opportunities. The Office also developed various guidance materials and maintained lists of RCO focal points for cross-cutting issues.

39. Some members of results groups in Panama, Guatemala and Colombia indicated that they were not aware of the IBCs and the work they do, thus did not necessarily see their value. Other country team members cited a possible exception of the IBC on human mobility, which was highlighted as being more visible to them. Lack of awareness and visibility of IBCs could mean that RCs and UNCTs would not have adequate access to the strategic advice, guidance and expertise that IBCs can offer on cross border, sub-regional, and regional issues.

- (2) DCO should work with the Regional Collaborative Platform for Latin America and the Caribbean to develop an action plan to increase the visibility and added value of issue-based coalitions to Resident Coordinators and United Nations country teams.**

DCO accepted recommendation 2 and stated that, as part of the Joint Secretariat of the Regional Collaborative Platform, it had started rolling out a plan to increase the visibility of IBCs with Resident Coordinators and UNCTs.

B. Resident coordinator office support to the management of pooled funds

The Resident Coordinator Office supported the management of the Trust Fund for Peace in Colombia through its technical secretariat but there was a need to enhance the risk management process

40. Most of the funds from the PBF for Colombia were channelled through the Trust Fund for Peace in Colombia (Colombia MPTF), which was supported by a technical secretariat consisting of eight staff including the Secretariat Coordinator who reported to the RC. A steering committee provided strategic guidance and general supervision, while a technical committee reviewed projects, programmes and change requests submitted to the Fund.

41. The Colombia MPTF was recognized by national actors and donors as an effective and efficient mechanism to support peacebuilding in Colombia, contributing to the implementation of the peace agreement between the Colombian State and the former Revolutionary Armed Forces of Colombia – People’s Army that was signed in 2016, as well as other actions related to peacebuilding established by the National Government.

42. In aggregate, the Colombia MPTF had received \$227.7 million since it was established in 2016, and \$181.6 million had been transferred to implementing partners as of June 2023. OIOS review of key governance documents and minutes of meetings, interviews with a selection of key stakeholders, and observance of a meeting of the technical committee indicated that the governing mechanisms functioned as designed, and the Fund was well supported by its key stakeholders, including the government.

43. The Fund had undergone three implementation phases since its inception: the initial phase spanned from 2016 to 2018, the second from 2019 to first half 2023, and the third phase commenced in the latter half of 2023. The main areas of implementation during phase two, which was the active phase during the audit period, were: stabilization; victims and transitional justice; reintegration of ex-combatants; and communications. During the audit period, there were 44 active projects with \$97.6 million in allocated funding. OIOS tested a sample of 10 projects amounting to \$29.8 million, 4 of which were funded from the PBF. Based on the review of the project approval process, including concept notes, evaluation of project documents, requests for funds transfer and narrative reports, OIOS concluded that controls over fund allocations, disbursements requests, and project reporting were adequately designed and implemented.

44. The Fund implemented innovative concepts such as funding for projects that leveraged private sector investments through the application of blended financing principles. Launched in April 2019, the call for blended financing proposals underwent an assessment and selection process that considered both peacebuilding criteria and financial indicators. Following evaluation of proposals, the Fund identified seven viable investments, which were approved by the steering committee based on recommendations of the technical committee. The Fund invested a total of \$2.2 million in the selected projects and leveraged an additional \$13 million from external sources, representing a leverage ratio of 1:6. The projects were managed through UNDP and were completed in June 2022. A new call for proposals on blended financing was issued in 2023.

45. While the Fund's terms of reference listed several portfolio risks and their mitigation measures, and project documents identified risks and some of their attributes, no standard criteria were in place to assess the likelihood and impact of the risks and help to prioritize risk responses. The portfolio level risk register also needed to explicitly address risks related to innovative investments like the blended finance initiative, which are currently only addressed at the project level.

(3) The Resident Coordinator Office in Colombia should, in coordination with the technical secretariat of the Trust Fund for Peace in Colombia and relevant stakeholders, implement a robust risk management process that incorporates clear criteria to identify, assess and mitigate project and portfolio level risks, including those related to innovative projects, such as blended financing.

RCO Colombia accepted recommendation 3 and stated that it had developed a revised, more robust risk matrix, which included a specific risk assessment process for private sector investments. The matrix was reviewed and approved by the steering committee in June 2024.

PBF projects in Guatemala were effectively supported by the local PBF secretariat

46. The PBF secretariat was established within the RCO to support in-country processes related to the fund. According to PBF guidelines issued in 2022 the role of the PBF secretariat is to support the Peacebuilding Support Office (PBSO) and implementing partners with quality assurance, coordination and monitoring of PBF projects.

