



**THE AUDIT BOARD OF
THE REPUBLIC OF
INDONESIA**



**CORAL TRIANGLE
INITIATIVE**
ON CORAL REEFS, FISHERIES,
AND FOOD SECURITY

AUDIT REPORT

ON THE REGIONAL SECRETARIAT OF THE CORAL TRIANGLE INITIATIVE ON CORAL REEFS, FISHERIES AND FOOD SECURITY FOR THE YEAR 2024

**IN RESPECT OF THE MANAGEMENT AUDIT
ON THE IMPLEMENTATION OF REGIONAL
PLAN OF ACTION 2.0**



TABLE OF CONTENTS

TABLE OF CONTENTS	i
TABLE OF FIGURES	iii
EXECUTIVE SUMMARY	1
A. INTRODUCTION	3
Mandate	3
Audit Objective	3
Audit Scope and Focus	3
Audit Standard	4
Audit Approach and Methodology	4
a. Audit Planning	4
b. Audit Execution (Audit Fieldwork)	4
c. Reporting	4
B. CTI-CFF PLANNING, IMPLEMENTATION, AND MONITORING EVALUATION	5
Planning	7
Implementation	7
Monitoring and Evaluation	7
C. AUDIT FINDINGS AND RECOMMENDATIONS	8
C.1. Planning	8
1) Operationalizing Long Term Financial Strategy and Funding Diversification for the RPOA 2.0.....	9
2) Enhancing CTI-CFF Regional Secretariat Financial Budget Management.....	10
3) Establishing a Risk Management Framework and Optimizing the Role of the Internal Control Committee (ICC) to Strengthen Organizational Resilience	11
4) Accelerating the Finalization and Alignment of NPOAs with RPOA 2.0.....	12
5) Enhancing Monitoring and Evaluation Governance to Align with the RPOA 2.0	13
6) Strengthening the Use of Baselines and Measurable Targets to Enhance Monitoring and Evaluation of RPOA 2.0 Implementation.....	14
7) Strengthening the Alignment of Technical Working Group Frameworks with the RPOA 2.0 for Improved Regional Coordination and Performance Measurement	16
C.2. Implementation	17
8) Revitalizing the Sustainable Business Forum to Expand Partnerships with Stakeholders	17
9) Enhancing the Tracking Mechanism of the CT6 Member Countries’ Implementations Progress.....	19

10) Improving the Implementation of Handover Mechanisms During Staff Transitions	20
C.3. Monitoring and Evaluation	21
11) Establishing a Secretariat Performance Framework to Strengthen Transparency, Institutional Learning, and Strategic Alignment.....	21
D. ACKNOWLEDGEMENTS.....	23
ANNEX	24
List of Acronyms	25

TABLE OF FIGURES

Figure 1. Map of the Coral Triangle	5
Figure 2. Regional Goals of CTI-CFF	6
Figure 3. Structure of CTI-CFF Objectives and Targets.....	7

EXECUTIVE SUMMARY

The Importance of This Audit

The Coral Triangle Initiative on Coral Reefs, Fisheries, and Food Security (CTI-CFF) is a multilateral partnership of six countries—Indonesia, Malaysia, Papua New Guinea, the Philippines, Solomon Islands, and Timor-Leste—working to protect marine biodiversity, promote sustainable fisheries, and enhance coastal livelihoods. Guided by the Regional Plan of Action (RPOA) 2.0 for 2021–2030, the Initiative sets two goals, three objectives and seven targets along with 17 regional activities, 33 expected outcomes, and 90 expected outputs to cope with and adapt to impacts of climate change, natural, and anthropogenic threats by improving food security, sustainable fisheries, and coastal livelihoods. In reaching the goals, objectives, and targets of the RPOA, the CTI-CFF Regional Secretariat plays a central role in coordinating the implementation of the RPOA, providing support, advising the CTI Committee of Senior Officials (CSO) on emerging opportunities and priorities, and developing regional plans, programs, and project activities. Recognizing this pivotal function, the Audit Board of the Republic of Indonesia (BPK) conducted this management audit to assess how the Secretariat supports effectively the implementation of the RPOA to achieve its goals, objectives, and targets.

Audit Objectives and Scope

The audit's objective was to assess the effectiveness of the CTI-CFF Regional Secretariat's organizational management in supporting the implementation of the RPOA 2.0. It examined the Secretariat's systems and practices across planning, implementation, and monitoring and evaluation, covering key dimensions such as strategic planning and performance management, governance and leadership, stakeholder engagement, financial management, risk management, and continuous improvement.

Audit Standards and Approach

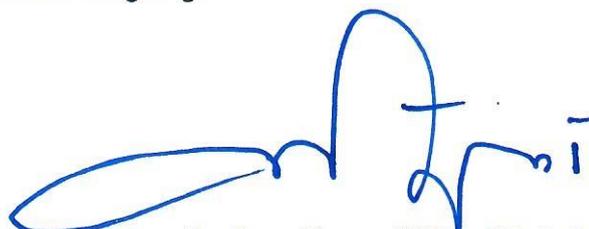
The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAI), applying a combination of a system-oriented approach and a problem-oriented approach to evaluate how effective the Secretariat's operations contribute to the region's marine conservation and sustainable development goals.

Conclusion and Audit Observations

Based on the audit performed, BPK concludes that the CTI-CFF Regional Secretariat's organizational management has been effective in coordinating and supporting the implementation of RPOA 2.0, particularly in the following areas: aligning institutional arrangements and stakeholder coordination with strategic objectives; enhancing financial planning for sustainability, including steps toward diversified and longer-term financing; and establishing the foundations of an RPOA-aligned monitoring and evaluation framework to enable structured performance tracking.

To further strengthen the effectiveness of the Secretariat's organizational management in coordinating and supporting the implementation of the RPOA 2.0, several areas present opportunities for improvement. These include operationalizing the financial strategy through a consolidated long-term projection model that links diverse funding sources to program outcomes; accelerating the finalization and formal endorsement of aligned National Plan of Actions (NPOAs) to enable coordinated regional implementation; updating the Monitoring and Evaluation framework to address incomplete baselines, harmonize methodologies, and establish measurable targets; updating Technical Working Group (TWG) frameworks to ensure full alignment with RPOA 2.0 priorities; revitalizing the Sustainable Business Forum as a platform for mobilizing partnerships and investment; and

implementing a Secretariat performance framework with clear and consistent key performance indicators (KPIs) supported by results-based budgeting.



Dr. Isma Yatun, CSFA., CFrA
Chair of the Audit Board of the Republic of Indonesia
External Auditor

Jakarta, Indonesia
29 August 2025

A. INTRODUCTION

Mandate

1. The Audit Board of the Republic of Indonesia (BPK) conducted a management audit of the CTI-CFF Regional Secretariat for the Year 2024 pursuant to the appointment of BPK as the Management and Performance Auditor by the Executive Director of the CTI-CFF Regional Secretariat and in accordance with the Terms of Reference for the Management Audit.

Audit Objective

2. The objective of the audit was to assess the effectiveness of the CTI-CFF's organizational management in coordinating and supporting the implementation of the RPOA 2.0. To reach the audit objective, a conclusion was drawn by addressing the following three main audit questions covering key dimensions of planning, implementation, and monitoring and evaluation.
 - a. Planning

To what extent has the CTI-CFF aligned its financial and risk management, stakeholder engagement, and institutional structure with the strategic objectives of the RPOA 2.0?
 - b. Implementation

How effectively has the CTI-CFF managed its organizational resources, such as leadership, information systems, and human capital, to support the implementation of the RPOA 2.0?
 - c. Monitoring and Evaluation

Has the CTI-CFF established effective systems for performance management and continuous improvement to drive the achievement of the RPOA 2.0 goals?

