



INTERNAL AUDIT DIVISION

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Audit of the Stabilization Support Unit in the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo

The Mission needed to strengthen its oversight of the activities of the Stabilization Support Unit to ensure they are adequately integrated with other Mission stabilization activities and that the project selection and monitoring process is enhanced

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Audit of the Stabilization Support Unit in the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of the Stabilization Support Unit (SSU) in the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO). The objective of the audit was to assess the effectiveness of Mission support to the implementation of the International Security and Stabilization Support Strategy in the Democratic Republic of the Congo. The audit covered the period from 1 July 2019 to 30 June 2021 and included governance structure, management of stabilization funding mechanisms and project selection and implementation.

The functional placement of SSU under the Deputy Special Representative of the Secretary-General (DSRSG) Resident Coordinator/Humanitarian Coordinator (RC/HC) was appropriate to ensure the coordination of stabilization activities among all stakeholders. However, MONUSCO needed to strengthen its oversight of the activities of SSU to ensure they are adequately integrated with other Mission stabilization activities and that the project selection and monitoring process is enhanced.

OIOS made nine recommendations. To address issues identified in the audit, MONUSCO needed to:

- Provide effective oversight of SSU and ensure that the DSRSG (RC/HC) Office regularly reviews and follows up on operational activities and stabilization initiatives;
- Develop an annual work plan for SSU that clarifies the roles and responsibilities of the Unit staff and establishes performance indicators to measure, monitor and report on achievements;
- Formalize the operational reporting lines of SSU to the Heads of Offices to foster accountability, efficiency and effective integration of field offices' priorities into similar stabilization initiatives;
- Formalize operational arrangements with the United Nations Development Programme and other contributing entities that clearly define each entity's roles, responsibilities and accountability;
- Fully integrate SSU into other Mission activities and ensure that SSU timely communicates stabilization support requirements with Mission leadership;
- Ensure that the DSRSG (RC/HC) coordinates with the co-chair of the National Funding Board to develop and implement mechanisms to ensure adequate oversight of the operations of the Stabilization Coherence Fund (SCF);
- Expedite the evaluation of SCF and make necessary improvements to influence programme implementation;
- Regularly assess implementing partners' performance and capacity, establish a database of implementing partners to support selection decisions and ensure that consolidated evaluation reports are validated and signed by all members of the Technical Evaluation Committee; and
- Verify the accuracy of implementing partners' reports and project implementation quality and compliance and strengthen coordination between Mission components to improve the monitoring and evaluation function.

MONUSCO accepted the recommendations and has initiated action to implement them. Actions required to close the recommendations are indicated in Annex I.

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Audit of the Stabilization Support Unit in the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the Stabilization Support Unit (SSU) in the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO).

2. The United Nations Security Council resolution 2556 (2020) mandated MONUSCO to coordinate the activities of the Government of the Democratic Republic of the Congo (DRC), international partners and United Nations agencies to implement the International Security and Stabilization Support Strategy (Support Strategy). The Support Strategy was developed in 2008 by the United Nations to support the implementation of the National Stabilization and Reconstruction Programme (STAREC) of DRC. It was designed to consolidate peace gains and create conditions for longer-term recovery and development. Both the Support Strategy and STAREC aim to strengthen political engagement in support of the stabilization process. In 2008, MONUSCO established SSU to support the implementation of the Support Strategy.

3. SSU, in consultation with key stakeholders (DRC officials, civil societies, Member States, and Mission components), revised the Support Strategy in 2013 based on lessons learned from its first phase (2008-2012). The revised Support Strategy initially covered the period from 2013 to 2017 but was later extended to 2022 to continue the support for political engagement. The Support Strategy defines stabilization as an integrated and holistic targeted process of enabling state and society to build mutual accountability and capacity to address and mitigate drivers of conflict and create conditions for improved governance and long-term development. Given the need to address the root causes of the conflict, the Support Strategy framework focused on: (a) democratic dialogue; (b) security; (c) restoration of state authority; (d) return, reintegration and recovery; and (e) women, peace and security.

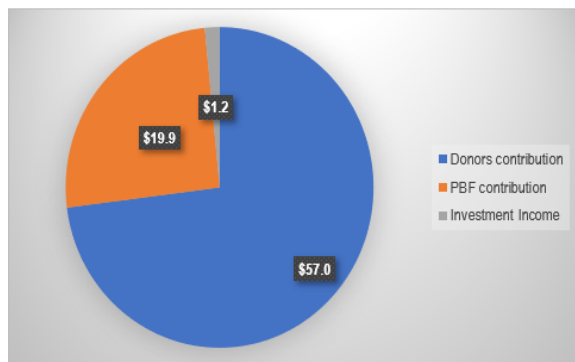
4. SSU is responsible for three primary functions: (i) support for political engagement; (ii) coordination with interested parties; and (iii) overall responsibility of stabilization activities to support the implementation of the Support Strategy. It is also responsible for three enabling functions: (i) providing policy and technical advice; (ii) monitoring and evaluation activities; and (iii) capacity building of national and provincial institutions. SSU is headed by a Team Leader at the P-5 level who reports to the Deputy Special Representative of the Secretary-General (DSRSG) Resident Coordinator/Humanitarian Coordinator (RC/HC). The current DSRSG (RC/HC) arrived in the Mission on 28 February 2022. The Unit comprises 40 positions: 12 staff from MONUSCO (9 international and 2 national staff and 1 United Nations volunteer), 20 from the United Nations Development Programme (UNDP), 7 gratis personnel from the Member States and an external consultant.

5. The DRC Stabilization Coherence Fund (SCF) was created in 2015 as a funding mechanism for effectively implementing the Support Strategy. The National Funding Board, co-chaired by the DSRSG (RC/HC) and the DRC Minister of Planning, and three Provincial (North Kivu, South Kivu, and Ituri) Funding Boards (co-chaired by the Provincial Governors and MONUSCO Heads of Offices (HoOs) oversee the utilization of SCF. The United Nations Multi-Partner Trust Fund Office (MPTFO), the administrative agent of UNDP in the DRC, administers SCF.

