PIMS 4633 - Mainstreaming climate risk considerations in food security and IWRM in Tsilima Plains and upper catchment areas

Additional Mandatory Annexes attached here:

1. Annex F: UNDP Social and Environmental Screening Template (SESP)
2. Annex I: Annex I: UNDP Risk Log
3. Annex J: Results of the Capacity Assessment of the project implementing partner and HACT micro-assessments
4. Annex K: UNDP Capacity Assessment Scorecard for the Ministry of Agriculture – Agricultural Extension Department of Ministry of Agriculture
5. Annex L: UNDP Capacity Assessment Scorecard for the Ministry of Agriculture – National Agricultural Research Institute
6. Annex O: Guidance for gender-sensitive and gender-responsive project implementation

Annex [F]. Social and Environmental Screening Report

The completed template, which constitutes the Social and Environmental Screening Report, must be included as an annex to the Project Document. Please refer to the Social and Environmental Screening Procedure and Toolkit for guidance on how to answer the 6 questions.

Project Information

Project Information	
1. Project Title	Mainstreaming climate risk considerations in food security and IWRM in Tsilima Plain and upper catchment area
2. Project Number	PIMS 4633
3. Location (Global/Region/Country)	Eritrea

Part A. Integrating Overarching Principles to Strengthen Social and Environmental Sustainability

QUESTION 1: How Does the Project Integrate the Overarching Principles in order to Strengthen Social and Environmental Sustainability?
Briefly describe in the space below how the Project mainstreams the human-rights based approach
The objective of the proposed project is to integrate measures to address climate change considerations in ecosystem restoration and agri-food production systems in order to improve water management in the Tsilima Plains and upper catchment area. Therefore, a human-rights approach is integral to the project. The proposed project will support local development by: i) empowering local communities to manage the ecosystems; and ii) strengthening the capacity of local stakeholders, specifically the community-based organisations, to build partnerships with the extension services and be more actively involved in planning and decision-making, as well as promoting livelihood diversification. The overall goal is to reduce the vulnerability of ecosystems and the livelihoods dependent on them.
Briefly describe in the space below how the Project is likely to improve gender equality and women's empowerment
Gender considerations will be mainstreamed into the project's activities to ensure that women are included in the selection of activities to increase their resilience and the income-generation capacity and opportunities available to them, and will provide various training and capacity-building programmes. Women's user groups and female headed households will be targeted (around 57%). In addition, technical support and advice will be sought from the National Union of Eritrean Women (NEUW) during the project implementation period to ensure that women's needs in sub-Zoba Dbarwa are properly integrated. In alignment with the rights-based approach, the proposed project will identify opportunities to increase youth and female participation in the project's activities and decision-making processes. This will include: i) incorporating gender-disaggregated

indicators and targets in the results framework of the proposed project, specifically at community training workshops, demonstration activities and management committees: ii) targeting of gender vulnerabilities into project interventions so that the most climate vulnerable groups within a community receive support from the proposed project; and iii) participation of stakeholders through project planning and implementation to ensure that gender considerations are appropriately mainstreamed into project activities. Component 3, output 3.1.4 of the project proposes to develop and implement a gender strategy to guide the project's interventions with respect to women's empowerment.

Briefly describe in the space below how the Project mainstreams environmental sustainability

The objective of the proposed project is to integrate measures to address climate change considerations into ecosystem restoration and agri-food production systems in order to improve water management in the Tsilima Plains and upper catchment area. Under Component 2 of the proposed project, the resilience of local communities will be increased by implementing an ecosystem-based approach to climate change adaptation. Furthermore, the capacity of local communities to design and implement climate-smart agricultural and livestock practices, as well as land use and area development plans will be increased. These interventions will increase the capacity of local communities to adapt to climate change.

The project seeks to integrate sustainability and resilience of ecosystems into the watershed and restoration activities of government and land uses, and promote the sustainability of land use and natural resources management practices at all levels of resource governance, as a key adaptation pathway. Climate change adaptation will be integrated into sectoral planning. The increased availability and accuracy of hydro-meteorological data will enable the increased uptake and incorporation of this data in land-use planning and decision-making. For example, drought and flood prone area maps will be generated to facilitate land use planning.

Part B. Identifying and Managing Social and Environmental Risks

QUESTION 2: What are the Potential Social and Environmental Risks? *Note: Describe briefly potential social and environmental risks identified in Attachment 1 – Risk Screening Checklist (based on any "Yes" responses). If no risks have been identified in Attachment 1 then note "No Risks Identified" and skip to Question 4 and Select "Low Risk". Questions 5 and 6 not required for Low Risk Projects.*	QUESTION 3: What is the level of significance of the potential social and environmental risks? *Note: Respond to Questions 4 and 5 below before proceeding to Question 6*			QUESTION 6: What social and environmental assessment and management measures have been conducted and/or are required to address potential risks (for Risks with Moderate and High Significance)?
Risk Description	*Impact and Probability (1-5)*	*Significance (Low, Moderate, High)*	*Comments*	*Description of assessment and management measures as reflected in the Project design. If ESIA or SESA is required note that the assessment should consider all potential impacts and risks.*
Risk 1: Duty-bearers do not have the capacity to meet their obligations in the Project	I = 5 P = 2	**Moderate**	The proposed project is essentially a country-driven initiative. Therefore, Eritrean stakeholders will be the ultimate duty-bearers.	The roles and responsibilities of each participating duty-bearer have been identified and clarified and the stakeholder engagement plan will be developed during the first year of implementation to further clarify on

				these roles. The project will seek to fill the capacity gaps and resource needs already identified at PPG stage and will further conduct systematic assessments and propose efficient and cost effective strategies and approaches to addressing these needs during project implementation.
Risk 2: Rights-holders do not have the capacity to claim their rights.	I = 4 P = 3	**Moderate**	The proposed project will be implemented in the Tsilima Plain and upper catchment area where poverty and unemployment are high and literacy rates are low, and therefore the ability of individuals and groups to influence decision making is reduced.	The project will establish and support community-based organisations, who will receive training on participatory approaches to land use planning, as well as on the ecosystem-based approach to climate change adaptation. These activities will empower local communities to claim their rights to land and natural resources. The project will be characterized by significant direct participation of a variety of stakeholders at community, civil society, local government and central government.
Risk 3: Proposed project will involve harvesting of natural forests, plantation development, or reforestation.	I = 1 P = 5	**Low**	Conservation agriculture and agroforestry techniques will be promoted by the project. Therefore, not all species of plant/tree that will be used within the project will be indigenous. The proposed project will promote the regeneration of degraded land. In addition, agro-forestry and tree enclosures will be promoted.	Favourable and beneficial plant/tree species will be selected. Where possible, indigenous species will be prioritized through the collection and harvesting of seeds.
Risk 4: Outcomes of the proposed project will be sensitive or vulnerable to potential impacts of climate change.	I = 1 P = 5	**Low**	The project is targeting degraded watersheds and agri-productive lands to increase their resilience to climate change.	Current climatic variability will be taken into account in the restoration processes. Furthermore, resilient species will be selected for agro-forestry and techniques to assist plant growth – particularly in the seedling and sapling stages – will be adopted.
Risk 5: Proposed project will involve large-scale infrastructure development (e.g. dams, roads, buildings).	I = 3 P = 4	**Moderate**	The project will construct two sub-surface dams for the storage of water.	Geo-hydrological assessments and an EIA will be carried out to determine the ideal location for large-scale infrastructure. In addition, communities will be consulted in the broader site selection process.

Risk 6: Proposed project will potentially affect land tenure arrangements and/or community based property rights/customary rights to land, territories and/or resources	I = 3 P =3	**Moderate**	The project will assist the Government of Eritrea with the assessments and classification of land parcels and determination of potential land uses, the mapping of coordinates and assessments of the availability and quality of resources on the land (e.g. soil nutrients, water). The results of this work will facilitate informed decision-making by the government to implement redistribution of land as per the 1994 Land Proclamation.	The project will ensure that local communities are involved in the assessments, negotiations and dialogue regarding land classification, use and planning and are empowered to eventually influence allocation decisions.

QUESTION 4: What is the overall Project risk categorization?

Select one (see SESP for guidance)		Comments
Low Risk	X	
Moderate Risk	☐	
High Risk	☐	

QUESTION 5: Based on the identified risks and risk categorization, what requirements of the SES are relevant?

Check all that apply		Comments
Principle 1: Human Rights	X	As a development organization, UNDP's project design and implementation prioritises human approaches to ensure project intervention do not contribute to the worsening of the conditions of certain groups and individuals, but rather promotes equal participation, equitable representation and fair access to benefits.
Principle 2: Gender Equality and Women's Empowerment	X	The project will develop a gender strategy to ensure that women's and youth empowerment are integrated into project implementation, monitoring and reporting of results.
1. *Biodiversity Conservation and Natural Resource Management*	X	Biodiversity conservation and natural resources management are at the center of the project's approach to promoting climate change adaptation. Building the resilience of agro- and watershed ecosystems are seen as the most cost effective way for Eritrea's rural communities to cope with climate change impacts.

	2. **Climate Change Mitigation and Adaptation**	**X**	This is a climate change adaptation project, designed specifically to mainstream climate risk considerations into food production and water management systems.
	3. **Community Health, Safety and Working Conditions**	☐	
	4. **Cultural Heritage**	☐	
	5. **Displacement and Resettlement**	☐	
	6. **Indigenous Peoples**	☐	
	7. **Pollution Prevention and Resource Efficiency**	☐	

Final Sign Off

Signature	Date	Description
QA Assessor		UNDP staff member responsible for the Project, typically a UNDP Programme Officer. Final signature confirms they have "checked" to ensure that the SESP is adequately conducted.
QA Approver		UNDP senior manager, typically the UNDP Deputy Country Director (DCD), Country Director (CD), Deputy Resident Representative (DRR), or Resident Representative (RR). The QA Approver cannot also be the QA Assessor. Final signature confirms they have "cleared" the SESP prior to submittal to the PAC.
PAC Chair		UNDP chair of the PAC. In some cases PAC Chair may also be the QA Approver. Final signature confirms that the SESP was considered as part of the project appraisal and considered in recommendations of the PAC.