Audit Scope and Focus

3. To achieve the audit objective, BPK determined the audit scope under the RPOA 2.0 according to preliminary audit results by considering factors such as risk, impact, auditability, and significance to focus the audit on the most material and high-priority areas.
4. Based on the preliminary audit, BPK selected the implementation of Target A1 of the RPOA 2.0: Coral Reefs, Mangroves, and Seagrass Beds as the audit focus of this management audit. As one of key regional actions under the CTI-CFF framework, the Target A1 is designed to strengthen financial self-reliance and resilience in the management of critical marine ecosystems through the development of strategic partnerships, the mobilization of sustainable financing, and the application of ecosystem-based adaptation and mitigation measures.
5. The audit focused on three interrelated management dimensions considered critical to the success of the activity: performance management, financial management, and governance. These core dimensions were examined in conjunction with key supporting aspects, namely organizational objectives, human resources, stakeholder engagement, information systems and technology, risk management, leadership and management, and continuous improvement, to provide a comprehensive evaluation of the Secretariat's capacity to achieve RPOA 2.0 objectives.

Audit Standard

6. The management audit was conducted in accordance with relevant International Standards of Supreme Audit Institutions (ISSAIs) for performance auditing. In line with these standards, BPK complied with ethical requirements and planned and executed the audit to obtain reasonable assurance to achieve the audit objective as well as performed the audit in a systematic, objective, and evidence-based manner. The relevant ISSAIs for the performance auditing set out principles, standards, and guidance for assessing the effectiveness of the CTI-CFF Regional Secretariat's managerial responsibilities in coordinating and supporting the implementation of the RPOA 2.0.

Audit Approach and Methodology

7. BPK applied a combination of a system-oriented approach and a problem-oriented approach to determine the nature of the examination to be made and define the necessary knowledge, information, and data. A system-oriented approach examines the proper functioning of management systems as a condition for effective and efficient policies and does not focus primarily on policies or goals. Whereas, a problem-oriented approach, examines, verifies and analyses causes of particular problems or deviations from established criteria.
8. The selection of the audit subject was based on its strategic importance in supporting the broader objectives of the RPOA 2.0, its relevance to the CTI-CFF's regional coordination mandate, and its implications for organizational effectiveness and sustainability. It also provided an opportunity to evaluate how effectively the CTI-CFF, as a regional mechanism, has aligned its internal management systems with its programmatic commitments.
9. As part of the audit methodology, BPK has planned and conducted the audit through interviews, reviewed organizational documents, assessed business processes and internal mechanisms, and analyzed the CTI-CFF's coordination efforts with the six Coral Triangle (CT6) member countries and development partners. BPK also examined relevant frameworks, including the CTI-CFF Financial Strategy and the Monitoring & Evaluation Metrics. Based on audit evidence gathered during the audit execution, this audit report has been prepared.

a. Audit Planning

In this phase, the audit was undertaken to develop audit strategy and plan based on the preliminary audit which obtained clear understanding of audited entity engagement. This included identifying key issues, assessing risks, determining the subject matter, defining audit objectives, formulating audit questions, establishing audit criteria, designing the audit methodology, identifying potential sources of evidence, and outlining audit procedures.

b. Audit Execution (Fieldwork)

The audit fieldwork was performed from 14 July to 1 August 2025 to implement the audit strategy and plan by providing analyses, conducting assessment, and gathering sufficient and relevant evidence. Audit findings were developed based on facts against relevant criteria. The audit findings were discussed with the Regional Secretariat for clarification and responses as well as appropriate recommendations to address them. The audit findings were formally conveyed through a Management Letter.

c. Reporting

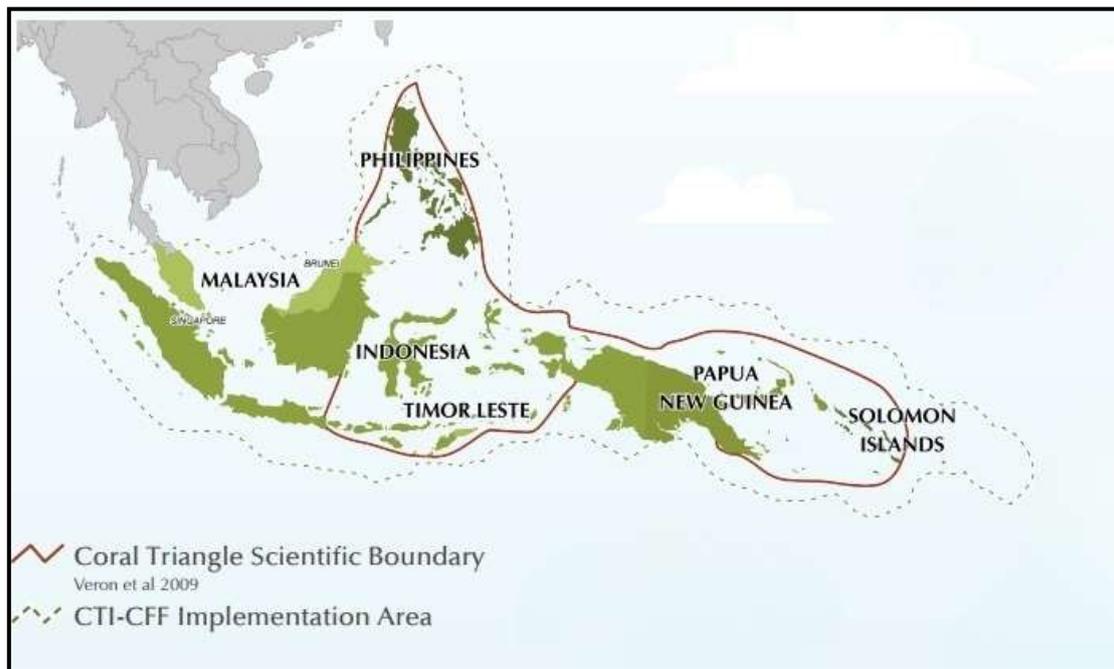
Based on the audit findings and discussions with the Regional Secretariat, this audit report was developed to communicate the audit results to the CTI-CFF Regional Secretariat, the CTI Committee of Senior Officials (CTI-CSO) as Those Charged with Governance, and other stakeholders. It disclosed the audit basis, objective, scope, standards, methodology, conclusions, findings, and recommendations for further improvement. In finalizing the audit

report, Management’s final responses were gathered and incorporated into the audit report. In addition, action plans for implementing the audit recommendations were also obtained to monitor their follow up actions.

B. CTI-CFF PLANNING, IMPLEMENTATION, AND MONITORING EVALUATION

10. The CTI-CFF is a multilateral partnership of six countries: Indonesia, Malaysia, Papua New Guinea, the Philippines, Solomon Islands, and Timor-Leste, established to safeguard the region's rich marine biodiversity and promote food security, sustainable fisheries, and coastal livelihoods. To guide its regional collaboration and strategic actions, the CTI-CFF adopted its first Regional Plan of Action (RPOA) in 2009. Building on the lessons learned and achievements of the first decade, the CTI-CFF adopted the second iteration of its strategic plan, RPOA 2.0, for the period 2021-2030.

Figure 1. Map of the Coral Triangle



Source: Regional Plan of Action 2.0

11. The RPOA 2.0 serves as the primary strategic document for the CTI-CFF, providing the framework to align and coordinate efforts across its member countries. It reflects a renewed commitment to regional collaboration in addressing both persistent and emerging challenges, including climate change, marine pollution, habitat degradation, and unsustainable fishing practices. The plan outlines a framework for collective action aimed at enhancing ecological resilience and strengthening socio-economic conditions in coastal communities within the Coral Triangle region.
12. The framework of the RPOA 2.0 is built around two overarching goals: by 2025, enabling coastal communities and ecosystems to cope with the impacts of climate change and other stressors through increased regional collaboration; and by 2030, ensuring that these communities and

ecosystems are more resilient and better adapted to climate-related and anthropogenic threats through improved food security, sustainable fisheries, and enhanced coastal livelihoods.