6. A Technical Secretariat consisting of staff of SSU, STAREC National Secretariat and Provincial Coordination teams is responsible for the Fund's operational management and coordination of STAREC activities. Since its inception in 2015, SCF has received about \$76.9 million in contributions from donors and the United Nations Peacebuilding Fund (PBF), of which \$23 million was received during the audit

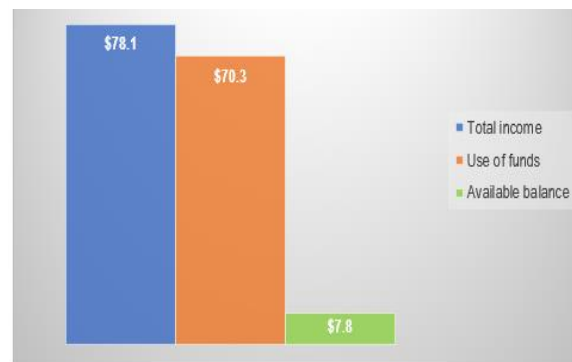
period from July 2019 to June 2021. Since 2016, the Technical Secretariat has approved 32 projects totaling \$69.7 million, of which 20 projects totaling \$31.8 million were approved during the audit period. The contributions to SCF and the cumulative fund status as of 30 June 2021 are shown in figures 1 and 2, respectively.

Figure 1: Contributions to the Fund as of 30 June 2021 (\$ million)



Source : <http://mptf.undp.org/factsheet/fund/CDS00>

Figure 2: Cumulative Fund status as of 30 June 2021 (\$ million)



Source : <http://mptf.undp.org/factsheet/fund/CDS00>

7. Comments provided by MONUSCO are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

8. The objective of the audit was to assess the effectiveness of Mission support the implementation of the International Security and Stabilization Support Strategy in the DRC.

9. This audit was included in the 2021 risk-based work plan of OIOS due to the importance of the stabilization Support Strategy in implementing the Mission's mandate. MONUSCO also requested OIOS to conduct an independent review of: (a) the structure and reporting lines of SSU; (b) management of SCF, including the award of projects; and (c) project monitoring and evaluation activities. The request was made because the host government restructured demobilization and stabilization activities and the Mission received fraud allegations related to managing stabilization projects awarded through SCF.

10. OIOS conducted this audit from June 2021 to March 2022. The audit covered the period from 1 July 2019 to 30 June 2021. Based on an activity-level risk assessment, the audit covered higher risk areas in the management of SSU, which included its governance structure, management of stabilization funding mechanisms and project selection and implementation.

11. The audit methodology included: (a) interviews with key personnel, (b) review of relevant documentation, (c) analytical review of data, and (d) testing of judgmentally selected 12 projects totaling \$26.4 million out of 20 projects totaling \$31.8 million that were approved during the audit period.

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

III. AUDIT RESULTS

A. Governance structure

There was a need for effective oversight of the activities of the Stabilization Support Unit

13. The DSRSG (RC/HC) was responsible for implementing the Mission's mandate to support the stabilization and strengthening of State institutions and providing oversight of SSU activities with the SSU Team Leader reporting directly to the DSRSG (RC/HC). However, during the audit period (until the arrival of the new DSRSG in March 2022), the Office of the DSRSG had not provided adequate strategic direction to the Unit to guide its activities. While the SSU Team Leader submitted weekly status update reports on ongoing activities to Mission leadership, which included the Special Representative of the Secretary-General (SRSG) and the two DSRSGs, participated in weekly DSRSG (RC/HC) Pillar meetings and was in regular contact with the Head of the Integrated Office, neither the Unit reporting requirements had been defined nor any key performance indicators had been established. Due to the lack of adequate oversight, no annual work planning exercise was conducted to clarify the Unit's responsibilities, essential tasks/activities, expected outputs and outcomes with a defined timeline. Therefore, the Unit had no work plan for 2019/20, although one for 2020/21 was drafted two months before the end of the fiscal year in May 2021 in response to requests by OIOS.

14. To strengthen coordination and oversight of SSU activities by the Office of the DSRSG (RC/HC), the Mission filled a temporary position in March 2022 for a Principal Coordination Officer at the D-1 level with responsibilities for overseeing the performance of the stabilization and community reintegration programmes and SSU. In OIOS view, this position would help strengthen coordination of the implementation of the Support Strategy for which certain elements fall under both Offices of the DSRSGs. This additional resource is also expected to enhance the overall management of SSU activities. However, the Mission still needed to ensure that its leadership provided adequate oversight of SSU and defined performance indicators and reporting requirements. This action would also enhance accountability for the effective implementation of the Support Strategy.

- (1) MONUSCO should take adequate steps to ensure that: (a) Mission leadership provides effective oversight of the Stabilization Support Unit; and (b) the Office of the Deputy Special Representative of the Secretary-General (Resident Coordinator/Humanitarian Coordinator) regularly reviews and follows up on operational activities and stabilization initiatives to enhance accountability for programmatic activities.**

MONUSCO accepted recommendation 1 and stated it had recruited a Principal Coordinator Officer at the D-1 level to reinforce SSU oversight. The Mission further stated that the DSRSG (RC/HC) would: (a) organize documented monthly meetings with all SSU staff to review the work plan progress and listen to staff views and concerns; (b) regularly meet with the SSU Principal Coordinator, UNDP Resident Representative and SSU Deputy Team Leader to follow up on progress and exchange views on the way forward, including SSU restructuring plans; and (c) review and discuss SSU periodic reports with the SSU management for clarification and improvement.