Checklist Potential Social and Environmental <u>Risks</u>	
Principles 1: Human Rights	**Answer (Yes/No)**
1. Could the Project lead to adverse impacts on enjoyment of the human rights (civil, political, economic, social or cultural) of the affected population and particularly of marginalized groups?	No
2. Is there a likelihood that the Project would have inequitable or discriminatory adverse impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups? [1]	No
3. Could the Project potentially restrict availability, quality of and access to resources or basic services, in particular to marginalized individuals or groups?	No
4. Is there a likelihood that the Project would exclude any potentially affected stakeholders, in particular marginalized groups, from fully participating in decisions that may affect them?	No
5. Is there a risk that duty-bearers do not have the capacity to meet their obligations in the Project?	Yes
6. Is there a risk that rights-holders do not have the capacity to claim their rights?	Yes
7. Have local communities or individuals, given the opportunity, raised human rights concerns regarding the Project during the stakeholder engagement process?	No
8. Is there a risk that the Project would exacerbate conflicts among and/or the risk of violence to project-affected communities and individuals?	No
Principle 2: Gender Equality and Women's Empowerment	
1. Is there a likelihood that the proposed Project would have adverse impacts on gender equality and/or the situation of women and girls?	No
2. Would the Project potentially reproduce discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits?	No
3. Have women's groups/leaders raised gender equality concerns regarding the Project during the stakeholder engagement process and has this been included in the overall Project proposal and in the risk assessment?	Yes
4. Would the Project potentially limit women's ability to use, develop and protect natural resources, taking into account different roles and positions of women and men in accessing environmental goods and services? *For example, activities that could lead to natural resources degradation or depletion in communities who depend on these resources for their livelihoods and well being*	No
Principle 3: Environmental Sustainability: Screening questions regarding environmental risks are encompassed by the specific Standard-related questions below	
Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management	
1.1 Would the Project potentially cause adverse impacts to habitats (e.g. modified, natural, and critical habitats) and/or ecosystems and ecosystem services? *For example, through habitat loss, conversion or degradation, fragmentation, hydrological changes*	No

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[1] Prohibited grounds of discrimination include race, ethnicity, gender, age, language, disability, sexual orientation, religion, political or other opinion, national or social or geographical origin, property, birth or other status including as an indigenous person or as a member of a minority. References to "women and men" or similar is understood to include women and men, boys and girls, and other groups discriminated against based on their gender identities, such as transgender people and transsexuals.

1.2	Are any Project activities proposed within or adjacent to critical habitats and/or environmentally sensitive areas, including legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities?	No
1.3	Does the Project involve changes to the use of lands and resources that may have adverse impacts on habitats, ecosystems, and/or livelihoods? (Note: if restrictions and/or limitations of access to lands would apply, refer to Standard 5)	No
1.4	Would Project activities pose risks to endangered species?	No
1.5	Would the Project pose a risk of introducing invasive alien species?	No
1.6	Does the Project involve harvesting of natural forests, plantation development, or reforestation?	Yes
1.7	Does the Project involve the production and/or harvesting of fish populations or other aquatic species?	No
1.8	Does the Project involve significant extraction, diversion or containment of surface or ground water? *For example, construction of dams, reservoirs, river basin developments, groundwater extraction*	Yes
1.9	Does the Project involve utilization of genetic resources? (e.g. collection and/or harvesting, commercial development)	No
1.10	Would the Project generate potential adverse transboundary or global environmental concerns?	No
1.11	Would the Project result in secondary or consequential development activities which could lead to adverse social and environmental effects, or would it generate cumulative impacts with other known existing or planned activities in the area? *For example, a new road through forested lands will generate direct environmental and social impacts (e.g. felling of trees, earthworks, potential relocation of inhabitants). The new road may also facilitate encroachment on lands by illegal settlers or generate unplanned commercial development along the route, potentially in sensitive areas. These are indirect, secondary, or induced impacts that need to be considered. Also, if similar developments in the same forested area are planned, then cumulative impacts of multiple activities (even if not part of the same Project) need to be considered.*	No
Standard 2: Climate Change Mitigation and Adaptation		
2.1	Will the proposed Project result in significant[2] greenhouse gas emissions or may exacerbate climate change?	No
2.2	Would the potential outcomes of the Project be sensitive or vulnerable to potential impacts of climate change?	Yes
2.3	Is the proposed Project likely to directly or indirectly increase social and environmental vulnerability to climate change now or in the future (also known as maladaptive practices)? *For example, changes to land use planning may encourage further development of floodplains, potentially increasing the population's vulnerability to climate change, specifically flooding*	No
Standard 3: Community Health, Safety and Working Conditions		
3.1	Would elements of Project construction, operation, or decommissioning pose potential safety risks to local communities?	No
3.2	Would the Project pose potential risks to community health and safety due to the transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?	No
3.3	Does the Project involve large-scale infrastructure development (e.g. dams, roads, buildings)?	No
3.4	Would failure of structural elements of the Project pose risks to communities? (e.g. collapse of buildings or infrastructure)	No

[2] In regards to CO_2, 'significant emissions' corresponds generally to more than 25,000 tons per year (from both direct and indirect sources). [The Guidance Note on Climate Change Mitigation and Adaptation provides additional information on GHG emissions.]

3.5	Would the proposed Project be susceptible to or lead to increased vulnerability to earthquakes, subsidence, landslides, erosion, flooding or extreme climatic conditions?	No
3.6	Would the Project result in potential increased health risks (e.g. from water-borne or other vector-borne diseases or communicable infections such as HIV/AIDS)?	No
3.7	Does the Project pose potential risks and vulnerabilities related to occupational health and safety due to physical, chemical, biological, and radiological hazards during Project construction, operation, or decommissioning?	No
3.8	Does the Project involve support for employment or livelihoods that may fail to comply with national and international labor standards (i.e. principles and standards of ILO fundamental conventions)?	No
3.9	Does the Project engage security personnel that may pose a potential risk to health and safety of communities and/or individuals (e.g. due to a lack of adequate training or accountability)?	No
Standard 4: Cultural Heritage		
4.1	Will the proposed Project result in interventions that would potentially adversely impact sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: Projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts)	No
4.2	Does the Project propose utilizing tangible and/or intangible forms of cultural heritage for commercial or other purposes?	No
Standard 5: Displacement and Resettlement		
5.1	Would the Project potentially involve temporary or permanent and full or partial physical displacement?	No
5.2	Would the Project possibly result in economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)?	No
5.3	Is there a risk that the Project would lead to forced evictions?[3]	No
5.4	Would the proposed Project possibly affect land tenure arrangements and/or community based property rights/customary rights to land, territories and/or resources?	No
Standard 6: Indigenous Peoples		
6.1	Are indigenous peoples present in the Project area (including Project area of influence)?	No
6.2	Is it likely that the Project or portions of the Project will be located on lands and territories claimed by indigenous peoples?	No
6.3	Would the proposed Project potentially affect the human rights, lands, natural resources, territories, and traditional livelihoods of indigenous peoples (regardless of whether indigenous peoples possess the legal titles to such areas, whether the Project is located within or outside of the lands and territories inhabited by the affected peoples, or whether the indigenous peoples are recognized as indigenous peoples by the country in question)? *If the answer to the screening question 6.3 is "yes" the potential risk impacts are considered potentially severe and/or critical and the Project would be categorized as either Moderate or High Risk.*	No
6.4	Has there been an absence of culturally appropriate consultations carried out with the objective of achieving FPIC on matters that may affect the rights and interests, lands, resources, territories and traditional livelihoods of the indigenous peoples concerned?	No
6.5	Does the proposed Project involve the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?	No

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[3] Forced evictions include acts and/or omissions involving the coerced or involuntary displacement of individuals, groups, or communities from homes and/or lands and common property resources that were occupied or depended upon, thus eliminating the ability of an individual, group, or community to reside or work in a particular dwelling, residence, or location without the provision of, and access to, appropriate forms of legal or other protections.

6.6	Is there a potential for forced eviction or the whole or partial physical or economic displacement of indigenous peoples, including through access restrictions to lands, territories, and resources?	No
6.7	Would the Project adversely affect the development priorities of indigenous peoples as defined by them?	No
6.8	Would the Project potentially affect the physical and cultural survival of indigenous peoples?	No
6.9	Would the Project potentially affect the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices?	No
Standard 7: Pollution Prevention and Resource Efficiency		
7.1	Would the Project potentially result in the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts?	No
7.2	Would the proposed Project potentially result in the generation of waste (both hazardous and non-hazardous)?	No
7.3	Will the proposed Project potentially involve the manufacture, trade, release, and/or use of hazardous chemicals and/or materials? Does the Project propose use of chemicals or materials subject to international bans or phase-outs? *For example, DDT, PCBs and other chemicals listed in international conventions such as the Stockholm Conventions on Persistent Organic Pollutants or the Montreal Protocol*	No
7.4	Will the proposed Project involve the application of pesticides that may have a negative effect on the environment or human health?	No
7.5	Does the Project include activities that require significant consumption of raw materials, energy, and/or water?	No

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Business Unit   ERI10   Eritrea

Project Num   00085501   Mainstreaming climate risk considerations in food securi

Risk Details   Find   First ◄ 1-7 of 7 ► Last

[+] **Risk Type**   **Date Identified**
     ENVIRONMENTAI ⌄   20/04/2016 📅   ☐ Critical

     Description

     Severe drought or other extreme events

▼ **Management Response/Risk Update**

[+] **Management Response/Risk Update**

     Updated and improved climate information, forecasting and projections will be developed and used to fine-tune the technical
     aspects of project activities, such as the design of soil and water conservation measures. The project will adopt an ongoing
     learning-by-doing approach that will allow for iterative and adaptive management. Lessons learned will be generated to inform

     peter-ngumba.kamau   20/04/2016 08:39

[+] **Risk Type**   **Date Identified**
     ENVIRONMENTAI ⌄   20/04/2016 📅   ☐ Critical

     Description

     Continued decline of available groundwater, salinization of wells leading to potential scarcity and competition, leading to possible conflict.

