

Fund Management & HACT

Regional Information Exchange Meeting
Bangkok, 8th November 2010
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Presentation Outline



Type of Joint Programme Modality



A Way Forward?



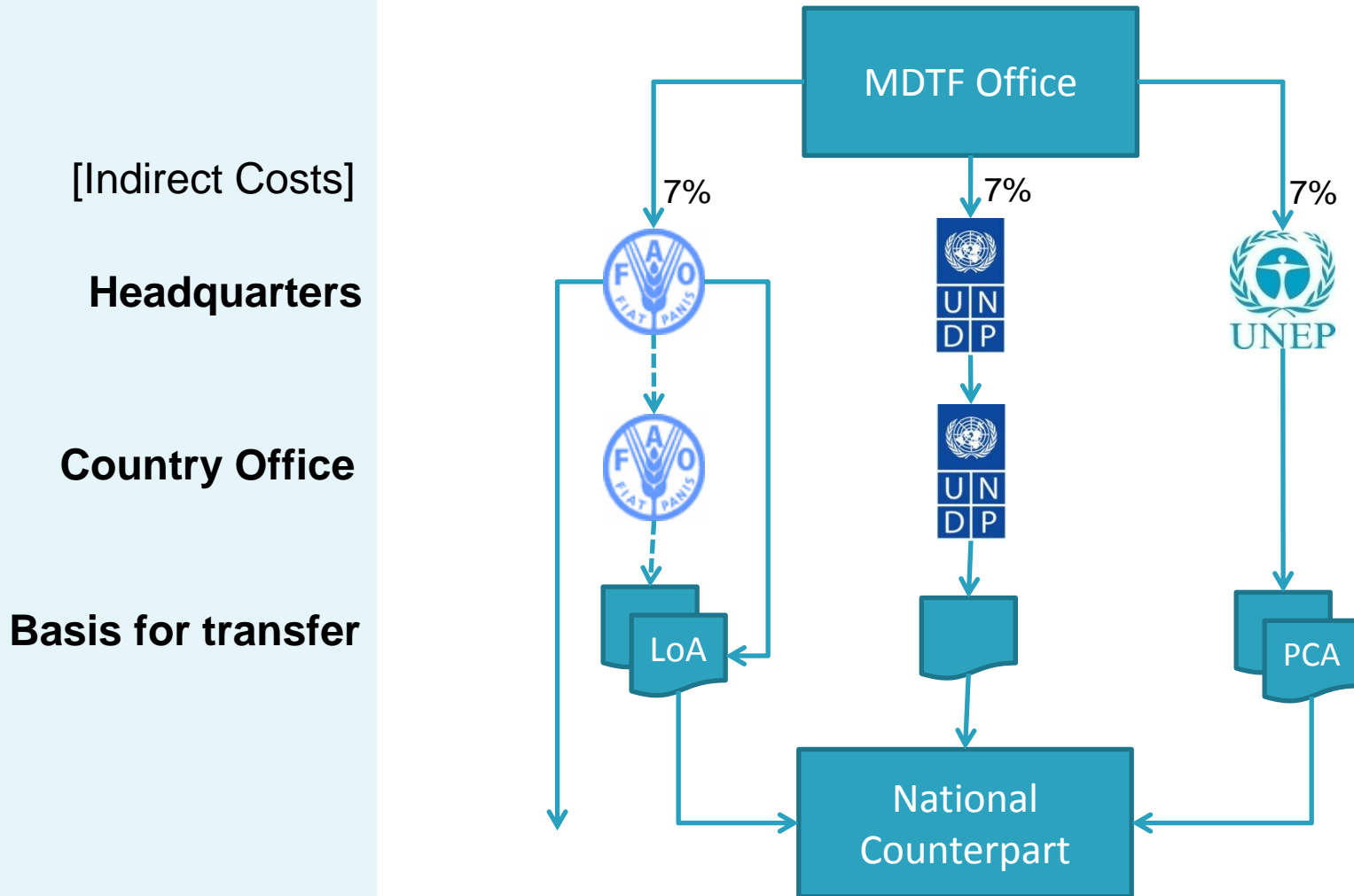
Fund Management Modality (HACT)