- (2) MONUSCO should: (a) develop an annual work plan for the Stabilization Support Unit that clarifies the roles and responsibilities of the Unit staff and main tasks to be completed within set deadlines and reporting requirements; and (b) establish performance indicators to measure, monitor and report on achievements.**

MONUSCO accepted recommendation 2 and stated it would organize a staff retreat under the leadership of the SSU Principal Coordinator and Deputy Team Leader to develop: (i) a new organigram defining SSU management structure, including clear reporting lines, roles, and responsibilities; and (ii) a work plan that defines scope and performance indicators. The DSRSG (RC/HC), in consultation with the SRSG, would validate the work plan and the organigram.

Placing the Stabilization Support Unit in the Office of the Deputy Special Representative of the Secretary-General and Resident Coordinator/Humanitarian Coordinator seemed adequate

15. The Support Strategy implementation entailed coordination with external and internal Mission stakeholders, particularly the Disarmament, Demobilization, and Integration (DDR) Section and international partners. A vital coordination function was thus crucial in creating an enabling environment for implementing the Support Strategy. Since the DSRSG (RC/HC) Office is responsible for overseeing, coordinating and harmonizing the stabilization work within the Mission in cooperation with the United Nations Country Team (UNCT), placing SSU functionally under the DSRSG (RC/HC) was appropriate to ensure coordination of stabilization activities among all stakeholders.

There was a need to formalize the reporting lines of the Stabilization Support Unit

16. During the review of the adequacy and effectiveness of the SSU structure, OIOS noted that the reporting line of SSU has shifted between the two DSRSGs. Before 2014, SSU reported to the DSRSG (RC/HC). From 2014 to June 2017, the Unit reported to the DSRSG (Protection and Operations) based in Goma, who was responsible for the Mission's overarching mandate on the protection of civilians. Effective 1 July 2017, the reporting line reverted to the DSRSG (RC/HC) based in Kinshasa. However, the Head of the Unit remained in Goma to facilitate its operations, mainly in Eastern DRC. Furthermore, SSU field offices reported operationally to the HoOs.

17. Interviews with SSU staff showed that the effectiveness of reporting to the various HoOs varied. For example, some HoOs considered the Support Strategy an asset and coordinated with the SSU field teams to integrate their office priorities into similar stabilization initiatives. At the same time, other HoOs did not facilitate this coordination as field SSU staff and activities were not functionally placed under the authority of HoOs. As a result, SSU field teams became isolated units within those field offices. This was mainly due to the lack of an established reporting line between the HoOs who reported to the DSRSG (Protection and Operations) and the SSU staff whose functional reporting line was to DSRSG (RC/HC) through the Team Leader. The lack of established reporting lines could hamper accountability, efficiency and effective integration of field offices' priorities into similar stabilization initiatives.

(3) MONUSCO should formalize the operational reporting lines of the Stabilization Support Unit to the Heads of Office to foster accountability, efficiency and effective integration of field offices' priorities into similar stabilization initiatives.

MONUSCO accepted recommendation 3 and stated that in August 2022, the DSRSG (RC/HC) directed SSU field coordinators to report directly to their respective HoOs, while maintaining a second reporting line to the SSU Principal Coordinator. The Mission further stated that it would develop a new organigram and share with all SSU-MONUSCO staff clear reporting lines regarding First and Second Reporting Officers. The DSRSG (RC/HC) would officially notify the DSRSG (Protection and Operations) and HoOs of the new SSU organigram and the reporting lines.

There was a need to formalize operating mechanisms for Stabilization Support Unit activities

18. About 70 per cent of SSU staff members were individuals from entities external to the Mission with diverse capacities and experience. However, SSU had not developed operating mechanisms such as delineating roles and responsibilities, reporting lines and coordination, and communication and accountability mechanisms to ensure a coordinated and coherent approach to programme implementation. There was also evidence of some administrative and operational challenges. For instance, MONUSCO and UNDP staff used different Enterprise Resource Planning systems (i.e., Umoja and Atlas), which restricted the use of a common information database; each was expected to comply with their respective entity's administrative and financial procedures. This created some delays in generating reports and data for common use. SSU staff also indicated that administrative staff from one entity could not assist a counterpart from another in administrative matters.

19. MONUSCO also established Memorandums of Understanding (MoUs) with respective gratis personnel organizations. However, these were not sufficiently detailed to include the roles and responsibilities of staff, reporting lines, and accountability and coordination mechanisms. For example, while the Principal Coordination Officer was responsible for SSU activities, UNDP staff of SSU reported programmatically to UNDP; this could hinder effective oversight and accountability.

20. The absence of clearly defined operational arrangements resulted in inadequate information sharing and communication within SSU and impacted effective teamwork, coordination and collaboration in daily activities. Moreover, there was no visibility over activities undertaken by staff from different entities, which was not optimal for the effective implementation of the Support Strategy.

(4) MONUSCO should formalize operational arrangements with the United Nations Development Programme and other contributing entities that clearly define each entity's respective roles, responsibilities and accountability, including the reporting and coordination arrangements with the Stabilization Support Unit.

MONUSCO accepted recommendation 4 and stated that in support of the MONUSCO transition process, a stabilization inter-agency joint programme was currently under development. Additionally, the Mission stated that under the oversight of the SRSG and DSRSG (RC/HC), a new concept note would clarify the institutional arrangements, roles and responsibilities between MONUSCO, UNDP and other gratis personnel.

The Stabilization Support Unit activities needed to be effectively integrated with other Mission stabilization activities

21. Effective coordination between SSU and other key stabilization actors is needed to enhance synergies and prevent duplication of stabilization activities. In addition, such coordination would better equip SSU to leverage its cross-cutting role by drawing on relevant information from other MONUSCO entities.

22. The level of engagement and coordination between SSU and other Mission components was inadequate. Inadequate coordination impacted the Unit's ability to leverage its cross-cutting role and influence other Mission stabilization activities. For example:

- Although MONUSCO had developed guidelines for collaboration between SSU and the Civil Affairs Section, which required both teams to coordinate the implementation of the stabilization mandate, the Mission's budgets of \$934,000 and \$866,000 for fiscal years 2019/20 and 2020/21 for community stabilization projects were solely implemented by the Civil Affairs

Section. Such projects play a crucial role in supporting the stabilization process by, among other things, reinforcing the protection of civilians and supporting the capacity of national authorities. However, although these projects had the hallmarks of stabilization, SSU was unaware of their implementation due to a lack of coordination.