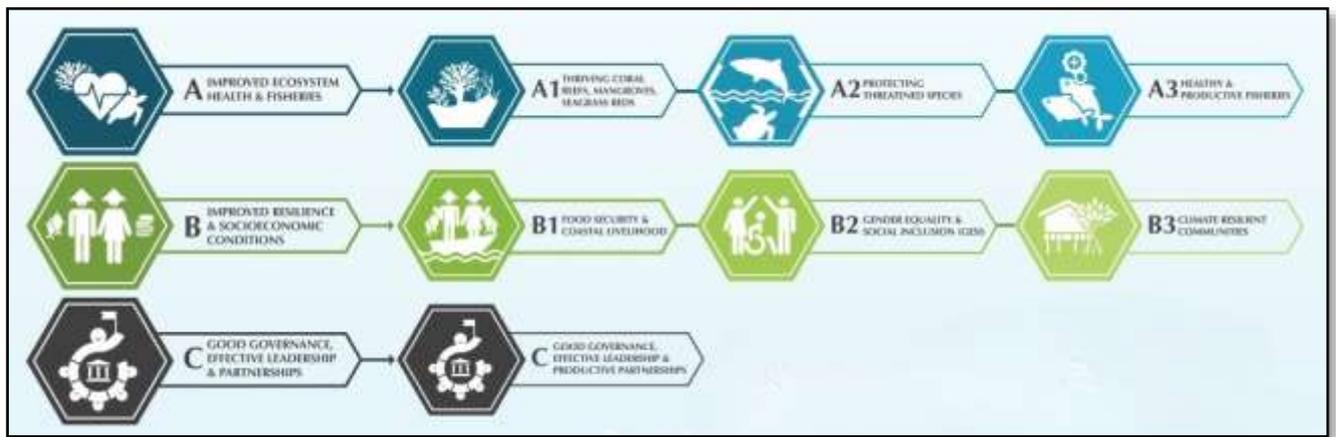
Figure 2. Regional Goals of CTI-CFF



Source: Regional Plan of Action 2.0

13. To support these goals, the RPOA 2.0 sets out three strategic objectives: Objective A focuses on improving the health of coastal and marine ecosystems, priority threatened species, and fisheries through effective management actions; Objective B aims to enhance risk resilience and socio-economic conditions, particularly food security and coastal livelihoods; and Objective C seeks to strengthen governance, leadership, and partnerships within the CTI-CFF framework.
14. The plan further elaborates seven targets, 17 regional activities, 33 expected outcomes, and 90 outputs, all designed to deliver measurable and meaningful impact at both regional and national levels. These components are interconnected through a monitoring and evaluation (M&E) plan framework, which facilitates adaptive management, results tracking, and knowledge sharing to enhance the effectiveness of CTI-CFF implementation.

Figure 3. Structure of CTI-CFF Objectives and Targets



Source: Regional Plan of Action 2.0

15. The RPOA 2.0 emphasizes inclusive participation, multi-stakeholder collaboration, and science-based decision-making. It is aligned with major global commitments, including the United Nations Sustainable Development Goals (SDGs), the Convention on Biological Diversity (CBD), and the Paris Agreement, thereby positioning the CTI-CFF as a key regional platform contributing to global marine conservation and climate resilience agendas.
16. In this context, the RPOA 2.0 is the principal subject of this management audit and the basis for assessing CTI-CFF’s organizational effectiveness across three linked dimensions: planning, which translates regional priorities into strategies, NPOAs, work plans, and budgets; implementation, which explains how the Secretariat, National Coordinating Committees (NCCs), TWGs, and partners coordinate and deliver activities; and monitoring and evaluation (M&E), which tracks results, supports learning, and informs decisions. The following sections elaborate each dimension.

Planning

17. Planning under RPOA 2.0 is coordinated by the Regional Secretariat and operationalized through Member States’ NPOAs, TWGs, and partnership platforms. The framework emphasizes inclusive participation, science-based decision-making, and alignment with global commitments such as the SDGs and the Convention on Biological Diversity. Annual and multi-year programming link regional priorities to country work plans, budgeting, and resource-mobilization efforts.

Implementation

18. The implementation of RPOA 2.0 is a collaborative effort among CT6 member countries, coordinated and supported by the Regional Secretariat. Regional activities are aligned with shared objectives and facilitated by NCCs, TWGs, and implementing partners. The Secretariat plays a central role in convening stakeholders, providing technical coordination, promoting knowledge sharing, facilitating partner engagement, and supporting cross-country learning. Activities are guided by structured work plans and strengthened through collaboration mechanisms such as TWGs and regional forums across CT6 countries.

Monitoring and Evaluation

19. Monitoring and evaluation are guided by an RPOA-aligned M&E framework developed with the Monitoring and Evaluation Working Group (MEWG). The framework is envisaged to enable adaptive management and results tracking across regional and national levels. Data and narrative reporting from member countries are consolidated into M&E tools, including the CT Atlas and

M&E metrics framework, to inform progress assessments against targets and outcomes. The use of indicators and reporting cycles is aimed at enhancing comparability and facilitating organizational learning, while dashboards and knowledge products are designed to communicate progress to decision-makers and stakeholders and to inform future planning and resource-allocation decisions.

C. AUDIT FINDINGS AND RECOMMENDATIONS

20. Based on the audit procedures carried out, BPK notes that the CTI-CFF has made notable progress in strengthening its organizational management to support the implementation of RPOA 2.0. Efforts have been directed towards aligning institutional arrangements and stakeholder coordination mechanisms with strategic objectives, enhancing financial planning for sustainability, and building the foundations for effective monitoring and evaluation.
21. From a planning perspective, the CTI-CFF has taken strategic steps to establish collaborative structures and initiate long-term financing concepts, demonstrating its commitment to enhancing regional coordination and resource mobilization. In implementation, the Secretariat has begun to formalize key operational practices and utilize existing stakeholder engagement platforms to maintain connectivity with partners. On the monitoring and evaluation front, the initial development of an RPOA-aligned framework indicates progress toward a more structured approach to performance tracking.
22. While the CTI-CFF has laid important foundations to support the implementation of the RPOA 2.0, further efforts are required to institutionalize performance-oriented planning, strengthen resource implementation, and operationalize monitoring mechanisms to ensure that the RPOA 2.0 objectives are achieved in a transparent, accountable, and sustainable manner. These following audit observations outline the areas for improvement, organized into three main sections: planning, implementation, and monitoring and evaluation.

C.1. Planning

23. In terms of aligning institutional structure, stakeholder engagement, financial management, and risk management with the strategic objectives of the RPOA 2.0, BPK acknowledges several commendable practices in its implementation, inter alia:
 - a. **Operational Working Groups for Regional Coordination**

The establishment and maintenance of five Technical Working Groups (TWGs) and Monitoring and Evaluation Working Group (MEWG) have facilitated technical collaboration and supported the regional implementation of RPOA activities.
 - b. **Development of a Financial Strategy for Sustainability**

The CTI-CFF has formulated a Financial Strategy incorporating a range of innovative funding options, such as blue bonds, coral bonds, trust funds, Payment for Ecosystem Services (PES), and blue carbon offsets, which demonstrate strategic foresight in addressing financial sustainability.
 - c. **Initial Steps Toward Sustainable Finance Innovation**

The conceptualization of the Coral Triangle Conservation Fund (CTCF) and engagement with blue economy investment approaches indicate early efforts to diversify funding sources.
 - d. **Support for National Planning Alignment**

The Secretariat, with support from international partners such as the U.S. Department of the Interior, has assisted in the development and validation of National Plan of Actions (NPOAs) aligned with the RPOA 2.0 in the CT6 member countries.

e. Basic Governance and Risk Oversight Frameworks

The Financial Policies and Procedures Manual (FPPM) defines internal control structures, including the establishment of an Internal Control Committee (ICC), signaling an organizational commitment to governance and risk oversight.

