

# National Joint Programmes: Guidance for Fund Management Arrangements

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UN-REDD PROGRAMME

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Draft for Discussion

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## Introduction

This Note responds to two concerns regarding the way UN-REDD National Joint Programmes (NJPs) are to be implemented, namely:

1. NJPs will be directly implemented by the UN Agencies, with limited leadership or ownership by the REDD countries themselves
2. NJPs are not really a 'joint programme' but will be implemented as three separate and distinct distribution streams from the UN Agencies. The burden for ensuring coordination will fall to the national implementing partners.

The Note sets out the UN-REDD Programme approach to the fund management arrangements for National Joint Programmes (NJPs). Its primary objective is to guide FAO, UNDP and UNEP teams supporting NJPs, however it also goes some way to responding to the implementation concerns that have been raised.

## National Joint Programme Implementation

In the implementation of the NJPs, the UN-REDD Programme has three aims:

1. To assist developing countries 'get ready' to participate in a future REDD mechanism. By doing so, to build confidence in the establishment of such a mechanism
2. To apply the Paris and Accra principles of country ownership and leadership in order to build confidence in the establishment of a REDD mechanism
3. To be at the forefront of UN Agency joint programming, in terms of delivering truly coordinated and harmonized NJPs that limit transaction costs for recipient countries and maximize delivery benefits. Efforts will be based upon, and extend, the approaches developed and agreed by the UN Development Group (UNDG)<sup>1</sup>

The modality for achieving these aims is "joint programming". Joint programming is the collective effort through which the UN organizations and national partners work together to prepare, implement, monitor and evaluate the activities aimed at effectively and efficiently achieving the Millennium Development Goals (MDGs) and other international commitments arising from UN conferences, summits, conventions and human rights instruments.

A National Joint Programme (NJP) is a set of activities contained in a common work plan and related budget, involving two or more UN organizations and (sub-)national partners. The work plan and budget will form part of a joint programme document, which will also detail roles and responsibilities of partners in coordinating and managing the joint activities. The joint programme document is signed by (sub-)national partners and all participating organizations.

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<sup>1</sup> **The UN Development Group (UNDG)** unites the UN funds, programmes, agencies, departments, and offices that play a role in development. The group's common objective is to deliver more coherent, effective and efficient support to countries seeking to attain internationally agreed development goals, including the Millennium Development Goals. See [www.undg.org](http://www.undg.org)

In addition, the UN Participating Organizations of the UN-REDD Programme are working towards following principles specifically for UN-REDD NJPs:

- *Prima facie*, NJPs shall be nationally implemented and build on previous UN experience implementing joint and other programmes
- As per the Accra Agenda for Action, partner country systems will be used as the first option, rather than UN Agency systems
- The process for determining how funds are to be disbursed will be the UNDG's Harmonized Approach to Cash Transfers (HACT)<sup>2</sup>
- All funds transferred to the implementing partners will be transferred in a consistent manner, which is ultimately determined at the country level
- Modalities for managing funds will be determined based upon the circumstances of each country

### Harmonized Approach to Cash Transfers (HACT)

Harmonizing the way funds are distributed from UN Agencies means national implementing partners will use common forms and procedures for requesting funds and reporting on fund utilization. This is an existing modality agreed within the UNDG.

HACT does not create a binary choice of either national implementation or UN Agency implementation. Instead it provides a range of obligation and payment responsibilities commensurate with the assessed risks. There are also varying levels of obligations. The nature of the agreed responsibilities and obligations will depend on the assurance measures that can be put in place.

Four cash transfer modalities may be considered:

1. *Direct cash transfers* to Implementing Partners, for obligations and expenditures to be made by them in support of activities agreed in annual work plans (AWPs);
2. *Direct payments* to vendors and other third parties, for obligations incurred by the Implementing Partner in support of activities agreed in AWPs;
3. *Reimbursement* to Implementing Partners for obligations made and expenditure incurred by them in support of activities agreed in AWPs;
4. *Direct UN agency implementation* through which the UN Agency makes obligations and incurs expenditure in support of activities agreed in AWPs.

A **Quick Guide** to the harmonized approach to cash transfers to Implementing Partners is available.

### Fund Management Modalities

#### Pass-Through Mechanism

The UN-REDD Programme was designed to apply the pass-through approach to fund management for NJPs. This is the predominant fund management modality used by UN-administered Multi-Donor Trust Funds<sup>3</sup>. As set out in the UN-REDD MOU<sup>4</sup>, FAO, UNDP and UNEP are accountable under this modality for the funds allocated to them in each NJP by the Policy Board.

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<sup>2</sup> See [www.undg.org/index.cfm?P=255](http://www.undg.org/index.cfm?P=255)

<sup>3</sup> See [www.undp.org/mdtf](http://www.undp.org/mdtf) for details of other Multi-Donor Trust Funds

To ensure coordination of the UN Agency inputs at the national level, countries may decide to establish a Programme Management Unit (PMU). In such a case, the NJP would fund a National Coordinator with sufficient responsibility to manage the implementation of the NJP across UN Agency allocations and funding streams. The National Coordinator shall work closely with the national implementing partners and the UN Resident Coordinator to ensure the cohesion of the NJP.

### **Common Financial Interface (CFI) Modality**

In order to further simplify fund transfers, the lead national implementing partners and the UN Participating Organizations of the UN-REDD Programme may consider options that extend the joint programme approach beyond the pass-through modality. A Common Financial Interface (CFI) modality may be considered where a country considers the administrative burden of the pass-through modality outweighs its benefits<sup>5</sup>.

Under this modality, while the UN Agencies are still responsible for the implementation of their components of the NJP (as allocated by the Policy Board), funds will be transferred to national implementing partners through one UN Agency. National implementing partners will receive funds in accordance with only one UN Agency's contractual procedures and only have to report to one UN Agency.

### **UN-Agency Obligations**

Direct UN Agency implementation shall generally only apply in the following cases:

- When determined as most appropriate, following the HACT process of assessments;
- When requested by the lead national implementing agency and agreed by the UN Resident Coordinator and UN Agency; or
- When agreement is reached between the UN Agency and the lead national implementing agency that the necessary technical assistance resides within the UN Agency

For direct UN Agency implementation, the following practices shall be respected:

- Share TORs with the implementing partners for their comments/input and eventual endorsement. In addition, CVs of identified consultants should be shared with the government/counterparts for endorsement
- For the national consultants, the implementing partners provide the initial list and CVs of potential national consultants
- Consultant deliverables need to be cleared by the national implementing partner before UN Agency approval

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<sup>4</sup> Available at [www.undp.org/mdtf/UN-REDD/overview.shtml](http://www.undp.org/mdtf/UN-REDD/overview.shtml)

<sup>5</sup> As determined by the lead national implementing partner in conjunction with the UN Resident Coordinator, FAO, UNDP and UNEP country teams, and the UN-REDD mission team.