- In 2020, the Mission's Comprehensive Approach Coordination Section developed comprehensive strategies and operational plans for field offices. The operational plans contained stabilization intervention areas that required SSU, the DDR Section, the Political Affairs Division and the Civil Affairs Section to play leading roles in their implementation. However, SSU indicated that it was not consulted in developing the stabilization operational plans and strategies for field offices which increased the risk of duplication of efforts and inefficient use of resources.

- The DDR Section did not regularly involve SSU in the community violence reduction (CVR) programme even though Security Council resolution 2556 (2020) required the Mission to implement the CVR programme under the framework of the Support Strategy. As a result, there were no coordination mechanisms, and the DDR Section only coordinated with SSU on 1 of the 34 CVR projects related to the disarmament of an armed group.

23. In addition, SSU encountered administrative and political bottlenecks in implementing some projects; this was attributed to the lack of coordination with the Office of the DSRSG (RC/HC) to engage the host government to mitigate challenges. For example, a \$756,000 project to develop a shared understanding of disarmament, demobilization, community reintegration and stability in South Kivu commenced in October 2020 but was immediately blocked at the provincial level because the relevant government ordinance was not signed at the national level. The Unit did not communicate with the Office of DSRSG (RC/HC) on the support needed at the national and provincial levels to implement the project.

24. The Office of DSRSG (RC/HC) explained that SSU operated entirely as an independent entity because of its outreach to donors for funds and its prioritization of donors' stabilization goals. This resulted in little alignment between SSU activities and other Mission stabilization activities. Moreover, SSU had not effectively leveraged its cross-cutting role by utilizing pertinent information such as conflict and situational analysis from other Mission components, including the Civil Affairs and DDR sections and Police and Military components.

(5) MONUSCO should take steps to: (a) fully integrate the Stabilization Support Unit (SSU) activities with other Mission stabilization activities to ensure synergies and prevent duplication of efforts; and (b) ensure that SSU timely communicates stabilization support requirements with Mission leadership to enable political engagement at the national and provincial levels.

MONUSCO accepted recommendation 5 and stated that the Mission and UNCT established a joint coordination mechanism in June 2022 under the leadership of the two DSRSGs. This mechanism would ensure effective coordination and coherence among Mission components, including field offices and the UNCT support for the national government's reorganized demobilization and stabilization programme. SSU would be responsible for the technical coordination of the joint coordination mechanism under the leadership and oversight of the DSRSG (RC/HC).

Efforts to improve programmatic synergies between Peacebuilding Fund and the Stabilization Coherence Fund were ongoing

25. United Nations Peacebuilding Fund (PBF) is a United Nations funding mechanism that supports peace in countries or situations at risk or affected by violent conflicts. Since its inception in 2006, PBF has

approved about \$57 million for the DRC and supported stabilization efforts in the east of the country in line with the Support Strategy until 2018. During the audit period, PBF funded 13 projects totaling \$29.1 million.

26. From 2016 to 2018, the SSU Technical Secretariat managed projects funded by PBF through the Stabilization Coherence Fund (SCF) worth \$19.9 million. In 2021, a new PBF Secretariat was established in the MONUSCO Resident Coordinator Office to manage all projects funded by the PBF. The Mission explained that the management of PBF and the PBF Secretariat were not part of SSU because PBF and SCF were different funding mechanisms. However, the audit noted that PBF and SCF funded similar stabilization activities, but there was a lack of coordination between the two secretariats of these funds. As a result, while PBF did not have an independent monitoring mechanism for project implementing partners, it could not effectively benefit from the expertise and monitoring resources of SSU. Therefore, adequate coordination between the SSU Technical Secretariat and the PBF Secretariat was needed to improve programmatic synergies, achieve catalytic effects, strengthen interventions and programmatic coherence and prevent duplication of stabilization work.

27. Following OIOS discussion with MONUSCO management on this issue in February 2022, the PBF Secretariat talks with several stakeholders, including government and development partners, were expected to start soon to decide on the best programmatic and funding architecture. This would include harmonizing several funding mechanisms such as the SCF and PBF to provide coordinated and coherent support to the national government's reorganized demobilization and stabilization programme. As efforts were ongoing, OIOS did not make a recommendation in this regard.

B. Management of stabilization funding mechanisms

Need for adequate oversight of the Stabilization Coherence Fund

28. The National Funding Board is required to exercise overall oversight and accountability of SCF and meets twice a year. The Board, which consisted of six members and was co-chaired by the DSRSG (RC/HC) and the DRC Minister of Planning, held three of the four required meetings in 2019 and 2020. Minutes of the meetings showed that discussions were focused on approving the allocation of project funds. There was no evidence of other oversight activities, such as approving criteria for assessing the capacity of participating organizations and ensuring the annual evaluation of SCF. SSU informed OIOS that the Unit was in the process of commissioning an evaluation of SCF for the period 2019/20.

29. OIOS corroborated the lack of oversight in its interview with a senior Board member who indicated that members did not always receive sufficient notice from the Technical Secretariat to review project documents. This did not allow them enough review time to ensure that projects conformed with stabilization objectives and project funds were properly allocated.

30. The Board did not prioritize oversight of SCF operations and funded projects, resulting in poor performance of implementing partners and fraud allegations, as discussed later in this report.

(6) MONUSCO should ensure that the Deputy Special Representative of the Secretary-General (Resident Coordinator/Humanitarian Coordinator) coordinates with the co-chair of the National Funding Board to develop and implement mechanisms to ensure adequate oversight of the operations of the Stabilization Coherence Fund.