Type of Joint Programme Modality

Lessons from Quick-Start Pilots

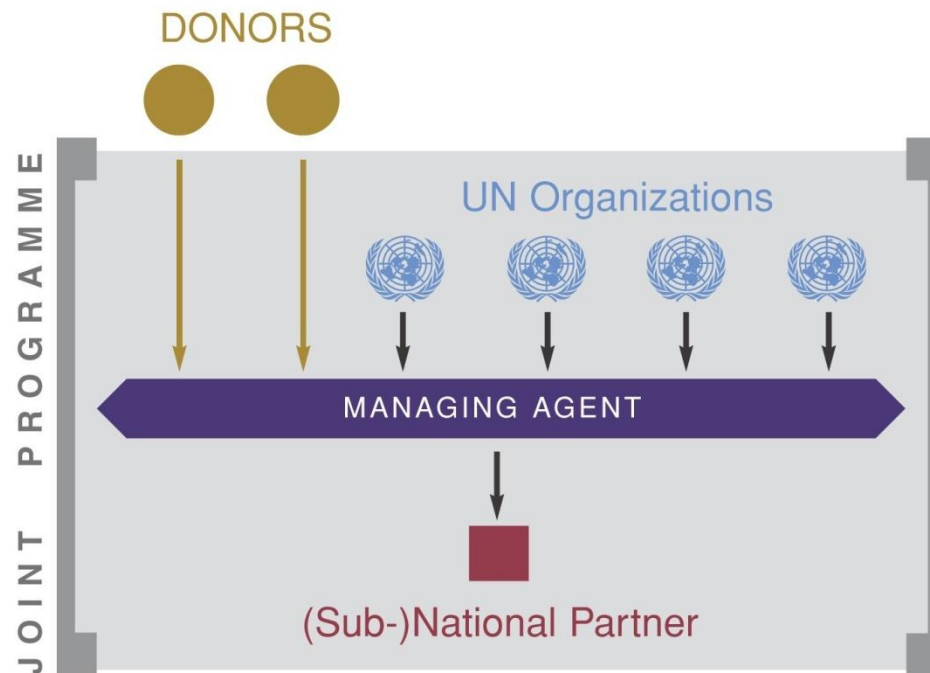
Pass-Through Modality





