UN-REDD PROGRAMME

Cost implications associated to different levels of reporting

UN-REDD Programme Tenth Policy Board Meeting

June 2013, Lombok, Indonesia

Response to request by the Policy Board at its 9th Meeting to outline costs for reporting at different levels;

"The Board requested the Secretariat to provide information on the possibilities of financial reporting by the UN-REDD Programme, including at activity level, and present the cost implications associated to the different levels of reporting (outcome, output and activity level)".

Current Programme Reporting: Output level

National Programmes

Narrative

- Key achievements reported against outputs and outcomes in the Monitoring Frameworks in each NP Document.

Financial

- Consolidated report: figures at 'project level'.
- Individual NP reports (Annexes): outcome level.

Global Programme – SNA

Narrative

- Key achievements (narrative) reported against outputs in the SNA Monitoring Framework.

Financial

- Consolidated report: 'project level' and outcome level
- SNA annex: output and outcome levels.

Harmonization

At PB7, the Board welcomed the new reporting template for NP. SNA report contents developed similarly.

Availability of information in the UN-REDD Agencies

Each agency has:

- a corporate system that stores and manages financial information. Every single expenditure is recorded and accounted for, and the reporting is usually done at the project level, by input categories (personnel, travel, contracts, supplies etc...);

- means to retrieve more detailed evidence based information when required (ex: during internal and external evaluations/audits);

- its own monitoring and reporting requirements against **organisational results**; and

- its own regulations, policies and procedures, as well as account categories and individual computerized systems – "**One UN, but not one ICT system**".

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Information flow in reporting process

- MPTF Office receives financial information on the UN-REDD Programme account from the controller of each agency, which provides the official figures at 'project' level in the harmonized budget categories.

- Figures at outcome and output level are cross-checked against official figures at 'project' level and reconciled.

- Disaggregation below 'project' level is available in agency specific reporting categories.

- Each agency creates:

  - routines for pulling out information from the agencies' financial systems and consolidate at outcome and output level.

  - Each agency creates routines for attending further requests by the UN-REDD Secretariat. Ex. SNA categories of support are manually recorded/reported.

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Costs implication – financial reporting at activity level

Direct cost estimate for additional agency personnel at HQ and Secretariat

Estimated additional cost, annually: US$840,000

Other requirements would include:

- Increased staff time of technical HQ, regional and country staff for providing detailed inputs, analyses/linkages to broader context, correcting errors (higher risk of errors if manual work is needed), etc.
- Increased support by other agency departments involved - legal, financial and evaluation support. (Extra cost in addition to indirect support costs).
- Additional ICT needs not included in agencies' standard ICT plans\budgets.

CONCLUSION

Report as a management tool

- UN-REDD Programme's results based framework has undergone improvements and continues to be strengthened; The consolidated annual report (National Programmes and SNA) is presented as a tool to assist the decision making of Policy Board members and the Strategy and Management Groups.

Efficiency and effectiveness

- The current financial level enables the timely incorporation of findings, recommendations and lessons into the decision-making processes of the Programme.

Overall performance and knowledge sharing

- Reporting at activity level might jeopardize the role of the report as an instrument for strategic and operational decision-making, besides due to its comprehensiveness. Besides, presentation will become cumbersome (number of pages etc) and associated costs will increase accordingly (ex. translation).

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Thank You

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Table 1. Personnel costs for current financial reporting level in comparison with additional costs should activity level be introduced.

Agency	Current financial reporting - Outcome and Output level		Should activity level be introduced			
	Description of personnel	Personnel costs annually (US$)	Description of personnel required (increase with assumption that no change in ICT system)	Personnel (#)	Additional personnel costs, annually - estimate (US$)	(Gross)
FAO	For monitoring of the budget and financial reports compilation; one Professional staff (Programme Officer) and two General Services budget clerks. (Narrative reports are completed by the technical staff and 5% of the time of an admin operations staff member).	407,384	Increase in human resources required to exclusively monitor the budget. Given the laborious manual work in allocating each expenditure per indicative activity (which are not costed at the approved budget that follows the MPTF template), it would be necessary to recruit two General Services staff to support the team for all operational/ admin issues and one consultant to support the Programme Officer.	2 GS and 1 consultant, Rome based	220,000	
UNDP	One staff (GS category) is responsible for the monitoring of the budget and the financial reports. Narrative reports are completed and compiled by the technical staff.	148,000		1 GS, Geneva based	148000	
UNEP	Consultant, Two Professional Officers (Finance and Programme Officers) and two finance assistants.	400,000	One consultant to create and maintain a system that translates the financial information from our current system to activity level reporting. The two finance assistants to support the finance officer in extracting the expenditures from the current system and input in the activity based system. The Programme and Finance Officers to allocate the expenditures to the corresponding activity.	2 GS (finance assistance) and 1 consultant, Nairobi based	328000	
Secretariat	For monitoring of the budget and financial report consolidation, about 40% of the time of 1 P2 professional staff	76,800	If the Secretariat is expected to consolidate various layers of activity expenditures for the three agencies, then recruitment of an additional general service staff to support the P2 will be required.	1 GS, Geneva based	148000	
Total cost (US$)		**1,032,184**		**6 GS, 2 consultants**	**844,000**	

These costs excludes cost of ICT system which will be required in order to extract and report at the different levels.