▼ **Management Response/Risk Update**

[+] **Management Response/Risk Update**

     A number of project activities –including watershed restoration, construction of sub-surface dams, treatment of riverbanks, and soil
     and water conservation measures – have been identified and designed to recharge groundwater levels. The implementation of these
     project activities will therefore mitigate against this risk and reduce levels of competition for this scarce resource.

     peter-ngumba.kamau   20/04/2016 08:41

[+] **Risk Type**   **Date Identified**
     ORGANIZATIONA ⌄   20/04/2016 📅   ☐ Critical

     Description

     Institutional capacity and relationships between line ministries are not sufficient to provide effective solutions to climate problems that
     are complex and multi-sectoral.

▼ **Management Response/Risk Update**

[+] **Management Response/Risk Update**

     Capacity needs assessments will be undertaken, the results of which will inform capacity development. Institutional and technical
     capacity will be developed to support inter-ministerial coordination and planning around CCA.

     peter-ngumba.kamau   20/04/2016 08:42

Risk Type **Date Identified**
OPERATIONAL ⌄ 20/04/2016 📅   ☐ Critical

Description

Limited human resources and institutional capacity, particularly at the Zoba and sub-Zoba level.

▼ Management Response/Risk Update

Management Response/Risk Update

The project has a strong capacity-building and training component, designed to promote effectiveness and sustainability at the local community, sub-Zoba and Zoba administration levels.

peter-ngumba.kamau   20/04/2016 08:44

Risk Type **Date Identified**
OPERATIONAL ⌄ 20/04/2016 📅   ☐ Critical

Description

Delays in project implementation, particularly in the development of infrastructure interventions.

▼ Management Response/Risk Update

Management Response/Risk Update

Any bottlenecks in implementation will be identified. Feasibility studies will be undertaken for a number of the proposed water-related infrastructure components – such as the construction of sub-surface dams. Capacity-building programmes will be designed taking the results of the feasibility studies into consideration.

peter-ngumba.kamau   20/04/2016 08:45

Risk Type **Date Identified**
FINANCIAL ⌄ 20/04/2016 📅   ☐ Critical

Description

Price escalation and unavailability of commodities and materials.

▼ Management Response/Risk Update

Management Response/Risk Update

Escalating prices are beyond the control of the project and can only be mitigated by ensuring that the budget for infrastructural components is adequate.

peter-ngumba.kamau   20/04/2016 08:46

Risk Type **Date Identified**
POLITICAL ⌄ 20/04/2016 📅   ☐ Critical

Description

Potential conflict with neighbouring Ethiopia.

▼ Management Response/Risk Update

Management Response/Risk Update

Current commitments by GoSE suggest that Eritrea is likely to maintain stable political relationships with all its neighbours.

REPORT ON MICRO ASSESSMENT OF THE FINANCIAL MANGEMENT CAPACITY

MINISTRY OF LAND, WATER AND ENVIRONMENT

(MOLWE)

THE STATE OF ERITREA

MAY 2015

CONTENTS

BACKGROUND

This report is an outcome of a micro-assessment work that we have been appointed to perform by the UNDP, UNFPA, and UNICEF as funding agencies as per Ref.:/ORG/HACT/036/15. This micro assessment was performed in the Ministry of Land, Water, and Environment as an implementing partner (IP). We would like to take this opportunity to compliment the UNDP, UNFPA, and UNICEF for taking a proactive step for sound financial governance in the IP. We also like to take this opportunity to acknowledge the valuable contribution of the finance head of Zoba-Debub administration to the completion of this assessment.

The objective of this assessment is two fold. First, to assist both the IP and the funding agencies in identifying the most suitable modalities for the transfer of cash from the funding agency to the IP the purpose of which being the implementation of social and environmental intervention programs and projects. To this effect, we have assessed the financial management and procurement capacity of the IP (i.e. accounting, procurement, reporting, internal controls, etc.). Secondly, the assessment is meant to identify areas of financial management and procurement within the IP where there is a need for strengthening capacity. To this effect we have identified areas of deficiencies and made recommendation on how they can be avoided or minimized.

SCOPE

This micro-assessment exercise provides a risk assessment of financial management and procurement capacity of the Ministry of Land, Water, and Environment to determine the overall risk rating and assurance activities. Specifically, we conducted an assessment of the IP's legal status and experience with UN agencies; fund management; IP's organizationalstructure and staffing; accounting policies and procedures, internal audit, independent audit, reporting and monitoring mechanism, information system, and procurement policies and procedures.

METHODOLOGY

The micro assessment is basically performed in accordance with the TOR that has been developed to guide United Nations agencies, third party service providers and IPs through the objectives, scope, timing and deliverables of performing micro assessments. The assessment primarily consists of interviews with IP's relevant personnel, review of relevant documentation, and physical examination of security provisions for cash and other resources sufficient to complete the micro assessment questionnaire. The questionnaire provides an overall risk rating based on responses provided as defined below.

Low risk: indicates a well-developed financial management system and functioning control framework with a low likelihood of negative impact on the IP's ability to execute the programme in accordance with the work plan. This risk is given a rank of 1.

Medium Risk: indicates a developed financial management system and control framework with moderate likelihood of potential negative impact on the IP's ability to execute the programme in accordance with the work plan. This risk is given a rank of 2.

Significant Risk: indicates an underdeveloped financial management system or control framework with a significant likelihood of potential negative impact on the IP's ability to execute the programme in accordance with the work plan. This risk is given a rank of 3.

High Risk: indicates an underdeveloped financial management system and control framework with a significant likelihood of potential negative impact on the IP's ability to execute the programme in accordance with the work plan. This risk is given a rank of 4.

In this assessment, explanations are provided in the remarks/comment column for subject areas where the risk ranking is other than "low". Moreover, for subject areas assessed as "low risk", remarks are provided where we felt that more explanation is necessary in addition to the low risk consideration statements.

EXECUTIVE SUMMARY

1. Implementing Partner

The MOLWE is a government ministry established by virtue of the rules and regulations of the State of Eritrea. Although MOLWE receives funds from more than one UN agency, this assessment is for fund received from UNICEF. The MOLWE has been receiving funds from UNICEF for 21 years and no issues were encountered with utilizing these funds. The funds are used for implementing projects through sub-zoba branches. The MOLWE is compliant with applicable statutory requirements reporting quarterly to the Ministry of National Development (MND) and funding agency through the FACE form and activity report. The governing body of the IP is independent from management. In this regard, the MOLWE can be considered as a low risk partner.

2. Fund Flows

The MOLWE receives funds directly from the funding agency through quarterly performance and fund request form (FACE) and transfer funds to zoba branches. The fund is received directly to a common project bank account, not specifically to a UNICEF funded project account. However, it has a subsidiary ledger to separately show the expenditures made from the UNICEF fund. In some sub-zobas where projects are implemented, banking services may not be available. Thus, the transfer of cash to such sub-zobasis risky cash may be lost in the transit. Apart from this, the MOLWE has had no problems in the past regarding receipt and management of funds. Where some activities are implemented by other parties, the MOLWE has the necessary reporting and monitoring mechanisms in place to track the use of funds by other organizations. The other implementing organizations are required to provide financial and narrative report with supporting documentation to the MOLWE. Site visits are also made by MOLWE experts and project coordinator. However, control is sometimes hampered because of logistical problems. Overall, the MOLWEcan be regarded as having medium risk as far as funds flow is concerned.

3. Organization Structure and Staffing

Project implementation is through MOLWE branches of sub-zobas. This risk assessment is performed for Zoba branches. The finance unit isheaded by a diploma holder in business management with five years of experience. Under the finance head are an accountant with diploma in accounting and an accounts clerk with high school diploma. The staff members of the project finance are reasonably experienced with UN procedures and report types.Job description is available only for the finance head. There is shortage of finance staff (accountants). Vacancy positions are key but no date of appointment has been set. Generally, it can be said that the MOLWEofzoba's finance unit is not staffed adequately for the current volume of transactions. Thus,the MOLWE-zobas havemedium risk as regards to staff adequacy and clarity of lines of responsibility and accountability.

4. Accounting Policy and Procedures

The MOLWE-zobas have an accounting system for proper recording of transactions from any source with sufficient controls for the explanation, approval, and recording of transactions.

Accounting and supporting documents are accessible for any authorized user. No document has been disposed of to-date. The MOLWE-zobas have policies and procedures for tracking and reporting United Nations

resources as required in the HACT framework. There is adequate separation of duties for the authorization and recording of transactions, and custody of assets.Bank reconciliations are prepared by the accountants who are not involved in making or approving payments.