MONUSCO accepted recommendation 6 and stated that on 23 May 2022, the DSRSG (RC/HC) and the Prime Minister chaired a meeting of the National Steering Board. The DSRSG (RC/HC) was

closely following up with the SSU management in implementing the Board's decisions, including ensuring effective oversight of SCF allocations in accordance with the established operation manual. The Mission would coordinate closely with the UNDP Multi-Partner Trust Fund Office in New York to reinforce transparency in selecting projects and implementing partners, such as updating the Technical Evaluation Committee's composition and procedures.

- (7) MONUSCO should ensure that the Stabilization Support Unit expedites the evaluation of the Stabilization Coherence Fund to determine its impact, identify lessons learned and make necessary improvements to influence programme implementation.**

MONUSCO accepted recommendation 7 and stated that UNDP had completed an independent summative evaluation of SCF. The preliminary findings had been shared with the members of the Steering Board and would soon be widely shared. SCF donors were also conducting two separate strategic reviews to guide future options for the Fund. SSU, under the leadership of the DSRS (RC/HC), would organize an all-stakeholder workshop to discuss the findings of the three evaluations and agree on the way forward.

C. Project selection and implementation

Need to strengthen the project selection process

- a. Need to maintain an adequate database and assess the capacity of implementing partners

31. The SSU Technical Secretariat was required to develop a database that captured information on implementing partners and assign them a performance rating based on an assessment of their performance history, expertise and capacity. There was also a requirement to identify any risks associated with selecting the implementing partners.

32. SSU did not maintain a comprehensive database of relevant information on implementing partners. As a result, there was no evidence of assessing partners' capacity and prior performance. The lack of performance history and documented capacity assessments of potential implementing partners implied that there was no assurance regarding their capacity or technical competence to implement projects.

33. This gap was also noted in the results of site visits and reviews by the SSU Monitoring and Evaluation Team of one project in October 2020. The project, valued at about \$7.6 million, was to be implemented in South Kivu communities from June 2017 to December 2019 by a consortium of nine local implementing partners led by an international implementing partner. The project aimed to implement community and income-generating activities to ensure that the local population in the priority area and the Congolese State engaged in an inclusive dialogue process to resolve the causes of conflict, consolidate peace and create the conditions for institutional stability and recovery. Although the consortium reported that it had completed all activities as per the MoU, the Monitoring and Evaluation team noted the following:

- 11 of the 13 local community conflict-resolving structures that had been reported as implemented were not functional, and
- Projects, such as a juice factory and rice production and processing that were reported as completed had never been carried out.

34. SSU could not provide OIOS with project-level expenditure related to the South Kivu project activities. This was attributed to inadequate financial record-keeping at the time of implementation. Further,

SSU did not provide the technical evaluation for this project, which would have determined the lack of capacity of the implementing partner.

35. Despite evidence of severe problems with the quality of outputs delivered and accuracy of information provided by the implementing partners of the South Kivu project and other projects reviewed, no action had been taken against these implementing partners for censure, suspension, removal, or other sanctions as applicable. For example, one of the partners involved in a fraud allegation was selected by SSU to implement a \$5 million project in another region in the 2021/22 fiscal year. However, the project had not been launched because the allegation was still under investigation at the time of the audit.

b. Technical evaluations of participating partners needed to be transparent

36. The evaluation process starts with the call for proposals, which defines the project parameters and is published on the MONUSCO website, advertised on Radio Okapi and in the national media inviting organizations. Then, the Provincial Technical Secretariat, consisting mainly of the Provincial MONUSCO Coordinator (SSU staff) and the STAREC provincial head, reviews the proposals to determine whether they meet the call for proposal requirements. The proposals that meet the requirements are submitted to a Technical Evaluation Committee (TEC). The Committee typically consists of six members, including the provincial coordinator, the STAREC provincial head, an SSU thematic expert, a national STAREC representative, a representative of the provincial governor and a MONUSCO representative from any section or unit.

37. TEC was responsible for reviewing and rating project proposals and selecting implementing partners with the highest consolidated scores based on established criteria in the call for proposal. TEC was required to use individual members' technical evaluation reports to generate a consolidated evaluation report for each proposal with the comments and scores of each member. OIOS noted that SSU did not require any member to sign the consolidated evaluation report to validate its completeness and accuracy. The consolidated report did not indicate each TEC member's score but only contained the final score discussed and agreed by all members. However, these discussions were not documented.

38. The consolidated report formed the basis for a technical note signed by only two members (the SSU provincial coordinator and the STAREC provincial head) summarizing the discussions and justification for the selected proposal. Similar to preparing the consolidated report, the process did not require all members to validate the technical note, which was used as the basis for awarding project contracts. The absence of evidence of validation by all TEC members hindered the transparency and impartiality of the technical evaluation process. For example, on 31 October 2020, an anonymous complaint alleged that the project selection process was tainted with corruption and favouritism in selecting a \$3 million project partner. At the time of the audit, the allegation was under investigation.

39. For the 12 projects valued at \$26.4 million selected by OIOS for review, SSU provided the consolidated reports and technical notes for 11 of them. However, a review of the consolidated evaluation reports for the 11 projects showed that: (a) no TEC member signed the reports to acknowledge the validity and accuracy of the evaluation reports; (b) only the SSU provincial coordinator and the head of STAREC signed the technical notes. In addition, for the 12th sampled project, SSU did not provide the audit with documents evidencing a technical evaluation, nor could it not justify why the documentation was missing. This project was discussed earlier in paragraphs 34 and 35, where the SSU Monitoring and Evaluation Team also found significant implementation issues.

40. The above occurred due to deficiencies in the evaluation/project selection process and inadequate supervision by the Head of the SSU over the activities of the Technical Secretariat. In addition, the lack of

proper documentation compromised the transparency of the evaluation process and led to allegations of favouritism which prevented the effective delivery of the SSU mandate.

