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INTEROFFICE MEMORANDUM

MEMORANDUM INTERIEUR

OFFICE OF INTERNAL OVERSIGHT SERVICES · BUREAU DES SERVICES DE CONTRÔLE INTERNE

INTERNAL AUDIT DIVISION · DIVISION DE L'AUDIT INTERNE

TO: Mr. Sha Zukang, Under-Secretary-General  
A: Department of Economic and Social Affairs

DATE: 19 October 2009

REFERENCE: IAD: 09- 03040

THROUGH:  
S/C DE:

*Fatoumata*

FROM: Fatoumata Ndiaye, Acting Director  
DE: Internal Audit Division, OIOS

SUBJECT: **Assignment No. AN2009/540/2 – Audit of the management of DESA's technical cooperation projects in the Democratic Republic of Congo (ZAI00004; ZAI08001, ZAI08002)**

1. OIOS initiated an audit of the management of DESA's technical cooperation projects in the Democratic Republic of Congo (DRC) in August 2009. The audit team held several meetings with DESA staff including Mr. Roberto Villarreal Gonda, Chief, Socio-Economic Governance and Management Branch. The team also reviewed documentation related to the projects, including mission reports, periodic reports, financial documents, CTA final reports and an external evaluation report.

2. The main focus of the audit was project ZAI/00/004 (National Emergency Programme to strengthen economic management capacity and administrative governance) funded by UNDP and executed by DESA with total expenditures of about \$8 million. The audit also reviewed projects ZAI/08/001 (Economic Governance) and ZAI/08/002 (Administrative Governance) executed by UNDP with components for targeted technical assistance to be provided by DESA and UNDP to the Government of DRC with budgets of \$85,000 and \$123,000, respectively.

3. The audit planning activities found that project ZAI/00/004 was closed in March 2008. The DESA Chief Technical Advisor had handed over project documents to UNDP in March 2008 and subsequently left the country. In addition to discussions with management, the audit reviewed an external evaluation of the project commissioned by DESA which took place in March and April 2007. The objectives of the evaluation were to: (1) assess the project accomplishments and its impact in terms of improving the national capacity to manage government activities; (2) assess the adequacy of the programme formulation strategy in the context of the ongoing crisis between 1998 and 2001; (3) determine the strengths and the challenges faced during the implementation of the projects; (4) assess the adequacy of the operational management of the project; and (5) make proposals regarding UNDP strategy for future cooperation with the Government of DRC.

4. Overall, the evaluation concluded that the project had mixed results, taking into consideration the political and socio-economic environment in DRC during the formulation and implementation of the project. Specifically, the evaluation found that: (a) the objectives of the project were too ambitious taking into consideration the general unstable political and security environment; (b) the project engaged in direct assistance to the DRC institutions in their operational activities instead of successfully reinforcing national capacity; and (c) there was a lack of effective coordination among the project's key partners (UNDP, Government of DRC and DESA) which had a negative impact on the performance of the project. The evaluation noted however, that there was substantial improvement in administrative and judicial governance during the second phase of the project, and an improved role of the DRC National Capacity Building Office in its role to reinforce national capacity and to coordinate donor contributions.

5. The evaluation made 18 recommendations including 12 specifically addressed to UNDP for its future programmes, three to the project and three of a general nature. Among them the key recommendations were to: (a) immediately phase out and close the project to allow a quick formulation of the UNDP planned follow-up programme; (b) strengthen advocacy/dissemination of the results of the project towards government authorities and international partners to ensure that they are used before they are outdated; (c) review the political and socio-economic environment prior to formulating a follow up project and determining whether such project is appropriate in a crisis and post-crisis country such as DRC. The evaluation also recommended that an audit be conducted to determine whether resources were used in accordance with UNDP financial procedures.

6. In OIOS' opinion, the evaluation sufficiently addressed the adequacy of the project design, its substantive and operational implementation, as well as its impact. Furthermore, OIOS did not identify any significant financial or substantive risks relating to current DESA activities in DRC. The audit assignment will therefore be closed.

cc: Ms. Haiyian Qian, Director, DPADM  
Mr. Nikolai Zaitsev, Head, Capacity Development Office  
Ms. Marie Oveissi, Officer-in-Charge, Technical Cooperation Management Service  
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