MOLWE prepares budgets that lay down physical and financial targets for all significant activities in sufficient detail to provide a meaningful tool for monitoring subsequent performance. The major problem is that activities are not always implemented in time due to failures of tenders for construction work. That is, financial offer of tenderers are many times above the budget. Where activities are not implemented in time, fund has to be returned to the funding agency. Explanations are given to funding agency for these problems for the purpose of requesting fundfor the next quarter.

Invoice processing procedures are sufficient, including: receiving copies of purchase orders and goods receiving notes; comparing invoice quantities, prices and terms with those indicated on the purchase order and with records of goods actually received; and checking the accuracy of calculations.

MOF guidelines are used for the preparation and approval of payroll expenditures. At present payroll changes are almost non-existent. For expense categories that do not originate from invoice payments forms are generated to document and approve these expenses. Particulars and signatures of beneficiaries are also obtained.

MOLWE-zobas use cash basis accounting for UN funded projects. Accounting system is adopted from MOF manual and any changes are made only by the MOF. The manual is available at finance head's office and is accessible on request.

Funding agency resources are placed in a separate bank account. MOLWE-zobas have adequate controls over cash at zoba level. However, at sub-zoba level where there is no banking service cash could stay in hand up to a month. At zoba level cash and checks are maintained in a safe vault at the cashier's office. There are three signatories on the bank accounts that will be used for United Nations resources, namely: head of administration and finance, finance head, and cashier. At least two are required to sign.

There is adequate control for fixed assets at zoba level. Fixed assets are tagged and checked and updated every six months. Each employee is responsible for assets within his/her office. Records are maintained by properties unit. Fixed assets are counted annually by proprieties unit head and general service head. However, only motor vehicles are covered by insurance.

Projects are implemented by zoba administration. MOLWE controls the proper use of funds and implementation of projects through financial and descriptive physical reports. Quarterly visits are also arranged to project sites. However, logistical problem makes visits irregular.

On average, the accounting policies and procedures of MOLWE-zobascan be regarded as low risk.

5. Internal Audit

MOLWE-zobas have a reasonably independent internal auditor reporting to the governor of the zoba. The internal auditor is well qualified with B.A degree in accounting with about 15 years of experience. MOLWEappears to have adequate internal controls to ensure funds are expended for the intended purpose, discourage and prevent improper use of funds, and safeguard assets.

6. Financial Audit

Generally, the Office of the Auditor General, an independent government audit office, is responsible to audit the general as well as the project fund. Audit work has been delayed for several years. Unlike for UNDP funded projects in the zobas, projects funded by UNICEF are not audited by independent private auditors. Consequently, risk in this area is assessed as significant.

7. Reporting and Monitoring

MOLWE prepares financial and physical reports. The physical and financial reports are synchronized reports. Monthly reports are for internal purposes and quarterly to the funding agencies. Expendituresare reported as per the donor requirement based on the fund authorizing and certificate of expenditure (FACE) form. Comparison of actual expenditures with budgeted and programmed allocations are made through the FACE report. However, the finance head has indicated that there are delays in compiling data from sub-zobas necessary to prepare reports in time.

MOLWE-zobas use manual system parallel with the automated system. On average, MOLWE-zobas have low risk on the reporting and monitoring function.

8. Information Systems

The managementinformation system is manual. However, an automated system is in the process of being implemented that that is expected to be helpful in the preparation of required reports to various users in time. Data access is restricted by locked offices and password. Thus, we have concluded that the risk in information systems is low.

9. Procurement

The procurement is carried out generally according to the MOF guidelines. These guidelines promote broad participation from potential bidders and are consistently followed. However, MOLWE-zobas do not have specific anti-fraud and corruption policy. Nor do they have formal guidelines and procedures in place to assist in identifying, monitoring and dealing with potential conflict of interests with potential suppliers or procurement agents.

MOA-zobas have a well-defined process in place to ensure a secure and transparent bid and evaluation process with a mandate to undertake all types of procurements. There are two procurement committees depending on the size of purchase; (1) up to 100,000 ERN purchase, and (2) Above 100,000 ERN purchases. Procurement methods include broad broadcasting for large purchases. Public opening is used for broadcasted bids. Procurement contracts are awarded to qualified bidders whose bids substantially conform to requirements set forth in the solicitation documentation and offer the lowest cost.

Evaluation report is prepared for each bid. Quarterly procurement reports are also prepared and submitted to head of administration and finance. All procurements are approved by governor and administration and finance head. MOLWE-zobasuse manual procurement system. IP's procurement unit is under the head of general service who reports to the head of administration and finance.

Although MOLWE-zobasclaim that they have no experience of complaints from biddersto-date, they do not have procedures for handling complaints. Nevertheless, the internal auditor, head of administration and finance, and project accountant verify compliance with established policies. Thus, the procurement procedure of MOLWE-zobas is assessed as low risk.

FINDINGS AND RECOMMENDATIONS

	Findings	**Recommendation**
1	In many sub-zobas where projects are implemented, banking service is not available. Thus, cash has to be carried and transported. There is risk that cash may be lost or stolen in the way.	IP has to insure itself against such risk.

2	There is shortage of staff in the finance unit (accountants).	The finance head has indicated that attracting new staff is difficult. Perhaps IP should explore possibilities of recruiting accountant to be paid from project fund.
3	There is no project coordinating officer for UNICEF funded programs which often results in delays of reporting.	Assigning a project coordinating officer could improve the timely implementation and proper reporting of performance.
4	The IP does not have a procedure for identifying 'conflict of interest' and 'related party transactions'.	IP should introduce a document of 'impartiality and confidentiality' to be signed by all members of the procurement committee.
5	Properties are not insured except for motor vehicles.	However, this is government policy. The Ministry of Finance is probably the right authority to solve this weakness
6	The IP's procurement rules and regulations do not include provisions for handling procurement complaints.	IP should expect that some bidders may not be satisfied with the result of bid evaluation outcome and thus should include a fair and impartial mechanism for such.
7	We have observed that IP's project fund financial statements are not audited.	It is necessary that IP's financial statements should be timely audited by independent auditors.

Appendix IV. Micro Assessment Questionnaire

Micro Assessment Questionnaire

Implementing Partner: MINISTRY OF LAND, WATER AND ENVIRONMENT   Date: 09 May, 2015

Instructions: This questionnaire contains various questions related to nine subject areas, summarized further below. Please answer each
question by indicating your response as 'Yes', 'No' or 'N/A' (for 'not applicable'). Also, use the 'Comments' section next to each
question to provide details of your assessment or to highlight any important matters. This document will be referenced subsequently by
the agency when performing additional assurance activities related to the IP. Sufficient details should be provided in this document for
the agency to understand the details of each response.

Assign a risk rating (high, significant, moderate or low) for each question based on the response obtained. (For example, if the question
addresses an item that should ideally be marked 'Yes' but was marked 'No', it should be assessed for the level of risk it presents to the
IP's financial management system). Assigning risk ratings to each question requires judgment by the assessor as to how the response
will affect the IP's financial management system. The risk ratings to be used are:

- *High* – Response to question/subject matter provides a risk to the overall financial management system that has both a high
likelihood of occurring and a potentially negative impact on the IP's ability to execute the programme in accordance with the work
plan[7] and stated objectives. Additionally, this risk has not been mitigated by any other controls/process that have been implemented
by the IP;

- *Significant* – Response to question/subject matter provides a risk to the overall financial management system that has either a
significant likelihood of occurring or a potentially negative impact on the IP's ability to execute the programme in accordance with
the work plan and stated objectives;

- *Medium* – Response to question/subject matter provides a risk to the overall financial management system that has a moderate
likelihood of occurring and a potentially negative impact on the IP's ability to execute the programme in accordance with the work
plan and stated objectives; or

- *Low* – Response to question/subject matter provides a risk to the overall financial management system that has a low likelihood of
occurring and a potentially negative impact on the IP's ability to execute the programme in accordance with the work plan and
stated objectives.

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To determine the overall risk assessment for a subject matter section (e.g., Section 1. Implementing Partner), points are assigned that correlate with the level of risk. The points assigned to each question should be totaled and averaged based on the number of questions in the subject matter section. Questions that are not applicable to the IP (marked as 'N/A') should not be assigned a risk rating and should be removed from the total number of questions for the calculation. Points should be assigned as follows:

- H – High risk: 4 points

- S – Significant risk: 3 points

- M – Moderate risk: 2 points

- L – Low risk: 1 point

The average number of points calculated should then be compared to the points rating above and assigned a corresponding risk (i.e., an average of 2.0 would indicate a moderate risk rating for the subject matter section). Numbers should be rounded as follows:

- 0.1 to 0.49: Round down to the closest whole number (i.e., an average of 3.3 would be rounded down to 3.0. indicating a 'significant' risk rating);

- 0.5 to 0.99: Round up to the closest whole number (i.e., an average of 1.99 would be rounded up to a 2.0, indicating a 'moderate' risk rating).

The same process should be followed for determining the overall risk assessment for the IP once the checklist has been completed

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Summary of Risks Related to the Financial Management Capacity of the Implementing Partner				
Tested subject area (see subsequent pages for details of each subject area summarized below)				
	Total number of risk points	Total number of applicable questions	Overall risk assessment	Comments
1. Implementing partner:	5	5	1	
2. Funds flow:	9	6	2	
3. Organizational structure and staffing:	14	10	1	
4. Accounting policies and procedures:	54	43	1	
5. Internal audit:	5	5	1	
6. Financial audit:	8	5	2	
7. Reporting and monitoring:	9	8	1	
8. Information systems:	5	5	1	
9. Procurement:	48	34	1	

Total:	**157**	**121**		**1**	Divide the total number of risk points by the total number of applicable questions in the subject matter section. This amount should be rounded as detailed on page 1 of this checklist and assigned an overall risk rating.