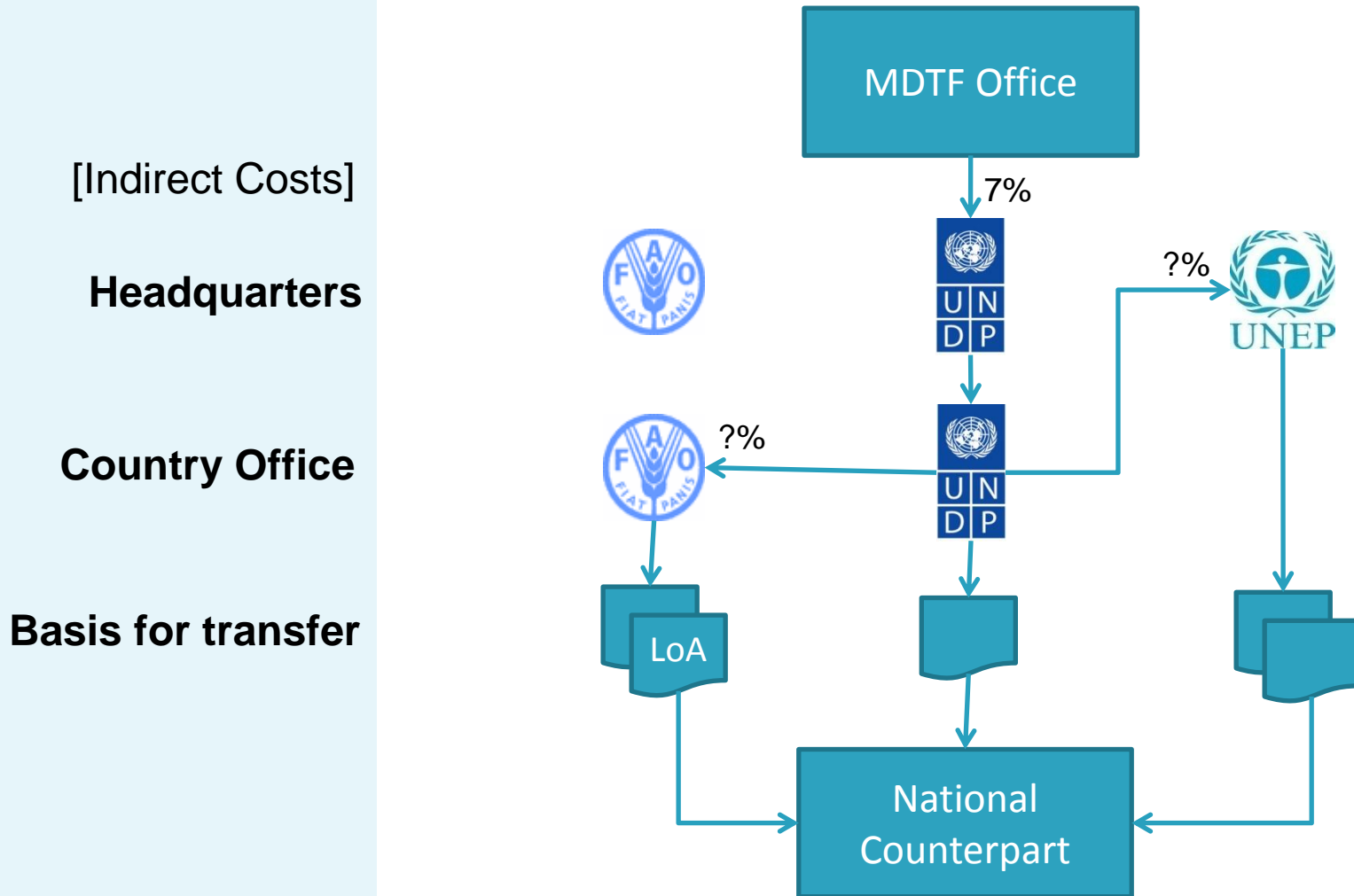
Pooled Modality - good in theory

Graphic illustration of fund management
for a Joint Programme with Pooled Funding