24. BPK identified several areas requiring further improvement to enhance the CTI-CFF's organizational effectiveness in supporting the implementation of the RPOA 2.0 as follows:

1) Operationalizing Long Term Financial Strategy and Funding Diversification for the RPOA 2.0

25. The CTI-CFF has recognized the need for financial sustainability to support the implementation of the RPOA 2.0 and taken important foundational steps to develop a regional financial strategy. The Financial Strategy for RPOA 2.0 outlines a multi-pronged approach centered on increased engagement with external funding institutions, financial needs assessments, funding mobilization efforts, and a “financial ecosystem” involving donors, intermediaries, and implementers. It sets out clear targets to diversify funding sources - such as trust funds, blue bonds, PES, and blue carbon offsets - to improve coordination across CT6 member countries and regional partners.
26. The Regional Secretariat has also engaged in several innovative finance initiatives, including formulation of the CTCF as a potential regional trust fund mechanism; relations with partners to explore blue economy and innovative investment strategies; early-stage exploration of a coral bond and marine ecosystem insurance instruments; and commitments to establish and scale at least four innovative financial options by 2028, as outlined in the RPOA 2.0 Output A1.2.1.c.
27. While these foundational measures show strategic foresight, the audit observed that progress remained largely conceptual and has not yet translated into a consolidated financial projection model. There was no sufficient evidence of a medium- to long-term financial model that integrated member contributions, donor financing, and emerging innovative instruments to support the RPOA 2.0 implementation, affecting the ability of the Secretariat to define realistic financial targets for priority activities; set resource allocation priorities across the 17 regional activities and 89 outputs of the RPOA 2.0; anticipate funding gaps and design timely mitigation or co-financing strategies; or align financing plans with the performance indicators and M&E targets outlined in the RPOA 2.0 Financial Strategy.
28. Moreover, the absence of a consolidated model might limit the ability to operationalize results-based budgeting, donor confidence-building, and performance-linked investment, despite the strategy's stated goals.
29. BPK is of the view that while the CTI-CFF has developed a well-structured financial strategy and initiated promising efforts toward innovation, the Regional Secretariat now needs to operationalize these strategies through actionable financial planning tools, specifically, a comprehensive financial projection model that links financing needs to programmatic outcomes. Implementing this model will support the CTI-CFF to transition from strategy formulation to execution, strengthen donor and partner confidence, and ensure the long-term financial sustainability of its regional conservation goals.

Recommendation 1

BPK recommend the CTI-CFF Regional Secretariat operationalize its financial strategy for the RPOA 2.0 through the development of a consolidated medium to long term financial projection model.

Management's Response

Management agrees with the recommendation and will develop a consolidated medium-to-long-term financial projection model (FY 2025–2030) integrating member contributions, donor grants, and innovative financing mechanisms. The Secretariat will integrate country contributions and grant revenues into this model by Q4 2025; it will underpin the 2026 budget, to be tabled at IRC 2025 and presented for endorsement at SOM-20. Revenues from the Coral Triangle Conservation Fund (CTCF) will be incorporated once the Fund is operationalized. Feasibility assessments for additional innovative financing mechanisms will be undertaken in 2026, in line with the approved FRWG 2026 work plan, along with a Funding Gap Analysis for RPOA 2.0.

Management expects to implement the recommendation by Q4 2025.

2) Enhancing CTI-CFF Regional Secretariat Financial Budget Management

30. The CTI-CFF utilizes its annual budget as a key tool to articulate organizational priorities and manage operational functions. To support the implementation of its objectives, the CTI-CFF is assisted by collaborative units consisting of five TWGs, three Governance Working Groups (GWGs), and three Cross-Cutting Initiatives, all of which require budgetary support for their planned activities.
31. Following the 19th Senior Officials' Meeting (SOM) in December 2024, these collaborative units were required to submit their respective work plans and budget proposals for fiscal year 2025. Each work plan and budget were expected to include a list of activities, implementation time frame, budget estimation, sources of funding, and explicit linkages to objectives, outcomes, outputs, indicators, and RPOA 2.0 targets. However, the currently approved 2025 consolidated budget structure was limited to budget line items, funding sources, and general activity descriptions, without demonstrating linkage to results frameworks.
32. According to the CTI-CFF's Financial Regulations and the 2023 FPPM, the budget functions as a control mechanism for planned expenditures at all levels of the Secretariat and must clearly identify program goals, objectives, and their corresponding financing sources. It is also expected to provide a logical flow between planned activities, associated outputs and outcomes, and the funds allocated to support them.
33. The audit noted that the approved 2025 budget of the Regional Secretariat has not yet reflected clear linkages between programs, detailed activities, funding requirements, and the associated sources of financing. Based on document review and interviews, although detailed activities and budget estimates have been prepared. These remained in separate internal files and were not incorporated into the main consolidated budget document. As a result, the current budget format did not enable users to trace how individual activities contribute to expected outputs and outcomes, nor how they support the RPOA 2.0 targets.
34. Further document reviews revealed that several work plans from the collaborative units did not include sufficiently detailed activities nor demonstrate explicit links to performance indicators or RPOA 2.0 targets. In addition, the Secretariat has not established a standardized work plan template for the working groups, resulting in variations of format and content across submissions.

This inconsistency complicated the compilation and consolidation of activities and budget data that are essential for coordinated planning and resource tracking.

35. Moreover, detailed activities and funding estimates were maintained separately from the core budget file, which prevented a consolidated view of which activities were fully funded and which required additional financial support. This lack of integration weakened transparency and limited the Secretariat's ability to provide stakeholders with clear and complete financial information.
36. This might stem from the absence of a unified budget management approach that systematically integrates strategic planning with financial allocation in a way that is transparent to member countries and development partners. Without a results-based budgeting framework that explicitly links resources to RPOA 2.0 outcomes, the Secretariat's ability to demonstrate to stakeholders how financial inputs translate into measurable regional results is reduced. This limits opportunities to build donor confidence, attract co-financing, and enable member countries to make informed policy and funding decisions based on clear financial-performance linkages.
37. BPK is of the view that the unified budget management approach, standardization of procedures and tools, as well as coordination among finance, operation, and technical units would be necessary in enhancing the financial budget management.

Recommendation 2

BPK recommend the CTI-CFF Regional Secretariat establish a standardized work plan template for all working groups within the collaborative unit, integrate all detailed activity plans and budget estimates into the consolidated budget file, and develop a mechanism to flag activities that require additional funding.

Management's Response

Management agrees with the recommendation and will adopt a standardized work plan template linking all activities to RPOA 2.0 outputs and indicators. The Regional Secretariat has already developed a budget worksheet with clear linkages between programs, detailed activities, funding requirements, and associated financing sources, demonstrating contributions to expected outputs and outcomes. This format will be consistently applied, and all detailed activity budgets will be integrated into the master consolidated budget file, with mechanisms to flag funding gaps.

Management expects to implement the recommendation by Q4 2025.

3) Establishing a Risk Management Framework and Optimizing the Role of the Internal Control Committee (ICC) to Strengthen Organizational Resilience

38. Risk management is essential for organizations to achieve their strategic objectives, as it helps identify, assess, and mitigate potential threats that could hinder performance. A robust risk management framework enhances decision-making, protects resources, and builds stakeholder confidence. In line with ISO 31000:2018, effective risk management comprises several interrelated elements: principles that set the fundamental guidance for managing risk; a framework that integrates risk management into the organization's governance, strategy, and operations; a process that includes identifying, analyzing, and evaluating risks, followed by the treatment or mitigation of those risks; and documented policies and procedures that ensure the consistent application of these principles, the framework, and the process across the organization. Key activities within this structure include identifying risks, assessing their likelihood and impact, developing mitigation plans, monitoring and reviewing risks regularly, establishing governance structures such as a risk committee, and ensuring clear communication and reporting across the organization.