Micro Assessment Questionnaire

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
1. Implementing partner						
Is the IP legally registered? If so, is it in compliance with registration requirements? Please note the legal status/registration of the entity. *Retain copies of registration documents if available.*	✓			IP is registered in the country where the programme operates and is current with registration/reporting requirements.	1	IP is a government ministry established as per proclamation of 1992.
1.2 Has the IP received United Nations resources in the past? If so, provide details of amounts, from which agency and for what purpose.	✓			IP has received United Nations resources in the past and no issues were encountered with utilizing these funds.	1	IP has received funds from UN agencies for 21 years. However, we were not provided with amounts.
1.3 Does the IP have statutory reporting requirements? If so, are they in compliance with such requirements? Please describe.	✓			The IP is compliant with applicable statutory requirements.	1	Monthly and annually to the Ministry of Finance; Quarterly and annually to funding agency.
1.4 Is the governing body for the IP independent from management? If so, please describe.	✓			The governing body of the IP is independent from management.	1	Minister of MOLWE is governing body and is separate from management.

	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
1.5 Does the IP have any pending legal actions against it? *Confirm this with the IP, and possibly through assessment of the general ledger and confirmation with external legal counsel provided by the IP. Provide details and actions taken by the IP to resolve the legal action.*		✓		The IP does not have any pending legal actions against it.	1	
Total number of questions in subject area:	5					
Number of questions marked 'N/A' in subject area:	0					
Total number of applicable questions in subject area:	5					
Total number of risk points:					5	

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
Implementing partner overall risk assessment:					1	Divide total number of risk points by total number of applicable questions in subject matter section. This amount should be rounded as detailed on page 1 of this checklist and assigned an overall risk rating.
2. Funds Flow						
2.1 Can the IP easily receive and transfer funds? If so, please describe the process.	✓			The IP can receive funds directly from the agency.	1	IP can receive and transfer to zobas. Receipts and transfers are made through the banking system.
2.2 Are the proposed arrangements to transfer the funds to the IP satisfactory to the funding agency?	✓			The proposed arrangements are satisfactory to the funding agency.	1	Based on funding agencies' requirements.

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
2.3 Have there been major problems in the past in receipt of funds by the IP, particularly where the funds flow from government ministries (if applicable)? If so, please describe.		✓		The IP has not had problems in the past regarding receipt of agency funding.	1	No problem for fund from government.
2.4 In the past, has the IP had any problems in the management of funds received? If so, please describe.		✓		The IP has not had problems in the management of funds received from the funding agency.	3	Where banking service is not available in sub-zobas cash has to be carried and transported. There is risk that cash may be lost in transit.
2.5 Does the IP have capacity to manage foreign exchange risks? (If it is expected to be using funds outside the country.) If so, does the IP have experience managing foreign exchange risk?			✓	The IP has capacity and experience in managing foreign exchange risk.	-	Exchange rate for USD is fixed as per government policy. Thus, no exchange risk.
2.6 Does the IP have a process in place to access counterpart funds? Please describe.	✓			The IP has capacity and experience in assessing counterpart funds.	1	Government fund is accessed through the budget process.

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Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
2.7 If some activities will be implemented by others, such as civil society groups or non-governmental organizations, does the IP have the necessary reporting and monitoring mechanisms to track the use of funds? Does the IP have experience with implementation of activities by external civil society or non-governmental organizations? If so, please describe.	✓			The IP has the necessary reporting and monitoring mechanisms in place to track the use of funds by external organizations. The IP also has experience with this process.	2	MOLWE implements projects through zobas. Control is through progress reports, site visits, and monitoring and evaluation. However, control is sometimes hampered because of logistical problems.
Total number of questions in subject area:	7					
Number of questions marked 'N/A' in subject area:	1					

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
Total number of applicable questions in subject area:	6					
Total number of risk points:					9	
Funds flow overall risk assessment:					2	Divide total number of risk points by total number of applicable questions in subject matter section. This amount should be rounded as detailed on page 1 of this checklist and assigned an overall risk rating.
3. Organizational Structure and Staffing						
3.1 Is the organizational structure of the IP's accounting/finance department appropriate for the level of financial volume? Does the organizational structure provide clear lines of reporting and accountability? If so, please describe. *Attach an organization chart if available.*	✔			The organizational structure of the IP's accounting/finance department is appropriate for the level of financial volume (including funding from the agency).	1	Staff competence is adequate for current volume of transactions.
3.2 Are the level of posts and competency of staff appropriate for the level of financial volume in the accounting/finance	✔			The level of posts and competency of staff are	1	Finance head, one accountant, one accounts clerk, and one cashier.

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
department? Identify the staff, including job titles, responsibilities, educational backgrounds and professional experience. *Attach job descriptions and CVs of key accounting/ finance staff.*				appropriate for the level of financial volume in the accounting/finance department.		Job description is available for the finance head. See attached CV.

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
3.3 Is the IP's accounting/finance function staffed adequately to ensure sufficient controls are in place to manage agency funds? If so, please describe.		✓		The IP's accounting/finance function is staffed adequately to ensure sufficient controls are in place to manage agency funds.	3	There is shortage of finance staff (accountants). The government salary scale does not attract new staff. And incumbent staff may resign any time.
3.4 Are accounting/finance staff familiar with United Nations procedures related to cash transfers (specifically the HACT framework)? If so, please provide details.	✓			The accounting/finance staff are familiar with United Nations procedures related to cash transfers (specifically the HACT framework).	1	They have sufficient experience with the cash transfer and reporting framework (FACE form).
3.5 Are there vacancies in positions considered key? If so, provide the estimated date of appointment.	✓			The IP does not have any vacancies in positions considered key.	3	Vacancy positions are key but date of appointment has not been set.
3.6 Are staff frequently transferred to other departments, offices, countries, etc.? If so, what is the estimated frequency?		✓		IP staff are not frequently transferred to other departments, offices, countries, etc.	1	
3.7 Does the IP have training policies for accounting/finance staff? Are necessary trainings undertaken? If so, please describe.		✓		The IP has training policies for accounting/finance staff, which are undertaken as planned.	2	IP has no written training policy.
3.8 Has there been significant turnover in the past five years? If so, has the rate improved or worsened? Does it appear to be a problem? If so, what is the IP doing to address this		✓		The IP has not had significant turnover in the past five years.	1	The IP has not had significant turnover in the past five years.

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Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
issue?"						

3.9 Does the IP perform background verification/checks on all new accounting/finance and management positions? If alternative practices for processing new hires are in place, please provide a brief description.	✓			The IP performs background verification/checks on all new accounting/finance and management positions.	1	Information (reference letter) is sought from previous employers.
3.10 Does the IP have a defined and documented internal control framework? Is this framework consistent with international standards? If so, please describe.		✓			1	However, IP follows Ministry of Finance financial management and procurement guidelines which are adequate.
Total number of questions in subject area:	**10**					
Number of questions marked 'N/A' in subject area:	0					
Total number of applicable questions in subject area:	10					
Total number of risk points:					14	
Organizational structure and staffing overall risk assessment:					1	Divide total number of risk points by total number of applicable questions in subject matter section. This amount should be rounded as detailed on page 1 of this checklist and assigned an overall risk rating.
4. Accounting Policies and Procedures						
4a. General						
4.1 Does the IP have an accounting system that allows for proper recording of financial transactions from United Nations agencies, including allocation of expenditures in accordance with the respective components, disbursement categories and sources of funds?	✓			The IP has an accounting system that allows for proper recording of financial transactions from United Nations agencies, including	1	IP has an accounting system that allows for proper recording of financial transactions for funds from UN agencies.

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Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
				allocation of expenditures in accordance with the respective components, disbursement categories and sources of funds.		
4.2 Are controls in place concerning preparation and approval of transactions, ensuring that all transactions are correctly made and adequately explained?	✓			Controls are in place concerning preparation and approval of transactions, ensuring that all transactions are correctly made and adequately explained.	1	Transactions are based on the request of project implementers and according to work plan. They are, then, approved by head of administration and finance, and recorded by finance staff.
4.3 Is the chart of accounts adequate to properly account for and report on activities and disbursement categories?	✓			The chart of accounts is adequate to properly account for and report on activities and disbursement categories in accordance with the established agreements.	1	Ledger maintained by project with detailed chart of accounts.
4.4 Are controls in place for accurate cost allocations to the various funding sources in accordance with established agreements?			✓	Controls are in place for accurate cost allocations to the various funding sources in accordance with established agreements.	-	No common costs to be allocated. Each project is funded by specific agency.
4.5 Are the general ledger and subsidiary ledgers reconciled at least monthly? Are explanations provided for significant reconciling items?	✓			The general ledger and subsidiary ledgers are reconciled at least monthly, and explanations are provided for significant reconciling items.	1	Ledgers are reconciled quarterly explanations provided for significant discrepancies.
4.6 Are all accounting and supporting documents retained permanently in a defined system that allows authorized	✓			Accounting and supporting documents are retained	1	Documents are maintained for 10 years as per Ministry of Finance guidelines.