(8) MONUSCO should ensure that the Stabilization Support Unit: (a) regularly assesses implementing partners' performance and capacity; (b) establishes a database of implementing partners containing all relevant information to support selection decisions by the Technical Evaluation Committee (TEC); (c) develops and implement formal procedures for submitting and documenting individual evaluation ratings, consolidated evaluation reports and technical notes; and (d) requires all TEC members validate and sign the consolidated evaluation report and technical notes to foster transparency and guarantee confidence in the process.

MONUSCO accepted recommendation 8 and stated that the Technical Evaluation Committee review process would comply with OIOS recommendations to ensure effective monitoring of all implementing partners, including establishing a database in collaboration with the Mission's Project Monitoring Unit and adequate administrative procedures.

Need for adequate project monitoring and evaluation

41. Project monitoring, evaluation, and reporting mechanisms are essential to ensure compliance with established requirements and quality standards to achieve desired results and impact. The SSU Monitoring and Evaluation Team is responsible for project monitoring activities, and implementing partners are required to submit regular project narrative reports to the SSU Technical Secretariat.

42. From August 2016 to August 2019, SSU outsourced all project monitoring and evaluation activities to an external consulting firm due to its lack of capacity. SSU used the external firm's monitoring system for all 20 projects implemented during that period. In September 2019, SSU established a Monitoring and Evaluation Team that evaluated the outsourced monitoring system. OIOS' review of the evaluation report showed that the outsourced system had significant flaws, including a lack of project data from implementing partners, anti-fraud mechanisms, independent field visits and project implementation status updates. Furthermore, there was no project financial reporting, low data quality assurance and inadequate monitoring/reporting tool. As a result, in August 2020, SSU developed a new monitoring system (the Stabilization Monitoring System) enabling the Unit to generate timely information for continuous programme management. The Stabilization Monitoring System tools included baseline and end-line studies, interim data collection and data and output verification.

43. Despite introducing the new system, there was still inadequate project monitoring by the Monitoring and Evaluation Team. SSU did not independently monitor and verify activities and progress implementation of the 12 projects reviewed by OIOS. Instead, the Team relied on progress reports submitted by implementing partners.

44. Additionally, the Monitoring and Evaluation Team members did not possess the technical and engineering skills to assess the quality and materials used in infrastructure projects that are highly susceptible to fraud risk. This precluded the Monitoring and Evaluation Team from evaluating the quality and appropriateness of construction activities during their monitoring visits. Therefore, there was a need for SSU management to develop a better working relationship with the MONUSCO Engineering Section to include the participation of field engineers in the Monitoring and Evaluation Team's visits to assess the quality and appropriateness of ongoing construction projects.

45. Furthermore, at the time of the audit, the National Funding Board charged with oversight over SCF had yet to act on three implementing partners, awarded projects totaling about \$19 million, that were

suspected of fraudulent activities following monitoring activities. Also, SSU did not use the results of monitoring and evaluation activities and reports to inform project selection decisions as poor-performing implementing partners and/or those suspected of fraud were awarded subsequent projects. Therefore, SSU management needed to integrate the shortcomings and issues identified by the Monitoring and Evaluation Team into its decision-making process to ensure the selection of capable implementing partners.

46. The Monitoring and Evaluation Team received the implementing partners' work plan budgeted expenditures, but it could not verify the partners' financial compliance with the deliverables in the contract. Specifically, the Monitoring and Evaluation Team could not link project expenditures to outputs to ensure value for money, a critical step in monitoring project implementation. The Team only had access to the total budget and expenditure figures but not the details of project-level activities and corresponding expenditures. SSU attributed this to the lack of coordination between the Mission Finance and Budget Section and the SSU Monitoring and Evaluation Team. OIOS' review also established that SSU had no collaboration with the Finance and Budget Section to obtain expenditure details or seek assistance for analysis.

(9) MONUSCO should: (a) adequately monitor project implementation to verify the accuracy of the implementing partners' reports and the quality and compliance of their project implementation; (b) integrate the problems or issues identified by the Monitoring and Evaluation Team into the management decision-making process; and (c) strengthen the coordination with other Mission components to improve the monitoring and evaluation function by ensuring engineering and finance support to the Team to verify project quality and reported expenditure.

MONUSCO accepted recommendation 9 and stated that the review of the SCF future would recommend a revised monitoring and evaluation system, which would strengthen performance and outcome indicator reporting. This would support SCF management and leadership in making timely and appropriate project decisions regarding financial compliance, achieving project objectives and taking corrective actions. All new projects would include mid-term independent reviews to improve accountability and learning.

IV. ACKNOWLEDGEMENT

47. OIOS wishes to express its appreciation to the management and staff of MONUSCO 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 Stabilization Support Unit in the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo

Rec. no.	Recommendation	Critical/ Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
1	MONUSCO should take adequate steps to ensure that: (a) Mission leadership provides effective oversight of the Stabilization Support Unit; and (b) the Office of the Deputy Special Representative of the Secretary-General (Resident Coordinator/Humanitarian Coordinator) regularly reviews and follows up on operational activities and stabilization initiatives to enhance accountability for programmatic activities.	Important	O	Receipt of evidence of Mission leadership's regular reviews of and follow-up on stabilization initiatives and Unit's programmatic activities.	15 December 2022
2	MONUSCO should: (a) develop an annual work plan for the Stabilization Support Unit that clarifies the roles and responsibilities of the Unit staff, and main tasks to be completed within set deadlines and reporting requirements; and (b) establish performance indicators to measure, monitor and report on achievements.	Important	O	Receipt of evidence that an adequate SSU work plan, with reporting requirements and performance indicators has been developed and is being implemented.	1 November 2022
3	MONUSCO should formalize the operational reporting lines of the Stabilization Support Unit to the Heads of Office to foster accountability, efficiency and effective integration of field offices' priorities into similar stabilization initiatives.	Important	O	Receipt of evidence that an effective formalized reporting line of SSU field coordinators to HoOs has been implemented.	15 October 2022
4	MONUSCO should formalize operational arrangements with the United Nations Development Programme and other contributing entities that clearly define each entity's respective roles, responsibilities and accountability, including the	Important	O	Receipt of evidence that formal operational arrangements with UNDP and other stabilization stakeholders have been implemented.	1 January 2023