39. The CTI-CFF’s FPPM states that risk identification should be embedded into business operations and occurs for both entity-wide and activity level objectives. FPPM requires the Secretariat to conduct a risk analysis at least once annually, classifying risks by type, level of significance, and potential impact on organizational objectives. The risk analysis provides for mitigation measures, required management action, and necessary internal controls. FPPM also outlines that the ICC is formed to ensure the integrity of financial and accounting information, meet operational and profitability targets, and transmit management policies throughout the organization structure. The Terms of Reference (ToR) for ICC states that one of its responsibilities is to serve as an internal control mechanism by identifying and mitigating financial and operational risks.
40. While FPPM acknowledged the necessity of conducting risk analysis, it did not establish a clear risk management framework and assigned responsibilities to report to the CTI Council of Ministers (COM) and the CTI Committee of Senior Officials (CSO). In addition, the formal risk analysis has not been conducted, and internal control activities, including identifying and mitigating financial and operational risks have not been performed. Consequently, the CTI-CFF’s decision-making in program planning and implementation did not incorporate regular risk assessments, including funding risks, despite the organization's reliance on variable and externally dependent sources such as member state contributions, donors, and partners.
41. BPK is of the view that in the absence of a formal risk management framework and policy that are translated into a risk assessment process, the CTI-CFF would be exposed to unmanaged risks that could affect its financial sustainability, organizational reputation, and stakeholder confidence in its accountability.

Recommendation 3

BPK recommend the CTI-CFF Regional Secretariat develop and implement a formal risk management framework and policy, report the results of risk assessments to the CTI COM and CTI CSO, and optimize the internal control process by ensuring that the ICC performs its designated functions.

Management’s Response

Management agrees with the recommendation and will develop and adopt a risk management framework and policy in alignment with the FPPM and international standards. The first organizational risk assessment will be conducted, and the ICC will be optimized to perform its designated functions, including risk monitoring, internal control review, and compliance oversight, with regular reporting to CSO and COM.

Management expects to implement the recommendation by Q4 2025.

4) Accelerating the Finalization and Alignment of NPOAs with RPOA 2.0

42. The NPOAs serve as the primary instruments through which CT6 member countries implement their commitments under the RPOA 2.0. These national-level plans are coordinated by each country’s National Coordination Committee (NCC), which acts as the focal point for engaging with the TWGs, the MEWG, and the Regional Secretariat.
43. As of 2025, none of the CT6 member countries has finalized and formally endorsed their respective NPOAs in alignment with the RPOA 2.0. Some NPOA drafts have been prepared, but not yet published, and some of them remained in earlier drafting stages, with anticipated completion by the end of 2025.

44. Based on audit confirmation from the Regional Secretariat, the development of NPOAs had been supported by funding from the U.S. Department of the Interior (USDoI). A review of the US Agency for International Development (USAID) 4th Quarter FY 2024 report confirmed that the Secretariat has actively assisted CT6 member countries in preparing and validating their NPOA drafts. This activity is aligned with RPOA 2.0 Objective 3, Target Outcome C1.1, which focuses on strengthening the coordination and monitoring role of the Secretariat.
45. Further audit examination noted that the U.S. Government, through USAID, issued a formal Termination Notice of Award on 26 February 2025, discontinuing its financial support to the Secretariat. The termination of this funding has likely contributed to delays and reduced momentum in the NPOA development process across several countries.
46. BPK observed that this situation is compounded by the absence of a clear coordination mechanism and agreed milestones for NPOA finalization across CT6 member countries, as well as alternative mitigation efforts in coping with the financial support termination. Without these factors and necessary support systems, member countries may face varying degrees of progress, which hinders regional consistency.
47. BPK is of the view that continued delays in finalizing NPOAs may hinder the synchronization of national-level planning with the regional implementation framework of the RPOA 2.0. This condition may limit the ability to monitor performance, ensure coherence in program execution, and optimize the use of technical and financial resources across the Coral Triangle region.

Recommendation 4

BPK recommend the CTI-CFF Regional Secretariat propose an efficient and effective coordination mechanism and/or support system such as standardized NPOAs and facilitation of collaboration to CT6 member countries in order to accelerate the finalization and formal endorsement of their respective NPOAs, ensuring alignment with the RPOA 2.0 targets and indicators, including alternative mitigation ways in coping with unprecedented circumstances.

Management's Response:

Management agrees with the recommendation and will support regional alignment of national plans with RPOA 2.0 by standardizing tools, facilitating peer learning, and coordinating targeted technical assistance with regional partners to ensure timely and coherent implementation across participating countries.

Management expects to implement the recommendation by Q1 2026.

5) Enhancing Monitoring and Evaluation Governance to Align with the RPOA 2.0

48. The CTI-CFF's core activities are guided by the RPOA, a strategic framework jointly developed and endorsed by its CT6 member countries. M&E functions are integral to ensuring that the Initiative remains accountable, evidence-based, and results-oriented.
49. To support this, the CTI-CFF established the MEWG in 2012. The MEWG worked on an ad hoc basis and had developed the CTI-CFF Monitoring & Evaluation System Operation Manual which was endorsed during the 9th Senior Officials' Meeting (SOM-9) in November 2013. This foundational document was designed to operationalize the original RPOA 1.0, defining indicators, performance metrics, and institutional roles. However, the subsequent adoption of the RPOA 2.0, which introduced revised goals, targets, and a new strategic structure, has rendered these documents outdated.

50. BPK noted that the annex of the M&E Operations Manual contained baseline indicators and references that have not been updated or revalidated under the RPOA 2.0. There was no documented process or strategy to map or transition indicators from the RPOA 1.0 to the RPOA 2.0. This gap in procedural alignment undermined the CTI-CFF's ability to measure progress against current objectives, assess regional outcomes accurately, and support decision-making based on relevant and timely data.
51. The importance of an updated monitoring and evaluation framework was underscored by the growing emphasis on adaptive management and regional integration within the CTI-CFF's governance. As emphasized in the RPOA 2.0 and the CTI-CFF Monitoring and Evaluation Operations Manual, a well-structured and coherent M&E system is essential in ensuring meaningful outcomes in environmental conservation, community livelihoods, and regional development. It will enable informed decision-making, facilitate adaptive planning and implementation, and promote transparent information exchange among stakeholders. Continued use of legacy tools developed under a previous strategic context may hinder the accuracy of performance assessments and reduce the overall effectiveness of oversight, potentially affecting accountability and stakeholder confidence.
52. Despite efforts to promote data collection and periodic reporting by CT6 member countries, the outdated guidance materials have led to inconsistencies in indicator adoption, unclear reporting lines, and challenges in aligning national reports with regional targets. Moreover, the absence of an updated manual limited the effectiveness of MEWG's oversight, particularly in ensuring that monitoring practices are standardized and adequately resourced across the region.
53. This might stem from the lack of a structured transition process following the adoption of the RPOA 2.0. While the CTI-CFF Regional Secretariat has demonstrated its commitment to regional collaboration and coordination, it has not yet institutionalized a mechanism for the regular review and revision of technical and governance documents in line with strategic shifts.
54. BPK is of the view that without updating the M&E Operations Manual, the CTI-CFF risks an ongoing misalignment between its strategic aspirations and its operational monitoring system. This could hinder effective implementation of the RPOA 2.0 and limit the Initiative's capacity to demonstrate its impact, attract long-term funding, and support national implementation by CT6 member countries.

Recommendation 5

BPK recommend the CTI-CFF Regional Secretariat revise and align the M&E Operations Manual with the current strategic framework of the RPOA 2.0 by updating indicators, mapping indicators, clarifying institutional roles, integrating monitoring systems, and establishing review mechanisms.

Management's Response

Management agrees with the recommendation and will revise the M&E Operations Manual to align with RPOA 2.0, including updated monitoring indicators, a mapping exercise from RPOA 1.0 to RPOA 2.0, clarification of institutional roles, integration of national and regional systems, and establishment of periodic review supported by stakeholder training.