47. In Guatemala, the PBF secretariat convened meetings of the Executive Committee, recorded minutes, and monitored the actions taken by project committees. Executive Committee meetings were co-chaired by the RC and government officials, and covered topics such as progress reports on ongoing projects and semi-annual reports on the PBF strategic framework. The Executive Committee held four meetings between 2021 and 2023. During the audit period, the RC released annual strategic reports for 2021 and 2022 that encompassed an overview of sustaining peace in Guatemala, an analysis of the overall PBF contribution to peacebuilding results, and updates on any new peacebuilding strategic plans and priorities. The project committees consisted of implementing partners and government officials involved in each specific project. Project committee meetings were held once or twice a year to discuss project priorities and review semi-annual and annual progress, among other topics. The PBF secretariat has developed a communication strategy to increase the visibility and transparency of the PBF portfolio.

48. Twelve PBF projects were active at some point during the audit period, with total allocated funding of \$22.1 million. Seven of these projects were funded through the Immediate Response Facility (IRF) for a total of \$13.1 million, of which four projects with \$8.2 million in allocated funding were operationally closed as of October 2023. The remaining five projects were allocated funding totaling \$9 million from the Peacebuilding and Recovery Facility (PRF).

49. OIOS reviewed a sample of six PBF projects, including three IRF and three PRF funded projects, valued at \$12.9 million to assess the project selection process, funds disbursement, project implementation and reporting process, and project monitoring. All projects had grant agreements that were signed by the parties including PBSO and the RC, funds were disbursed as specified in the agreements, and interim and financial reports, progress and final narrative reports were all submitted in a timely manner.

50. The 2022 annual strategic country report on Peacebuilding and PBF support highlighted that the main challenge encountered in executing the project portfolio was the national approval process as it could take several months for the internal approval processes within the government to be complete, which significantly delayed the project start dates. It would be beneficial for the RC and the relevant government

departments to establish a streamlined approval process for the PBF projects to ensure timely implementation of funded projects.

(4) The Resident Coordinator Office in Guatemala should advocate with the relevant government departments to establish a streamlined process for the approval of Peacebuilding Fund projects to ensure timely implementation.

RCO Guatemala accepted recommendation 4 and stated that it had created a streamlined approval process, which was being implemented.

C. Management of office resources

All RCO staff needed to undertake the mandatory training courses

51. OIOS noted the following completion rates per office for the nine mandatory courses applicable to all staff, irrespective of their level, duty station, or function.

Table 3: Number of mandatory courses completed by staff as of October 2023

Office	Number of staff	Completed courses		
		7 or more	4 to 6	Less than 4
RCO Colombia	7	4	2	1
RCO Guatemala	9	7	2	0
RCO Panama	8	7	0	1
DCO LAC	7	3	2	2
Total	31	21	6	4

52. The primary cause for the lag in completion of mandatory training was that some staff who had transferred from other AFPs had delayed validating their certificates or enrolling in the training.

(5) DCO should support the Resident Coordinator Offices in Colombia, Guatemala and Panama to develop and implement an action plan to ensure that all staff complete the mandatory courses in a timely manner.

DCO accepted recommendation 5 and stated that it would work closely with the RCOs in Colombia, Guatemala and Panama to ensure that all staff complete the mandatory courses in a timely manner.

Staff performance appraisals were completed timely

53. According to the administrative instruction ST/AI/2021/4 all staff members who hold appointments of at least one year shall have their performance evaluated in accordance with the Performance Management and Development System. OIOS analyzed the performance evaluation completion rates of DCO LAC and the RCOs in Colombia, Panama and Guatemala for the periods 2021-2022 and 2022-2023 and noted that all evaluations were duly finalized.

Control over procurement arrangement were adequate

54. Each RCO was allocated approximately \$100,000, to be used for interagency coordination activities at the discretion of the RC. Procurement processes related to these funds were managed through UNDP until June 2022 in accordance with transitional arrangements for the RC system reforms. Starting in 2022, recruitment of consultants and procurement activities above \$10,000 were managed through ECLAC. In Panama, OIOS reviewed a sample of nine low-value transactions totalling \$55,420, representing 38 per

cent of total coordination fund expenditures of \$147,414 from January 2021 to June 2023. Expenditures covered UNCT and RC office retreats, annual results report presentations, and support for the International Women's Day. In Guatemala, total coordination fund expenditure amounted to \$290,342 for the same period. OIOS reviewed a sample of nine transactions amounting to \$81,287, or 28 percent of the total. Samples selected were related to consultancy services, including an assessment report on the risks of SEA, and another on strengthening the statistical capacities of the United Nations system in Guatemala. In Colombia, total coordination fund expenditures for the same period amounted to \$433,258. OIOS reviewed a sample of six transactions totalling \$72,106 and representing 17 per cent of total. The funds were used primarily for consultancy services, including the development of an action plan for implementing the roadmap for agri-food systems.