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 MONUSCO in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Audit of the Stabilization Support Unit in the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo

Rec. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
	reporting and coordination arrangements with the Stabilization Support Unit.				
5	MONUSCO should take steps to: (a) fully integrate the Stabilization Support Unit (SSU) activities with other Mission stabilization activities to ensure synergies and prevent duplication of efforts; and (b) ensure that SSU timely communicates stabilization support requirements with Mission leadership to enable political engagement at the national and provincial levels.	Important	O	Receipt of evidence of adequate integration of SSU activities with other Mission stabilization activities and a mechanism to ensure timely communication of stabilization support requirements to Mission leadership.	15 October 2022
6	MONUSCO should ensure that the Deputy Special Representative of the Secretary-General (Resident Coordinator/Humanitarian Coordinator) coordinates with the co-chair of the National Funding Board to develop and implement mechanisms to ensure adequate oversight of the operations of the Stabilization Coherence Fund.	Important	O	Receipt of evidence that adequate oversight mechanisms of SCF operations have been implemented.	1 January 2023
7	MONUSCO should ensure that the Stabilization Support Unit expedites the evaluation of the Stabilization Coherence Fund to determine its impact, identify lessons learned and make necessary improvements to influence programme implementation.	Important	O	Receipt and review of the SCF evaluation report and action plan resulting from the all-stakeholder workshop.	1 December 2022
8	MONUSCO should ensure that the Stabilization Support Unit: (a) regularly assesses implementing partners' performance and capacity; (b) establishes a database of implementing partners containing all relevant information to support selection decisions by the Technical Evaluation Committee (TEC); (c) develops and implement formal procedures for submitting and documenting individual evaluation ratings, consolidated evaluation reports and technical notes; and (d) requires all TEC members validate and sign the consolidated evaluation report	Important	O	Receipt of evidence: (a) of action taken to ensure regular assessment of implementing partners' performance and capacity and that a database of implementing partners has been established; (b) that formal procedures for submitting and documenting individual evaluation ratings, consolidated evaluation reports, and technical notes are established and implemented; and (c) of action taken to ensure all TEC members validate and sign the consolidated evaluation report and technical notes.	1 June 2023

STATUS OF AUDIT RECOMMENDATIONS

Audit of the Stabilization Support Unit in the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo

Rec. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
	and technical notes to foster transparency and guarantee confidence in the process.				
9	MONUSCO should: (a) adequately monitor project implementation to verify the accuracy of the implementing partners' reports and the quality and compliance of their project implementation; (b) integrate the problems or issues identified by the Monitoring and Evaluation Team into the management decision-making process; and (c) strengthen the coordination with other Mission components to improve the monitoring and evaluation function by ensuring engineering and finance support to the Team to verify project quality and reported expenditure.	Important	O	Receipt of evidence of adequate project monitoring and integration of identified monitoring issues into the management decision-making process and coordination with other Mission components to improve monitoring and evaluation of projects.	1 June 2023

APPENDIX I

Management Response

Management Response

Audit of the Stabilization Support Unit in the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	MONUSCO should take adequate steps to ensure that: (a) Mission leadership provides effective oversight of the Stabilization Support Unit; and (b) the Office of the Deputy Special Representative of the Secretary-General (Resident Coordinator/Humanitarian Coordinator) regularly reviews and follows up on operational activities and stabilization initiatives to enhance accountability for programmatic activities.	Important	Yes	DSRSG-RC- HC	15 December 2022	<ul style="list-style-type: none"> Deputy Special Representative of the Secretary-General Resident Coordinator/Humanitarian Coordinator (DSRSG-RC-HC) organizes monthly meetings with all Stabilization Support Unit (SSU) staff to review the progress on workplan, listen to staff views and concerns. All meetings are documented. DSRSG-RC-HC holds regular meetings with the Principal Coordinator of SSU and both the UNDP resident representative and the head of UNDP Stabilization Pillar to follow-up on the progress and exchange views on the way forward including on future plans to restructure the SSU (see below). DSRSG-RC-HC reviews the SSU periodical reports and

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 Stabilization Support Unit in the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						discuss with the unit management to seek clarification and improvement as it deems fit. A Principal Coordinator Officer at the level of D-1 was recruited to reinforce the oversight of the SSU.
2	MONUSCO should: (a) develop an annual work plan for the Stabilization Support Unit that clarifies roles and responsibilities of the Unit staff, main tasks to be completed within set deadlines and reporting requirements; and (b) establish performance indicators to measure, monitor and report on achievements.	Important	Yes	SSU Principal Coordinator	1 November 2022	An all-staff retreat will be organized under the leadership of both the Principal Coordinator of SSU and his deputy team leader (UNDP) to develop a new organigram that will define the structure of the management of the SSU with clear reporting lines, roles and responsibilities as well as workplan that defines the scope (including geographically) and the performance indicators. The plan and the organigram will be validated by the DSRSG-RC-HC, in consultation with the Special Representative of the Secretary-General (SRSG).
3	MONUSCO should formalize the operational reporting lines of the Stabilization Support Unit to the Heads of Offices to foster accountability, efficiency, and effective integration of field offices' priorities into similar stabilization initiatives.	Important	Yes	DSRSG-RC-HC & SSU Principal Coordinator	15 October 2022	<ul style="list-style-type: none"> In August 2022, the DSRSG-RC-HC informed SSU staff members that SSU field coordinators will report directly to their respective MONUSCO Head of Offices, while maintaining a second reporting line to the

Management Response

Audit of the Stabilization Support Unit in the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>Principal Coordinator officer of the SSU.</p> <ul style="list-style-type: none"> • A new organigram will be developed and shared with all SSU- MONUSCO staff with clear reporting lines in terms of First and Second Reporting Officers. • DSRSG-RC-HC will send official notification to Deputy Special Representative of the Secretary-General for Protection and Operations (DSRSG-PO) and Head of Offices to inform them with the new organigram of SSU and the reporting lines.
4	MONUSCO should formalize operational arrangements with the United Nations Development Programme and other contributing entities that clearly define each entity's respective roles, responsibilities, and accountability, including the reporting and coordination arrangements with the Stabilization Support Unit.	Important	Yes	DSRSG-RC-HC SSU Principal Coordinator	1 January 2023 ³	<ul style="list-style-type: none"> • In support of the MONUSCO transition process, a stabilization inter-agency joint Programme is currently under development. • Under the full oversight of the SRSR and DSRSG-RC-HC, a new concept note will clarify the institutional arrangements, roles and

³ The negotiations of a Joint Programme will involve a large number of stakeholders, and this date should be indicative only.