Management expects to implement the recommendation by Q1 2026.

6) Strengthening the Use of Baselines and Measurable Targets to Enhance Monitoring and Evaluation of RPOA 2.0 Implementation

55. Monitoring and evaluation serve as a critical mechanism for the CTI-CFF to assess the implementation of its RPOA and ensure accountability in achieving its strategic goals. To support

this, the MEWG was established in 2012 to provide technical inputs to the Regional Secretariat and the NCCs of CT6 member countries. In line with the adoption of the RPOA 2.0, the MEWG initiated development of a structured M&E Metrics Framework, beginning at SOM-16, to track progress based on defined indicators and to require CT6 member countries to submit baseline data and periodic updates.

56. The management audit observed that challenges remained in establishing reliable baselines and measurable targets. Specifically, baseline data remained incomplete for multiple indicators and countries. This included:
57. Indicators requiring multiple measurements, such as Outcome Indicator A1 and Target Output A1.1, which includes Marine Protected Areas (MPAs), Marine Managed Areas, Locally Managed Marine Areas, and Other Effective Area-based Conservation Measures, remained incomplete, as baseline data from some countries have not been completed, and some baseline data for Target Output A1.1 have not been submitted.
58. In other instances, baseline values were entered as “0” without supporting documentation, which raises concerns about data validity and comparability. These zero-value entries were observed in 20 indicators for Indonesia, 24 for Malaysia, 23 for Papua New Guinea, 5 for the Philippines, 19 for Solomon Islands, and 16 for Timor-Leste.
59. Moreover, different national methodologies to assess similar indicators have been applied. For example, Indonesia used Evaluation of Conservation Area Management Effectiveness (EVIKA), while the Philippines applied National Integrated Protected Areas System (NIPAS) framework for evaluating MPAs. This diversity of approaches further complicated regional aggregation and weakened the standardization of performance reporting across the CT6 member countries.
60. In parallel, the audit identified that the RPOA 2.0, while setting a 2030 goal horizon, did not articulate interim milestones or clearly defined measurable targets at the national or regional levels. Audit testing of M&E Metrics confirmed that five indicators under Target A1 currently lacked defined targets.
61. The M&E is expected to play a central role in the upcoming 2025 mid-term review of the RPOA 2.0 implementation. Without validated baselines and clearly defined targets, the CTI-CFF may face a reduced ability to monitor implementation, demonstrate results, and support decision-making based on accurate, evidence-based performance information.
62. BPK is of the view that the absence of complete baseline data, harmonized measurement tools, and clearly defined targets may hinder the Secretariat’s capacity to consolidate performance across CT6 member countries and accurately assess progress toward RPOA 2.0 goals. Addressing these issues is essential to ensure the credibility and usefulness of the M&E system and to enable results-based planning and reporting. This may enhance the integrity, comparability, and effectiveness of the CTI-CFF’s performance monitoring and ensure that progress toward the RPOA 2.0 goals can be accurately tracked and reported

Recommendation 6

BPK recommend the CTI-CFF Regional Secretariat, in coordination with MEWG, strengthen the implementation of the M&E Metrics Framework to ensure the reliability and consistency of performance monitoring under RPOA 2.0.

Management's Response

Management agrees with the recommendation and will complete and validate baseline datasets from CT6 countries by harmonizing national methodologies into a regionally comparable framework under CTMPAS, ensuring scientific rigor through technical review, and setting measurable, time-bound targets for RPOA 2.0 indicators to enable consistent performance evaluation across the CT region.

Management expects to implement the recommendation by Q1 2026.

7) Strengthening the Alignment of Technical Working Group Frameworks with the RPOA 2.0 for Improved Regional Coordination and Performance Measurement

63. TWGs function as the primary technical mechanism for implementing the RPOA, facilitating thematic collaboration across the Coral Triangle region. As of the audit period, five TWGs had been established between 2011 and 2018 to lead initiatives in key areas including Ecosystem Approach to Fisheries Management (EAFM), MPAs, Seascapes, Threatened Species (TS), and Climate Change Adaptation (CCA). Each TWG is composed of representatives from CT6 member countries and the Regional Secretariat, with rotational leadership by a Chair and one Co-Chair. Each TWG is assigned responsibility for specific targets and indicators under the RPOA framework. Their annual objectives are determined and endorsed during the conclusion of the CTI-CFF SOM, serving as a basis for work planning and progress monitoring in the subsequent year.
64. BPK commends the Regional Secretariat's efforts in maintaining the TWG engagement and supporting thematic discussions among CT6 member countries. However, the documented technical frameworks governing TWG activities, specifically their stated goals, targets, and performance indicators, have not been revised since their original formulation under the RPOA 1.0. Despite the adoption of the RPOA 2.0, which introduced a restructured strategic framework, updated regional outcomes, and a results-based monitoring system, the TWGs have yet to realign their planning and implementation mechanisms to reflect this shift.
65. This gap in alignment might result in technical activities being implemented without a clear linkage to regional priorities. In particular, the absence of updated indicators might hamper the ability to measure TWG contributions to the broader RPOA 2.0 results framework. Moreover, the lack of integration between TWG frameworks and the regional M&E system limited transparency, consistency, and accountability in performance reporting.
66. The importance of alignment is underscored by the cross-cutting role TWGs play in supporting national and regional actions. A revised TWG framework would enable stronger coordination, improve the traceability of results, and facilitate joint planning under shared strategic targets. Conversely, continued reliance on outdated documents risks inefficiencies, duplicated efforts, and missed opportunities for regional impact.
67. This may stem from an organizational oversight that occurred during the transition from RPOA 1.0 to RPOA 2.0, where the TWG's technical frameworks were not systematically reviewed and updated to reflect the new strategic structure.
68. BPK is of the view that without a formal process to review and update TWG goals, targets, and indicators, the CTI-CFF will face increasing difficulty in demonstrating the effectiveness of its technical implementation, ensuring coherence across initiatives, and maintaining accountability to stakeholders under the RPOA 2.0.

Recommendation 7

BPK recommend the CTI-CFF Regional Secretariat, in collaboration with the five TWGs, review and update the TWG goals, targets, and indicators to ensure alignment with the strategic structure of the RPOA 2.0.

Management's Response

Management agrees with the recommendation and will conduct functional reviews and consultations with NCCs and TWGs to revise the Terms of Reference, goals, functions, and indicators of all Technical Working Groups (TWGs) to ensure alignment with RPOA 2.0. TWG outputs will be integrated into the Regional Secretariat's consolidated work plan and the broader M&E performance system. Indicators will be updated to ensure outputs are measurable, relevant, and consistent with RPOA 2.0 targets. A three-year review mechanism will be established to maintain responsiveness to evolving priorities, with revised frameworks circulated for review and presented for endorsement at SOM-20.

Management expects to implement the recommendation by Q4 2025.

C.2. Implementation

69. With respect to the management of organizational resources, such as human capital, information systems, and leadership, to support the implementation of the RPOA 2.0, BPK acknowledges several commendable practices, inter alia:
70. Establishment of Staff Transition Procedures
71. General handover procedures, including exit interviews and handover notes, are in place to support continuity during staff transitions.
72. Foundational Experience in Stakeholder Engagement
73. The CTI-CFF's former Regional Business Forum (RBF), now the Coral Triangle Sustainable Business Forum (CT-SBF), provided an important foundation for engaging a wide range of stakeholders, including the private sector and non-governmental organizations (NGOs), in regional marine conservation initiatives.
74. Provision of the CT Atlas as a regional information system platform
75. The CTI-CFF has made available the CT Atlas as a regional information system platform to support data collection and knowledge management. This system facilitates monitoring and tracking of RPOA 2.0 implementation and serves as a tool for visualizing both spatial and non-spatial information across the Coral Triangle region.
76. Although CTI-CFF has made commendable progress, BPK identified several areas requiring improvement to further strengthen the organization's capacity to support the successful implementation of the RPOA 2.0. The detailed findings and corresponding recommendations are presented in the following sections of this report.