55. A review of the vendor files showed that the low value procurement complied with applicable procurement guidelines. Three quotations were obtained in the required cases and other cases were managed under service level agreements with various service providers. OIOS concluded that controls over the procurement were adequate.

IV. ACKNOWLEDGEMENT

56. OIOS wishes to express its appreciation to the management and staff of DCO LAC, and RCOs in Colombia, Guatemala and Panama for the assistance and cooperation extended to the auditors during this assignment.

Internal Audit Division
Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of the management of the Regional Office of the Development Coordination Office in Latin America and the Caribbean and Resident Coordinator Offices in Colombia, Guatemala and Panama

Rec. no.	Recommendation	Critical¹/ Important²	C/O³	Actions needed to close recommendation	Implementation date⁴
1	Resident Coordinator Offices in Colombia, Guatemala and Panama should work with United Nations country teams to develop a roadmap to strengthen the capacity and positioning of strategic results groups to ensure a more coherent system-wide approach for the implementation of each strategic priority area in the cooperation framework.	Important	O	Receipt of evidence of implementation of actions taken by the RCOs and UNCTs in Colombia, Guatemala and Panama to strengthen the capacity and positioning of results groups.	31 December 2025
2	DCO should work with the Regional Collaborative Platform for Latin America and the Caribbean to develop an action plan to increase the visibility and added value of issue-based coalitions to Resident Coordinators and United Nations country teams.	Important	O	Receipt of evidence of implementation of the action plan for increasing the visibility and added value of IBCs.	31 December 2024
3	The Resident Coordinator Office in Colombia should, in coordination with the technical secretariat of the Trust Fund for Peace in Colombia and relevant stakeholders, implement a robust risk management process that incorporates clear criteria to identify, assess and mitigate project and portfolio level risks, including those related to innovative projects, such as blended financing.	Important	C	Action complete.	Implemented
4	The Resident Coordinator Office in Guatemala should advocate with the relevant government departments to establish a streamlined process for the approval of Peacebuilding Fund projects to ensure timely implementation.	Important	C	Action complete.	Implemented
5	DCO should support the Resident Coordinator Offices in Colombia, Guatemala and Panama to develop and implement an action plan to ensure that	Important	O	Receipt of the updated completion status of mandatory training.	31 July 2024

STATUS OF AUDIT RECOMMENDATIONS

Audit of the management of the Regional Office of the Development Coordination Office in Latin America and the Caribbean and Resident Coordinator Offices in Colombia, Guatemala and Panama

Rec. no.	Recommendation	Critical¹/ Important²	C/ O³	Actions needed to close recommendation	Implementation date⁴
	all staff complete the mandatory courses in a timely manner.				

¹ Critical recommendations address those risk issues that require immediate management attention. Failure to take action could have a critical or significant adverse impact on the Organization.

² Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization.

³ Please note the value C denotes closed recommendations whereas O refers to open recommendations.

⁴ Date provided by DCO and the relevant RCOs in response to recommendations.

APPENDIX I

Management Response

TO: Byung-Kun Min, Director
A: Internal Audit Division, OIOS

DATE: 19/06/2024

THROUGH:
S/C DE:

REFERENCE:

FROM: Oscar Fernández-Taranco, Assistant Secretary-General
DE: for Development Coordination

SUBJECT: **DCO Response to the draft report on an audit of the management of the Regional Development Coordination Office for Latin America and the Caribbean and the UN Resident Coordinators Offices in Colombia, Guatemala, and Panama (Assignment No. AN2023-410-02)**

1. On behalf of DCO and the Resident Coordinator's Offices in Colombia, Guatemala, and Panama, I acknowledge receipt of the subject report and convey my sincere appreciation for the detailed findings and valuable recommendations.
2. DCO and the UN Resident Coordinator's Offices in Colombia, Guatemala, and Panama have reviewed the draft report and fully accepted four of the five recommendations, while partially accepting one recommendation. Comments are provided for your kind consideration in this regard.
3. Please find attached the completed Annex 1, which includes an action plan with target dates and responsible parties for implementing the recommendations.
4. DCO and the UN Resident Coordinator's Offices in Colombia, Guatemala, and Panama look forward to working closely with the OIOS in the coming years as we implement these recommendations and further enhance the management of our Offices.
5. DCO wishes to express its appreciation to the OIOS audit team for the valuable collaboration with the DCO Regional Office for Latin America and the Caribbean and the UN Resident Coordinator's Offices in Colombia, Guatemala, and Panama in conducting this audit.