Pooled Modality – bad in practice





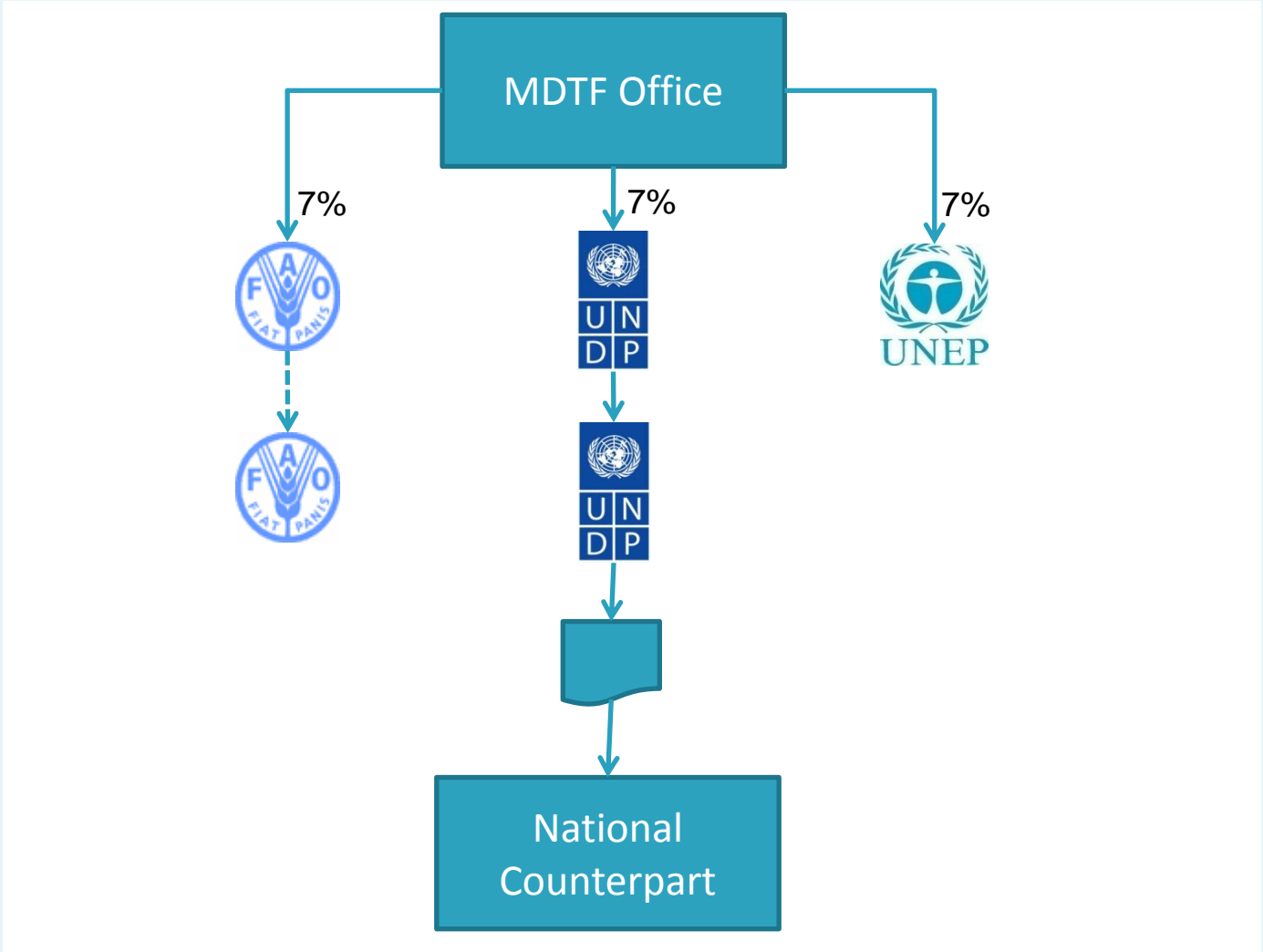
A Way Forward?

[Indirect Costs]

Headquarters

Country Office

Basis for transfer





Objectives of HACT

Harmonized Approach to Cash Transfers

- Simplify procedures
- Reduce transaction costs
- Promote reliance on national systems
- Focus more on capacity development
- Increase overall effectiveness of UN operations in the field



Why use HACT for UN-REDD

- Same objectives!
- Obligatory for UNDP
- Element of the UN's "Delivery as One" reform agenda
- FAO and UNEP have made corporate decisions to use HACT for UN-REDD
- HACT already exists, is familiar to governments, and has established practices and procedures
- See <http://www.undg.org/index.cfm?P=255#s3> for all the details and tools
- And your UNDP Country Offices will know more!