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
users easy access? If so, please describe.				permanently in a defined system that allows authorized users easy access.		
4.7 Does the IP have policies and procedures for tracking and reporting United Nations resources as required in the HACT framework? If so, please describe.	✓			The IP has policies and procedures for tracking and reporting United Nations resources as required in the HACT framework.	1	Funding is requested and reported using the FACE form.
4b. Segregation of duties						
4.8 Are the following functional responsibilities performed by different units or individuals: (a) authorization to execute a transaction; (b) recording of the transaction; and (c) custody of assets involved in the transaction?	✓			The following functional responsibilities are performed by different units/individuals: (a) authorization to execute a transaction; (b) recording of the transaction; and (c) custody of assets involved in the transaction.	1	Authorisation is made by administration and finance head, recording by finance officer, and custody of assets by cashier and store keeper.
4.9 Are the functions of ordering, receiving, accounting for and paying for goods and services appropriately segregated?	✓			The functions of ordering, receiving, accounting for and paying for goods and services are appropriately segregated.	1	Purchaser purchases, storekeeper receives and prepares GRN, finance office prepares payments, approval given by project coordinator.
4.10 Are bank reconciliations prepared by individuals other than those who make or approve payments?	✓			Bank reconciliations are prepared by individuals other than those who make or approve payments.	1	Reconciliation is performed by the accountant who is not involved in making or approving payments.
4c. Budgeting system						

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
4.11 Do the IP's budgets lay down physical and financial targets?	✓			The IP's budgets lay down physical and financial targets.	1	Budgets are prepared both for general fund and for projects. Project budget lays down physical and financial targets.

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
4.12 Are IP budgets prepared for all significant activities in sufficient detail to provide a meaningful tool for monitoring subsequent performance?	✓			IP budgets are prepared for all significant activities in sufficient detail to provide a meaningful tool for monitoring subsequent performance	1	Project budgets are sufficiently detailed.
4.13 Are actual expenditures compared to the budget with reasonable frequency? Are explanations required for significant variations from the budget?	✓			Actual expenditures are compared to the budget with reasonable frequency, and explanations are required for significant variations from the budget.	1	Comparison is made monthly for internal purpose and quarterly for funding agency. Explanations are given for significant variations.
4.14 Are approvals required prior to significant variations from the budget?	✓			Approvals are required prior to significant variations from the budget.	1	Approval is requested from funding agency.
4.15 Does the IP have a designated individual(s) responsible for preparation and approval of budgets related to agency funding?	✓			The IP has a designated individual(s) responsible for preparation and approval of budgets related to agency funding.	1	Division of water resources is assigned for that purpose.
4.16 Are procedures in place to plan activities, collect information from the units in charge of the different components and prepare the budgets? If so, please describe.	✓			Procedures are in place to plan activities, collect information from the units in charge of the different components and prepare the budgets.	1	For budget preparation purpose, information is sought from key experts at sub-zobal level.

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
4.17 Are the plans and budgets of activities realistic, based on valid assumptions and developed by knowledgeable individuals?	✓			The plans and budgets of activities appear to be realistic, based on valid assumptions, and developed by knowledgeable individuals.	1	Budgets are realistic and prepared by knowledgeable personnel.

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
4d. Payments						
4.18 Do invoice processing procedures provide for: • Copies of purchase orders and receiving reports to be obtained directly from issuing departments? • Comparison of invoice quantities, prices and terms with those indicated on the purchase order and with records of goods actually received? • Checking the accuracy of calculations, if any?	✓			Invoice processing procedures are sufficient, including: receiving copies of purchase orders and receiving reports directly from issuing departments; comparing invoice quantities, prices and terms with those indicated on the purchase order and with records of goods actually received; and checking the accuracy of calculations (if any).	1	Supported by invoices, GRN compared with the quantity, price and accuracy of calculations.
4.19 Can the IP identify tax-exempt activities to ensure tax is not paid?	✓			The IP has the ability and experience to indentify tax-exempt activities and ensure tax is not paid.	1	

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
4.20 Are all invoices stamped '*PAID*', dated, reviewed and approved, and clearly marked for account code assignment?	✓			Invoices are stamped '*PAID*', dated, reviewed and approved, and clearly marked for account code assignment.	1	
4.21 Do controls exist for preparation and approval of payroll expenditures? Are changes properly authorized? If so, please describe.	✓			Controls exist for the preparation and approval of payroll expenditures and changes are properly authorized.	1	Payroll is paid from general fund (recurrent budget). Ministry of finance guidelines are followed for payroll, which is adequate.
4.22 Do controls exist for expense categories that do not originate from invoice payments, such as DSA, travel, consultancies?	✓			Controls exist for expense categories that do not originate from invoice payments, such as	1	For projects implemented through paid community participation, payment is made based on supervisors' report of

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
				DSA, travel, consultancies.		work done. Particulars and signatures of beneficiaries are obtained.
4e. Policies and procedures						
4.23 Does the IP have a single stated basis of accounting (e.g., cash or accrual)? If so, please describe.	✓			The IP has a single basis of accounting.	1	IP uses cash basis accounting system.
4.24 Does the IP have an established accounting manual sufficient to ensure control of assets and proper use of agency funds? Are internationally accepted accounting standards followed? If so, which standard?		✓		The IP has an established accounting manual sufficient to ensure control of assets and proper use of agency funds. This manual follows an internationally accepted accounting standard.	1	Accounting system is adopted from Ministry of finance manual which is adequate. Internationally accepted accounting standards are not used. Cash basis is used.

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
4.25 Does the IP have an adequate policies and procedures manual to guide activities and ensure staff accountability? If so, please describe.	✓			The IP has an adequate policies and procedures manual to guide activities and ensure staff accountability.	1	Ministry of local government administrative manual is used (updated in 2014).
4.26 Do procedures exist to ensure that only authorized persons can alter or establish a new accounting principle, policy or procedure to be used by the IP?			✓	The IP has procedures in place to ensure that only authorized persons can alter or establish a new accounting principle, policy or procedure.	-	Changes are made by the Ministry of Finance only.
4.27 Are there written policies and procedures covering all routine financial management and related administrative activities? Are these accessible? Please describe.	✓			There are accessible written policies and procedures covering all routine financial management and related administrative activities.	1	IP uses Ministry of Finance guidelines for financial management and Ministry of Local Government administrative manual. Staff are continuously reminded in writing to adhere.

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
4.28 Do policies and procedures clearly define 'conflict of interest' and 'related party transactions' (real and apparent) and provide safeguards to protect the organization from them? If so, please describe.			✓	The IP has well-defined policies and procedures for 'conflict of interest' and 'related party transactions' (real and apparent) that provide adequate safeguards to protect the organization from them.	3	IP has no procedure of identifying conflict of interest.
4.29 Are manuals distributed to appropriate personnel? If so, please describe the manuals and the personnel who receive them.	✓			Manuals are distributed to appropriate personnel.	1	Manuals are available with administrative and finance department and finance unit.

4f. Cash and banks						
4.30 Are there authorized signatories on the bank accounts that will be used for United Nations resources? How many signatories are on the bank account and how many are required to execute transactions? If so, provide names.	✓			The IP has signatories on the bank accounts that will be used for United Nations resources and more than one signatory is required for each transaction.	1	There are three signatories on the bank account: administration and finance head, finance head, and cashier. Two are required to sign jointly.
4.31 Does the IP maintain an adequate, up-to-date cashbook, recording receipts and payments?	✓			The IP maintains an adequate, up-to-date cashbook, recording receipts and payments.	1	
4.32 Do controls exist for the collection, timely deposit and recording of receipts at each collection location? If so, please describe.	✓			Controls exist for the collection, timely deposit and recording of receipts at each collection location.	2	Collections are evidenced by receipt invoices. Where there is banking service, deposits are made daily. Otherwise it could stay in hand up to a month.
4.33 Are bank balances and cash ledger reconciled monthly and properly approved? Are explanations provided for significant and unusual reconciling items?	✓			Bank balances and cash ledgers are reconciled monthly and properly approved. Significant and unusual reconciling items are explained.	1	

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
4.34 Are agency resources be placed in a separate bank account?		✓		Agency resources are placed in a separate bank account.	2	No separate bank account is used for UNICEF funds. There is a single bank account for all projects from different donors, other than from UNDP

	✓					
4.35 Are cash and checks maintained in a secure location? Has access been properly designated and maintained?	✓			Cash and checks are maintained in a secure location and access has been properly designated and maintained.	1	Cash and check books are kept in safe box in the cashier's office.

4g. Safeguards for assets

4.36 Is there a system of adequate safeguards to protect assets from fraud, waste and abuse? If so, tour the facility to ensure the system has been implemented and followed.	✓			The IP has a system of adequate safeguards to protect assets from fraud, waste and abuse.	1	Fixed assets are tagged; each employee is responsible for assets within his/her office. Locked offices; security guards.
4.37 Are subsidiary records of fixed assets and inventory kept up to date and reconciled with control accounts? If so, please describe.	✓			Subsidiary records of fixed assets and inventory are kept up to date and reconciled with control accounts.	1	Records are maintained by properties unit. Fixed assets are checked and updated every six months.
4.38 Are there periodic physical inventories of fixed assets and stocks? If so, please describe.	✓			The IP performs periodic physical inventories of fixed assets and inventory.	2	Annual count by proprieties unit head and general service head. These employees may not be independent enough.
4.39 Are fixed assets and inventory adequately covered by insurance policies?		✓		The IP's fixed assets and inventory are adequately covered by insurance policies.	3	Only motor vehicles are covered.

4h. Other offices or entities[2]

4.40 Do any other offices/entities participate in implementation? If so, does the IP have policies and	✓			If the IP has other offices/entities participating in	1	Projects are implemented by Zoba administration. MOLWE monitors

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[2] This refers to sub-offices of the IPs or other parties.