8) Revitalizing the Sustainable Business Forum to Expand Partnerships with Stakeholders

77. The CTI-CFF has long recognized the importance of private sector engagement in advancing marine conservation and sustainable blue economy efforts. As early as 2009, the Initiative supported the establishment of the Coral Triangle RBF, initiated by the World Wide Fund for

Nature (WWF) in collaboration with CTI-CFF and other development partners. The forum aimed to promote innovative business solutions that deliver both economic and environmental benefits.

78. By 2015, the RBF had convened four major events, the last of which was held on 27–29 August 2015 in Bali, Indonesia. The event was co-organized by the CTI-CFF Regional Secretariat, USAID, the U.S. Department of the Interior, the National Oceanic and Atmospheric Administration, and the Coral Triangle Center (CTC), with support from the WWF, The Nature Conservancy, Conservation International, private sector sponsors, and CT6 governments. It attracted 361 participants, of which 30% represented the marine tourism private sector, 21% were NGOs or institutional actors, 43% were government officials, and 6% were media representatives. These figures illustrate the forum’s capacity to convene diverse stakeholders and stimulate cross-sector dialogue.
79. In 2019, at the 15th Senior Officials’ Meeting (SOM-15), the forum was officially rebranded as the CT-SBF to reflect a broader and more integrated vision for private sector engagement. SOM-15 mandated the Regional Secretariat and NCCs, in coordination with the WWF and CTC, develop a concept note for the CT-SBF, including a value proposition and private sector mapping. A draft concept note was subsequently circulated to NCCs on 24 June 2020 for feedback.
80. In 2021, SOM-16 further tasked the Regional Secretariat to coordinate the formation of a Steering Committee and Task Force to operationalize the CT-SBF. However, as of the audit period, there has been no evidence of formal progress. Despite a follow-up letter sent by the Regional Secretariat to WWF and CTC on 15 August 2022 requesting updates, no responses had been received.
81. In parallel, the RPOA 2.0 explicitly identifies the Sustainable Business Forum as a key instrument for engaging the private sector in achieving regional outcomes. It states that the forum is expected to contribute to regional conservation objectives through private-sector-driven actions by 2025. However, despite clear strategic direction and repeated SOM mandates, the forum has remained inactive since 2015.
82. BPK identified that delays in finalizing the Concept Note have left the CT-SBF without a clear and agreed work plan to guide stakeholder engagement and program implementation. This gap has, in turn, prevented the timely establishment of a Steering Committee and/or Task Force, both of which are essential for providing strategic guidance, ensuring coordination, and driving forward planned initiatives.
83. The result might be a missed opportunity to leverage private sector and stakeholder engagement as a strategic pillar in sustainable marine governance, resource mobilization, and blue economy innovation. Given that the RPOA 2.0 explicitly positions the Sustainable Business Forum as a mechanism to channel private investment and expertise toward achieving regional conservation targets, the continued inactivity of the CT-SBF limits CTI-CFF’s ability to diversify funding streams, accelerate project delivery, and promote regional leadership in building cross-sector partnerships.
84. BPK is of the view that revitalizing the CT-SBF requires not only policy endorsement, but also concrete institutional and operational commitment. The establishment of a Steering Committee and/or Task Force guided by a clearly articulated documents, will be essential to translating strategic ambitions into action. These arrangements would demonstrate professionalism, provide a credible basis for engaging external stakeholders, and enable the forum to become a platform for scaling marine sustainability efforts.

Recommendation 8

BPK recommend the CTI-CFF Regional Secretariat establish the CT-SBF Steering Committee and Task Force, and finalize the CT-SBF concept note.

Management's Response

Management agrees with the recommendation. Recognizing that the CT-SBF has been inactive for several years and lacks a governance structure, the Regional Secretariat will finalize the SBF Concept Note and establish the Steering Committee and Task Force in line with SOM mandates. The work plan will include developing a value proposition study and private sector mapping, engaging relevant CT6 ministries to support private sector engagement, identifying priority areas for collaboration, and launching the CT-SBF during CTI-CFF's 17th Anniversary in 2026.

Management expects to implement the recommendation by Q2 2026.

9) Enhancing the Tracking Mechanism of the CT6 Member Countries' Implementations Progress

85. Effective monitoring and evaluation of the RPOA 2.0 implementation is essential for assessing progress toward achieving the goals and intended outcomes of the CTI-CFF. The Regional Secretariat plays a central role in facilitating regional coordination among the CT6 member countries and tracking the implementation of RPOA 2.0 at both national and regional levels. The effectiveness of this role depends heavily on the availability of consistent, timely, and structured data across all countries.
86. The management audit noted that progress in implementing the RPOA 2.0 has not yet been clearly reflected or fully integrated into the current M&E Metrics Framework. Information on country-level progress was primarily drawn from country reports, TWG reports, and data submissions to the CT Atlas. There was no standardized reporting format adopted to align these inputs with the structure and performance indicators of the RPOA 2.0. Furthermore, national data in the CT Atlas have not updated consistently, and the system currently lacked features to track historical trends or compare country progress against the RPOA 2.0 targets over time.
87. This might stem from the absence of a standardized and integrated monitoring approach, which might hinder the Regional Secretariat's ability to compile a comprehensive, comparable, and results-oriented view of the RPOA 2.0 implementation progress. Without a reliable tracking mechanism, it might become difficult to support evidence-based decision-making, regional coordination, and performance accountability.
88. BPK is of the view that the lack of a robust tracking mechanism for monitoring the RPOA 2.0 implementation progress across CT6 member countries not only risks fragmented reporting and inconsistent assessment, but also limits the Secretariat's capacity to provide evidence-based regional overviews that can inform strategic decisions by the CT6 member countries, partners, and donors. Without standardized and timely data tracking, opportunities for responsive management, targeted technical assistance, and prioritization of resources based on measurable progress are significantly reduced.

Recommendation 9

BPK recommend the CTI-CFF Regional Secretariat establish a standardized tracking mechanism to monitor the RPOA 2.0 implementation progress, appoint national focal points for progress updates, regularly update CT Atlas data and improve the CT Atlas with visual tracking features.

Management's Response

Management agrees with the recommendation and will institutionalize a standardized reporting and tracking mechanism to monitor progress on RPOA 2.0. This will include the development and piloting of a unified reporting template, the appointment of designated national resource persons to coordinate data submission and ensure continuity, and the enhancement of CT Atlas with dashboards, visualization tools, and historical analysis features. These upgrades will enable real-time tracking of progress and ensure that performance data is directly linked to decision-making processes at the SOM and Ministerial Meeting level, thereby strengthening accountability and transparency.

Management expects to implement the recommendation by Q2 2026.

10) Improving the Implementation of Handover Mechanisms During Staff Transitions

89. A structured handover mechanism is essential in any organization to ensure the timely and accurate transfer of responsibilities and institutional knowledge during staff transitions. Such a process is critical to maintaining continuity, minimizing operational disruptions, and safeguarding institutional memory, particularly in settings where staff turnover or international recruitment delays may occur. Effective handover practices contribute to informed decision-making, resource optimization, risk mitigation, and organizational resilience.
90. BPK commends the CTI-CFF Regional Secretariat for establishing a general handover mechanism, which includes the use of exit clearance forms, handover notes, and exit interviews. These tools are intended to support operational continuity during staff departures.
91. However, the existing handover mechanism has not yet functioned effectively in practice. Although procedures existed, their application was inconsistent and did not sufficiently support knowledge transfer or continuity of operations.
92. According to the Staff Regulations and Staff Policies and Procedures Manual, staff members are required to return all institutional work products, including reports, documents, and handover materials in both hard and electronic formats, no later than seven (7) working days prior to the expiration of their contract. All Secretariat-issued equipment must be returned in good condition one (1) day prior to the contract's end date.
93. In practice, the transition period between outgoing and incoming staff was often marked by staffing gaps lasting several months. During these gaps, responsibilities are temporarily absorbed by other staff or direct supervisors. While recruitment processes were typically initiated before the departure of the incumbent, delays which particularly in cases where new hires are recruited from outside Indonesia, could extend onboarding due to the time required to obtain legal permits.
94. Additionally, in cases where staff resign within a short period (e.g., after only three months of service), they might not have accumulated sufficient institutional knowledge to support an effective handover. This situation, coupled with high individual workloads, contributes to frequent staff turnover and compounds the challenge of ensuring a seamless transition.