HACT Elements

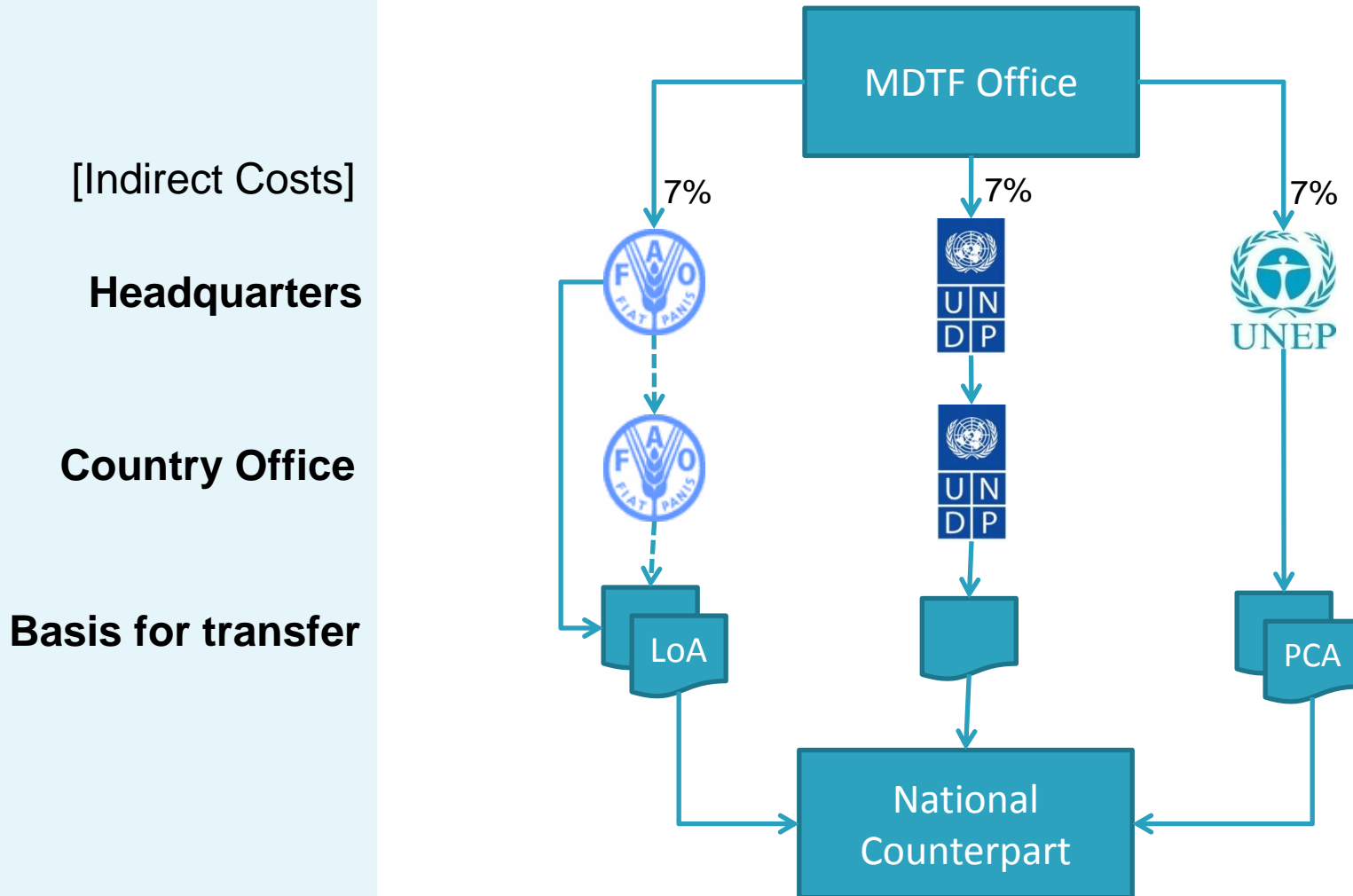
- Takes a risk-assessment approach
- Macro Assessment
- Micro Assessment
- Assurance Measures



4 Possible HACT Modalities

<i>Modality</i>	<i>Obligation</i>	<i>Payment</i>
Direct Cash Transfer	Government/NGO	Government/NGO
Direct Payment	Government/NGO	Agency
Reimbursement	Government/NGO	Government/NGO
Agency Implementation	Agency	Agency

Pass-Through Modality





Harmonization: Modalities or Procedures?

- Mix of modalities provides for flexibility;
- Choice of modality depends on assessment of risk and experiences;
- UN-REDD Agencies have agreed to use the same modality;
- Diverse procedures generate high transactions costs;
- Agencies should use same forms and reporting procedures



Procedures to be harmonized:

- ✘
 - Disbursements (basis and periodicity)
- ✓
 - Reporting on cash utilization
- ✓
 - Assurance

www.un-redd.org

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