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
process to ensure appropriate oversight and monitoring of implementation?				implementation, there are adequate policies and procedures to ensure appropriate oversight and monitoring of implementation. The IP also has experience with this process.		implementation through financial and narrative physical reports. Quarterly visits are also arranged to project sites.
4.41 Does information flow among the different offices/entities in an accurate and timely fashion? If so, please describe.	✓			Information flows among the different offices/entities in an accurate and timely fashion.	2	Quarterly reports are compiled and sent to the MOLWE. Narrative reports are also sent for every site visit. Sometimes there are delays in compiling information.
4.42 Does the IP have a process in place to evaluate the impact of any deficiencies or negative findings identified through reporting or discussions with the other offices/entities? If so, describe the process.	✓			The IP has a process in place to evaluate the impact of any deficiencies or negative findings identified through reporting or discussions with the other offices/entities. The IP also has experience with this process.	1	Deficiencies identified are discussed through meetings and workshops.
4.43 Does the IP maintain contractual agreements with other offices/entities?		✓		The IP maintains current contractual agreements with other offices/entities.	2	Activities are implemented through directives and instructions given to sub-zobas.
4.44 Does the IP have a process to ensure expenditures of other offices/entities are in compliance with the work plan and/or contractual agreement noted in item 4.43?	✓			The IP has a process to ensure expenditures of other offices/entities are in compliance with the work plan and/or contractual agreements.	1	Compliance is ensured through the comparison of work plan and expenditure reports.
4i. Other						
4.45 Has the IP advised employees, beneficiaries and other recipients to whom they should report if they suspect		✓		The IP has advised employees, beneficiaries and other	3	No written or verbal advice.

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
fraud, waste or misuse of agency resources or property?				recipients to whom they should report if they suspect fraud, waste or misuse of agency resources or property.		
4.46 If yes to item 4.45, does the IP have a policy against retaliation for those who report fraud, waste or misuse of agency resources or property?			✓	The IP has a policy against retaliation for those who report fraud, waste, or misuse of agency resources or property.	-	
Total number of questions in subject area:	**46**					
Number of questions marked 'N/A' in subject area:	3					
Total number of applicable questions in subject area:	43					
Total number of risk points:					54	
Accounting policies and procedures overall risk assessment:					1	Divide total number of risk points by total number of applicable questions in subject matter section. This amount should be rounded as detailed on page 1 of this checklist and assigned an overall risk rating.
5. Internal Audit						
5.1 Is the internal auditor sufficiently independent to make critical assessments? To whom does the internal auditor report?	✓			The internal auditor is sufficiently independent to make critical assessments.	1	Internal auditor reports to the governor.

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
5.2 Does the IP have stated qualifications and experience requirements for internal audit department staff? If so, please describe.		✓		The IP has stated qualifications and experience requirements for internal audit department staff.	1	B.A degree in accounting and 5 years of experience.

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
5.3 Will the activities financed by the agencies be included in the internal audit department's work programme?	✓			The activities financed by agency funds will be included in the internal audit department's work programme.	1	
5.4 Does the internal auditor have policies and procedures to take action on findings identified?	✓			The internal auditor has policies and procedures to take action on findings identified, if any.	1	Internal auditor reports his audit findings to the governor for appropriate action.
5.5 Does the IP appear to have strong internal controls to ensure funds are expended for their intended purpose, to discourage and prevent improper use of funds, and to safeguard assets? If so, please describe.	✓			The IP appears to have strong internal controls to ensure funds are expended for the intended purpose, discourage and prevent improper use of funds, and safeguard assets.	1	Good control environment, banking system, separation of duties, proper approval procedures, and internal and external audit.
Total number of questions in subject area:	**5**					
Number of questions marked 'N/A' in subject area:	0					
Total number of applicable questions in subject area:	5					
Total number of risk points:					5	

Internal audit overall risk assessment:					1	Divide total number of risk points by total number of applicable questions in subject matter section. This amount should be rounded as detailed on page 1 of this checklist and assigned an overall risk rating.
6. Financial Audit						
6.1 Are the IP's specific financial statements audited regularly	✔			The IP's specific financial	2	Audit is carried out by Office of the

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
by an independent auditor? If so, please describe the auditor.				statements are audited regularly by an independent auditor.		Auditor General. UNICEF has not appointed independent auditors. See also 6.2.
6.2 Are there any delays in audit of the IP? When are the audit reports issued?	✔			There are no delays in audits of the IP's financial statements, and the financial statements are issued within a reasonable amount of time.	3	Audit by Office of the Auditor General is in arrears for 3 years
6.3 Is the audit of the IP's financial statements conducted according to the International Standards on Auditing?		✔		The audit of the IP's financial statements are conducted according to the International Standards on Auditing.	1	Office of the Auditor General follows ISSAIs.
6.4 Were there any major accountability issues brought out in audit reports of the IP over the past three years?			✔	No major accountability issues were brought out in audit reports of the IP over the past three years.	-	Audit is three years in arrears.

6.5 Will the auditor audit the accounts related to the work plan or other contractual agreements with the agency? If not, will a separate auditor be appointed to audit the work plan financial statements?	✔			The auditor will audit the accounts related to the work plan or other contractual agreements with the agency.	1	Work plan and financial documents are all included in the audit.
6.6 Have any recommendations made by auditors in the prior three audit reports and/or management letters not yet been implemented?			✔	All recommendations made by the auditor in the prior three audit reports and/or management letters have been implemented.	-	Audit is three years in arrears.
6.7 Historically, has the IP prepared audit plans?		✔		The IP has historically prepared audit plans.	1	Audit plan is prepared by auditor.
Total number of questions in subject area:	**7**					

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
Number of questions marked 'N/A' in subject area:	2					
Total number of applicable questions in subject area:	5					
Total number of risk points:					8	
Financial audit overall risk assessment:					2	Divide total number of risk points by total number of applicable questions in subject matter section. This amount should be rounded as detailed on page 1 of this checklist and assigned an overall risk rating.
7. Reporting and Monitoring						

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
7.1 Are financial statements prepared specifically for the IP?	✓			Financial statements are prepared specifically for the IP.	1	Financial statements are prepared for general fund as well as project funds.
7.2 What is the frequency of preparation of the financial statements mentioned in 7.1? Are the reports prepared in a timely fashion so they are useful to management for decision-making?	✓			Financial statements of the IP are prepared on a frequent basis so they are useful to management for decision-making.	2	Monthly and annually for internal purpose and quarterly and annually for project funds (FACE form). Sometimes there are delays due to shortage of staff.
7.3 Does the reporting system have the capacity to link the financial information with the work plan's physical progress? If separate systems are used to gather and compile physical data, what controls are in place to reduce the risk that the physical data may not synchronize with the financial data?	✓			The reporting system has the capacity to link the financial information with the work plan's physical progress.	1	Using the FACE form accompanied by narrative report for physical data.
7.4 Does the IP have established financial management reporting responsibilities that specify what reports are to be prepared, what they are to contain and how they are to	✓			The IP has established financial management reporting responsibilities that	1	For UN funded projects, expenditures are reported using the FACE form. General fund is reported using Ministry

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
be used? If so, please describe.				specify what reports are to be prepared, what they are to contain and how they are to be used.		of Finance forms.
7.5 Does the IP have financial reports that compare actual expenditures with budgeted and programmed allocations?	✓			The IP has financial reports that compare actual expenditures with budgeted and programmed allocations.	1	

	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
7.6 Are financial reports prepared directly by the automated accounting system or are they prepared using spreadsheets or some other means?	✔			Financial reports are prepared directly by the automated accounting system or using spreadsheets (or some other means) that are properly reviewed and approved.	1	General fund is automated. Project fund is not automated. Spreadsheet is used to report project fund. However, IP is in the process of automating its system for other fund.
7.7 Does the IP appear to have been solvent (i.e. total assets greater than total liabilities) for the past three fiscal years? Are there any unexplained or ongoing inconsistencies? *Provide the amount of total assets and total liabilities for the current and prior fiscal year.*	✔			The IP appears to have been solvent (i.e. total assets greater than total liabilities) for the past three fiscal years.	1	IP is a budgetary organisation. Hence, no liabilities.
7.8 Do the IP's total revenues/contributions exceed its total expenditures over the past three fiscal years? Have the IP's contributions been contracting (i.e. dwindling) over the past three years? If so, why and how will the organization address this issue? *Provide the amount of total revenues/contributions and total expenditures for the current and prior fiscal year.*	✔			The IP's total revenues/contributions exceed its total expenditures in the past three fiscal years, and its contributions have not been contracting in the past three fiscal years.	1	IP is a budgetary organisation. Expenditures have to be within budget.
Total number of questions in subject area:	8					
Number of questions marked 'N/A' in subject area:	0					

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
Total number of applicable questions in subject area:	8					
Total number of risk points:					9	

	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
Reporting and monitoring overall risk assessment:					1	Divide total number of risk points by total number of applicable questions in subject matter section. This amount should be rounded as detailed on page 1 of this checklist and assigned an overall risk rating.
8. Information Systems						
8.1 Is the financial management system computerized? If so, does the IP have policies and procedures to maintain this system?		✓		The financial management system is computerized and properly maintained.	1	General fund is computerized whereas project funds are handled manually. However, IP has started to automate its system. It has contractual agreement with the software developer to maintain it.
8.2 Does the IP have policies and procedures to restrict access to the computerized financial management system to appropriate personnel? If so, please describe them.	✓			The IP has policies and procedures to restrict accesses to the computerized financial management system to the appropriate personnel.	1	The system is password protected.
8.3 Can the computerized financial management system produce the necessary financial reports?	✓			The computerized financial management system can produce the necessary financial reports.	1	Yes, for general funds. For other UN funds, spreadsheet is used.
8.4 Are IP staff adequately trained to maintain the computerized financial management system?		✓		IP staff are adequately trained to maintain the computerized financial management system.	1	The automated system for general fund is maintained by Ministry of Finance experts.
8.5 Does the IP have appropriate safeguards to ensure the confidentiality, integrity and availability of the data? If so,	✓			The IP has appropriate safeguards to ensure the	1	Confidentiality and integrity of data is through password protection.