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Audit of the Stabilization Support Unit in the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						responsibilities between MONUSCO and UNDP and other gratis personnel taking into account the provisions of operative paragraph 51 of UN Security Council resolution 2610 (2021)
5	MONUSCO should take steps to: (a) fully integrate the Stabilization Support Unit (SSU) activities with other Mission stabilization activities to ensure synergies and prevent duplication of efforts; and (b) ensure that SSU timely communicates stabilization support requirements with Mission leadership to enable political engagement at the national and provincial levels.	Important	Yes	SSU Principal Coordinator	15 October 2022	A Joint MONUSCO-UN Country Team (UNTC) coordination mechanism has been set up in June 2022 under the leadership of both DSRSG-PO and the DSRSG-RC-HC to ensure effective coordination and coherence among mission components, including field offices and the UNCT on the overall support to the Programme de Désarmement, Démobilisation, Relèvement, Communautaire et Stabilisation (P-DDRCS). SSU, under the full leadership and oversight of the DSRSG-RC-HC, will be taking the role of technical coordination of this Joint MONUSCO-UNUNCT Coordination Mechanism.
6	MONUSCO should ensure that the Deputy Special Representative of the Secretary-General (Resident Coordinator/ Humanitarian Coordinator) coordinates with the co-chair of the National Funding	Important	Yes	DSRSG-RC-HC & SSU Principal Coordinator	1 January 2023	<ul style="list-style-type: none"> On 23 May 2022 the DSRSG-RC-HC co-chaired with the Prime Minister the meeting of the national Steering Board (SB) of the

Management Response

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Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	Board to develop and implement mechanisms to ensure adequate oversight of the operations of Stabilization Coherence Fund					<p>Stabilization Coherence Fund (SCF) and is closely following up with the SSU management on the implementation of the decisions of the SB including by ensuring effective oversight of the funds allocations in accordance with the established operation manual.</p> <ul style="list-style-type: none"> • Further steps will be taken to reinforce transparency in the project and implementing partners selection process including by updating the composition and the rules of procedures of the Technical Evaluation Committee in close coordination with the Multi Partner Trust Fund Office of UNDP in New York.
7	MONUSCO should ensure that the Stabilization Support Unit expedites the conduct of the evaluation of the Stabilization Coherence Fund to determine its impact, identify lessons learned and make necessary improvements to influence programme implementation	Important	Yes	DSRSG-RC- HC SSU Principal Coordinator	1 December 2022	<ul style="list-style-type: none"> • The UNDP terminated a summative independent evaluation of the SCF. The preliminary findings have been shared with the members of the Steering

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Audit of the Stabilization Support Unit in the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>Board and will be soon shared widely.</p> <ul style="list-style-type: none"> • The donors are also conducting two separate strategic reviews to advise on the future options for the fund. • Under the leadership of the DSRSG-RC-HC, SSU will organize an all-stakeholder workshop to discuss the findings of the three evaluations and agree on the way forward.
8	The Stabilization Support Unit should: (a) regularly assess implementing partners' performance and capacity; (b) establish a database of implementing partners containing all relevant information to support selection decisions by the Technical Evaluation Committee (TEC); (c) develop and implement formal procedures for submitting and documenting individual evaluation ratings, consolidated evaluation reports, and technical notes; and (d) ensure all TEC members validate and sign the consolidated evaluation report and technical notes to	Important	Yes	SSU Principal Coordinator (in cooperation with UNDP)	1 June 2023 ⁴	The process of review of the Technical Evaluation Committee will follow the OIOS recommendations to ensure an effective monitoring of all implementing partners, including the establishment of a database, in cooperation with the MONUSCO Programme Management Unit (PMU) and adequate administrative procedures.

⁴ Process to be done in consultation with the Steering Board members and other relevant stakeholders. The dates are therefore indicative.

Management Response

Audit of the Stabilization Support Unit in the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	foster transparency and guarantee confidence in the process.					
9	MONUSCO should: (a) adequately monitor project implementation to verify the accuracy of the implementing partners' reports and the quality and compliance of their project implementation; (b) integrate the problems or issues identified by the Monitoring and Evaluation Team into the management decision-making process; and (c) strengthen the coordination with other Mission components to improve the monitoring and evaluation function by ensuring engineering and finance support to the team to verify project quality and reported expenditure.	Important	Yes	SSU Principal Coordinator (in cooperation with UNDP Stabilization Pillar)	1 June 2023 ⁵	<ul style="list-style-type: none"> • A revised Monitoring and Evaluation (M&E) System will be among the recommendations of the review of the future of the SCF. • The new M&E system will reinforce the reporting of performance and outcome indicators in a simplified and precise way to support the management and the leadership of the SCF (Prime Minister and DSRSR-RC-HC) to take timely and appropriate decisions on projects with regard to their financial compliance (accountability) and also to understand whether the projects are following their pathways toward achieving their intended objectives and what might be done to correct their course of action. All new projects will include mid-term independent

⁵ Ibid.

Management Response

Audit of the Stabilization Support Unit in the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo

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						reviews to strengthen accountability and learning.