cc: Ms. Rosemary Kalapurakal, Deputy Director, DCO
Ms. Larai Musa, Chief, RC System Business Management Branch, DCO
Mr. Roberto Valent, Regional Director for Latin America and the Caribbean, DCO
Ms. Mireia Villar Forner, Resident Coordinator, Colombia
Mr. Jose Barreto Sanchez, Resident Coordinator, Guatemala
Ms. Ana Patricia Graca, Resident Coordinator, Panama
Mr. Obin Silungue, Chief, Field Audit Section
Ms. Zin Zhou, Professional Practices Section, Internal Audit Division, OIOS

Management Response

Audit of the management of the Regional Office for Latin America and the Caribbean and resident coordinator offices in Colombia, Guatemala and Panama

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1.	Resident coordinators in Colombia, Guatemala, and Panama should work with United Nations country teams to develop a roadmap to strengthen the capacity and positioning of strategic results groups and ensure a more coherent system-wide approach for implementing each strategic priority area in the cooperation framework.	Important	Yes	Resident Coordinators of Colombia, Guatemala, and Panama.	December 2025	<p>The new Colombia UNSDCF, which will commence its implementation cycle in 2025, envisions strengthened coordination mechanisms across results groups.</p> <p>The RC and UNCT in Guatemala have already brought together their Results Groups and government counterparts are part of the strategic positioning the team seeks with the new administration towards a more coherent system-wide approach in each priority area of the UNSDCF.</p> <p>The current Panama UN cooperation framework has 18 months before a new CF starts implementation. This recommendation will be important for the new cooperation framework as it will include a new UNCT composition exercise. In the meantime, Panama UNCT has</p>

¹ Critical recommendations address those risk issues that require immediate management attention. Failure to take action could have a critical or significant adverse impact on the Organization.

² Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization.

Management Response

Audit of the management of the Regional Office for Latin America and the Caribbean and resident coordinator offices in Colombia, Guatemala and Panama

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						rotated the results group leader and co-lead agencies to strengthen the capacity and positioning of strategic results.
2.	DCO should work with the Regional Collaborative Platform for Latin America and the Caribbean to develop an action plan to increase the visibility and added value of issue-based coalitions to Resident Coordinators and United Nations country teams.	Important	Yes	Regional Director, DCO LAC	December 2024	DCO, as part of the Joint Secretariat of the Regional Collaborative Platform, has started rolling out a plan to increase the visibility of Issue-based coalitions with Resident Coordinators and UNCTs.
3.	The Resident Coordinator in Colombia should, in coordination with the technical secretariat of the Trust Fund for Peace in Colombia and relevant stakeholders, implement a robust risk management process that incorporates criteria to identify, assess and mitigate project and portfolio-level risks, including those related to innovative projects, such as blended financing.	Important	Partially	RC, Colombia	Continuous Recommendation	A new risk matrix was developed following the standard that was proposed by OIOS (numeric calculation of risks). Additionally, a specific risk assessment process for private sector investments was included. This matrix was already reviewed by the technical committee of the MPTF, and it was recommended for approval of the Steering Committee. The steering Committee will meet on June 13th and is expected to approve it. The new risk matrix will be approved tomorrow by the Steering Committee of the Fund. June 2024.
4.	The Resident Coordinator in Guatemala should advocate with the relevant government departments to establish a streamlined process for the approval	Important	Yes	RC, Guatemala	June 2024	The Resident Coordinator in Guatemala has created a strategic note to streamline the process, which is being implemented.

Management Response

**Audit of the management of the Regional Office for Latin America and the Caribbean and resident coordinator offices in
Colombia, Guatemala and Panama**

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	of Peacebuilding Fund projects to ensure timely implementation.					
5.	DCO should support the Resident Coordinator Offices in Colombia, Guatemala, and Panama in developing and implementing an action plan to ensure that all staff complete the mandatory courses in a timely manner.	Important	Yes	Regional Director, DCO LAC	July 2024	DCO will work closely with the Resident Coordinators in Colombia, Guatemala and Panama and their Offices to ensure that each audited RCO completes all mandatory courses in a timely manner.