95. This might primarily stem from inadequate lead time in recruitment planning to account for visa and permit processing for international hires, and from limited opportunities for structured knowledge transfer in cases of short staff tenure. The resulting timing misalignment might increase the likelihood of information loss, operational inefficiencies, and diminished accountability.
96. BPK is of the view that the absence of an effective and consistently applied handover mechanism, coupled with extended transition periods between staff changes, exposes the CTI-CFF Regional Secretariat to strategic risks which include potential delays in delivering commitments to CT6 member countries, loss of critical institutional knowledge that supports ongoing regional initiatives, and weakened confidence among stakeholders regarding the Secretariat's capacity to maintain continuity in implementing RPOA 2.0 priorities.

Recommendation 10

BPK recommend the CTI-CFF Regional adjust recruitment timelines, and establish structured onboarding program to ensure business continuity and institutional knowledge.

Management's Response

Management agrees with the recommendation and recognizes that the current governance relating to staff handover, as outlined in the Staff Policies and Procedures Manual (SPPM), needs to be further strengthened. In particular, it is important to ensure that recruitment schedules are better aligned with handover periods to avoid gaps in responsibilities. Furthermore, onboarding for new staff should include a structured training program that covers administrative procedures, technical responsibilities, and organizational orientation to ensure effective integration into the Secretariat's operations. Strengthening these mechanisms will safeguard institutional knowledge and improve continuity during staff transitions.

Management expects to implement the recommendation by Q4 2025.

C.3. Monitoring and Evaluation

97. With reference to establishing effective systems for performance management and continuous improvement to drive the achievement of RPOA 2.0 goals, BPK acknowledges that the MEWG has initiated the development of an RPOA-aligned M&E Metrics Framework, launched at SOM-16, which requires periodic data contributions from CT6 member countries.
98. While notable progress has been made, BPK observed several areas requiring further development to enhance the CTI-CFF's capacity to advance the implementation of RPOA 2.0. These observations, together with the corresponding recommendations are discussed in the following sections of this report.

11) Establishing a Secretariat Performance Framework to Strengthen Transparency, Institutional Learning, and Strategic Alignment

99. The CTI-CFF Regional Secretariat serves as the central coordinating body responsible for facilitating communication, instigating regional initiatives, and supporting the implementation of the RPOA 2.0 across the CT6 member countries. In fulfilling this mandate, the Secretariat provides cross-cutting functions including coordination, technical assistance, and facilitation of monitoring and evaluation efforts to sustain the Coral Triangle's marine and coastal resources.
100. Effective organizational performance management requires the establishment of key performance indicators (KPIs) that are specific, measurable, achievable, relevant, and time-bound (SMART). Such indicators are essential to ensure transparency, accountability, and continuous improvement in achieving institutional mandates.

101. However, the Regional Secretariat has not yet established a formal Secretariat-level performance framework nor defined KPIs to measure its own institutional performance. As a result, there was currently no standardized basis to assess the effectiveness or efficiency of the Secretariat's operations, or its contribution to the achievement of regional goals under the RPOA 2.0.
102. This situation might reduce the transparency of the Secretariat's operations and limit stakeholders' ability to objectively assess its effectiveness in supporting regional marine conservation goals. It also constrained internal learning, priority setting, and performance-based resource planning.
103. This might arise from the following factors:
 - a. absence of a formal directive or policy mandate to develop performance indicators at the Secretariat level;
 - b. competing priorities and limited capacity within the Secretariat to design and implement a performance framework; and
 - c. predominant focus on routine coordination and administrative functions without sufficient emphasis on internal performance monitoring.
104. BPK is of the view that the absence of clearly defined KPIs for the Regional Secretariat may hamper the organization's ability to monitor performance over time, identify capacity gaps or areas for improvement, and demonstrate institutional value and accountability to CT6 member countries. Furthermore, it may also weaken internal alignment with the strategic outcomes of RPOA 2.0 and reduce the effectiveness of planning, reporting, and resource mobilization efforts. As the central coordinating body, the Secretariat has to demonstrate that its functions, such as coordination, technical facilitation, and stakeholder engagement, are contributing tangible benefits to the CT6 member countries in line with its mandated roles and responsibilities. Without a performance framework, it may be difficult to ensure that the Secretariat's operations are not only efficient, but also impactful and strategically aligned with the CTI-CFF's regional mission.

Recommendation 11

BPK recommend the CTI-CFF Regional Secretariat initiate the development and formal adoption of a Secretariat Performance Framework, ensure that the KPI framework covers the core functional areas of the Secretariat, establish a mechanism for periodic monitoring and reporting of Secretariat performance, and communicate results to member countries.

Management's Response

Management agrees with the recommendation and will initiate the development and formal adoption of a Secretariat Performance Framework, including clear and measurable SMART KPIs aligned with the RPOA 2.0 strategic goals, covering all core functional areas. This framework will be supported by biannual performance reviews and annual reporting to SOM.

Management expects to implement the recommendation by Q4 2025.

D. ACKNOWLEDGEMENTS

105. BPK wishes to express appreciation for the cooperation and assistance extended by the officers and staff members of the CTI-CFF Regional Secretariat during the audit.



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Jakarta, Indonesia
29 August 2025

ANNEX

List of Acronyms

BPK	: <i>Badan Pemeriksa Keuangan</i> / The Audit Board of the Republic of Indonesia
CBD	: Convention on Biological Diversity
CCA	: Climate Change Adaptation
CCI	: Cross-Cutting Initiatives
COM	: Council of Ministers
CSO	: Committee of Senior Officials
CT Atlas	: Coral Triangle Atlas is a regional information system platform to support data collection and knowledge management
CT6 Member Countries	: Coral Triangle Six Member Countries
CTC	: Coral Triangle Centre
CTCF	: Coral Triangle Conservation Fund
CTI-CFF	: Coral Triangle Initiative on Coral Reefs, Fisheries, and Food Security
CTMPAS	: Coral Triangle Marine Protected Area System
EAFM	: Ecosystem Approach to Fisheries Management
EVIKA	: <i>Evaluasi Efektivitas Pengelolaan Kawasan Konservasi</i> / Evaluation of Conservation Area Management Effectiveness
FPPM	: Financial Policies and Procedures Manual
GWGs	: Governance Working Groups
ICC	: Internal Control Committee
KPIs	: key performance indicators
M&E	: Monitoring and Evaluation
MEWG	: Monitoring and Evaluation Working Group
MPAs	: Marine Protected Areas
NCC	: National Coordination Committee
NGOs	: Non-Government Organizations
NIPAS	: National Integrated Protected Areas System
NPOA	: National Plans of Action
PES	: Payment for Ecosystem Services
RBFB	: Regional Business Forum
RPOA	: Regional Plan of Action
SDGs	: Sustainable Development Goals
SMART	: Specific, Measurable, Achievable, Relevant, and Time-bound
SOM	: Senior Officials' Meeting

ToR	: Terms of Reference
TS	: Threatened Species
TWGs	: Technical Working Groups
USAID	: US Agency for International Development
USDoI	: U.S. Department of the Interior
WWF	: World Wide Fund for Nature



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