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments

please describe them.				confidentiality, integrity and availability of the data.		Back-up is available in manual system.
Total number of questions in subject area:	5					
Number of questions marked 'N/A' in subject area:	0					
Total number of applicable questions in subject area:	5					
Total number of risk points:					5	
Information systems overall risk assessment:					1	Divide total number of risk points by total number of applicable questions in subject matter section. This amount should be rounded as detailed on page 1 of this checklist and assigned an overall risk rating.

9. Procurement

9a. General

9.1 Has the IP undertaken a procurement exercise with United Nations / World Bank / European Union resources in the past? If so, please describe it.	✓			The IP has undertaken a procurement exercise with UN/WB/EU resources in the past.	1	IP has undertaken a procurement exercise with United Nations before (UN agency has purchased on the behalf of the IP).
9.2 Has the IP been audited by ECHO and selected as a Framework Partnership Agreement partner as per: http://ec.europa.eu/echo/files/partners/humanitarian_aid/fpa_partners.pdf		✓		The IP has been audited by ECHO and selected as a Framework Partnership Agreement partner.	2	IP has not been audited by ECHO.
9.3 Has the IP been audited by ECHO and selected as a Humanitarian Procurement Centre partner as per:			✓	The IP has been audited by ECHO and selected as a	-	

2014 UNDG HACT Framework

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
http://ec.europa.eu/echo/files/partners/humanitarian_aid/H PC-register_en.pdf				Humanitarian Procurement Centre partner.		
9b. Procurement principles, policies and procedures						
9.4 Does the IP follow acceptable United Nations procurement principles? Do these principles promote broad participation from potential bidders? If so, please describe them.	✓			The IP follows acceptable United Nations procurement principles.	1	IP follows Ministry of Finance guidelines which in our opinion is adequate.
9.5 Does the IP have written procurement policies and procedures? *If yes, please provide a copy. If no, please attach an outline of the tender procedures specifying the different procurement procedures, related thresholds and methodology for the assessment of tenders.*	✓			The IP has written procurement policies and procedures.	1	IP uses Ministry of Finance procurement policies and procedures which in our opinion is adequate.
9.6 Does the IP have a specific code of procurement ethics? *Please attach copy of the code.*		✓		The IP has a specific code of procurement ethics.	2	The IP procurement manual includes ethical procurement procedures. However, the procedures do not identify potential conflict of interest.
9.7 Does the IP have a specific anti-fraud and corruption policy? If so, please describe it.		✓		The IP has a specific anti-fraud and corruption policy.	2	However, fraud and corruption are penalized by the Criminal Code of Eritrea.
9.8 Do the IP's procurement rules and regulations contemplate a fair and impartial mechanism for revision of procurement protests?		✓		The IP's procurement rules and regulations contemplate a fair and impartial mechanism for revision of procurement protests.	2	There are no documented rules and regulations. However, IP has never experienced protest by tenderers to-date.
9.9 Does the IP frequently override purchasing procedures without proper authorization?		✓		The IP does not frequently override the purchasing procedures without proper authorization.	1	Purchasing procedures are consistently followed by IP.

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
9.10 Are exceptions to procedures documented and sent to management for approval? Are the exceptions periodically analysed and corrective actions taken?	✓			Exceptions to procedures are documented and sent to management for approval. Exceptions are periodically analysed and corrective actions are taken.	1	Exceptions are documented in the procurement evaluation report for approval by the Governor.
9c. Internal control system						
9.11 Does the IP have a procurement committee for review and approval of contracts? If so, please specify composition of committee.	✓			The IP has a procurement committee that reviews and approves contracts.	1	IP has two committees depending on size of purchase; (1) up to 100,000 ERN purchase (Construction development head, technical expert, finance head, general service head, feeder road head, and engineer). (2) Above 100,000 ERN purchases (see 9.23 for composition).
9.12 Does the IP identify the requested authorizations for each value level of purchases? At what value does the IP require written authorization of senior management for a purchase (value in US dollars)?	✓			The IP has defined authorization guidance and policies and procedures to ensure they are properly applied.	1	All purchases are approved by governor and administration and finance head.
9.13 Does the IP use standard bidding documents and contracts?	✓			The IP utilizes standard bidding documents and contracts.	1	
9.14 Do the procurement procedures and templates of contracts integrate references to ethical procurement principles and exclusion and ineligibility criteria?		✓		The procurement procedures and templates of contracts integrate references to ethical procurement principles and exclusion and ineligibility criteria.	2	IP's templates do not provide such reference.

Subject area	Yes	No	N/A			
9.15 Does the IP obtain sufficient approvals before signing a contract, executing a purchase, or a payment? How many people give their approval before signing a contract or executing a purchase or a payment?	✓			The IP obtains sufficient approvals before signing a contract executing a purchase or a payment.	1	All approvals for contracts, purchases, and payments are given by governor and administration and finance head.

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
9.16 Does the IP rotate staff positions for internal control purposes? If yes, how often?		✓		The IP has procedures to rotate staff positions for internal control purposes.	3	IP does not have procedures for staff rotation.
9.17 Does the IP have formal guidelines and procedures in place to assist in identifying, monitoring and dealing with potential conflicts of interest with potential suppliers/procurement agents? If so, how does the IP proceed in cases of conflict of interest?		✓		The IP has formal guidelines and procedures in place to assist in identifying, monitoring and dealing with potential conflict of interests with potential suppliers/procurement agents.	2	IP does not have formal procedures for identifying conflict of interest.
9e. Procurement process						
9.18 Does the IP have a well-defined process for sourcing/pre-qualification of suppliers? Do formal procurement methods include broadly broadcasting procurement opportunities? *Please attach methodology for the assessment of suppliers.*	✓			The IP has a well-defined process for sourcing/pre-qualifying suppliers.	1	For small purchases (see 9.11) proformas are collected from bidders by purchaser. Broad broadcasting is made for large purchases.
9.19 Does the IP undertake regular market surveys? If so, describe the process.		✓		The IP undertakes regular market surveys.	2	IP does not undertake regular market surveys.
9.20 Does the IP have a database of active suppliers? If so, please describe the process for maintaining this database.		✓		The IP has a database of active suppliers.	2	IP maintains suppliers list.

9.21 Does the IP keep track of past performance of suppliers? If so, describe the process.		✓		The IP keeps track of past performance of suppliers.	2	No formal (documented) report; Experience is discussed verbally.
9.22 Does the IP regularly check 'market' prices for goods and services purchased? If so, describe the frequency and process.		✓		The IP regularly checks 'market' prices of goods and services purchased.	2	IP does not regularly check market prices.
9.23 Does the IP conduct public bid opening for formal procurement methods (invitation to bid and request for	✓			The IP conducts public bid	1	Bid opening is conducted for large purchases (see 9.11). Composition is: Heads of Finance,

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Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
proposal)? What is the composition of public bid opening committees?				opening for formal procurement methods.		general service, secondary feeder road, radio operator, construction expert, and properties head.
9.24 Does the IP have a well-defined process in place to ensure a secure and transparent bid and evaluation process? If so, describe the process.	✓			The IP has a well-defined process in place to ensure a secure and transparent bid and evaluation process.	1	Locked bid box are used; bids are accepted in sealed envelopes; and all procurement committee members meet to open bid envelops.
9.25 Does the IP establish long-term agreements with suppliers based on a tender process?		✓		The IP establishes long-term agreements with suppliers based on a tender process.	1	No long-term contracts.
9.26 Are long-term agreements reviewed/retendered? If so, how frequently? Please describe.			✓	Long-term agreements are reviewed and retendered.	-	
9f. Awarding of contracts						

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Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
9.27 When a formal invitation to bid has been issued, does the IP award the procurement contract to the qualified bidder whose bid substantially conforms to requirements set forth in the solicitation documentation and offers the lowest cost?	✔			The IP awards procurement contracts to qualified bidders whose bids substantially conform to requirements set forth in the solicitation documentation and offer the lowest cost.	1	
9.28 When a formal request for proposal has been issued, does the IP award the procurement contract to the qualified proposer whose proposal, all factors considered, is the most responsive to the requirements set forth in the solicitation documentation?	✔			The IP awards procurement contracts to qualified proposers whose proposals, all factors considered, are the most responsive to the requirements set forth in the solicitation process.	1	
9g. Reporting and monitoring						

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
9.29 Are procurement reports prepared for the IP? If so, describe the preparation and frequency of these reports.	✔			Procurement reports are prepared frequently for the IP.	1	Quarterly procurement report submitted to head of administration and finance.
9h. Information system						
9.30 Is the procurement system computerized? If so, is the system adequately maintained?		✔		The procurement system is computerized and adequately maintained.	1	All procurement procedures are performed manually.
9.31 Can the procurement system produce the necessary reports?			✔	The procurement system is capable of preparing the necessary reports.	-	

9i. Verification of procurement capacity						
9.32 Is the IP's procurement unit properly resourced in terms of number of staff and their qualifications?	✓			The IP's procurement unit is properly resourced in terms of number of staff and their qualifications.	1	IP's procurement unit consists of five purchasers and one clerk. All are qualified staff.
9.33 Is the structure of the IP's procurement unit clear, with defined reporting lines that foster efficiency and accountability?	✓			The structure of the IP's procurement unit is clear, with defined reporting lines that foster efficiency and accountability.	1	IP's procurement unit is under the head of general service who reports to the head of administration and finance.
9.34 Does the IP have a procurement strategy and appropriate tools and mechanisms to conduct procurement activities? If so, please describe.		✓		The IP has a procurement strategy and appropriate tools and mechanisms to conduct procurement activities.	2	IP's procurement is on demand basis.
9.35 Does the IP verify that established procedures for handling complaints are implemented? If so, please describe.		✓		The IP verifies that established procedures for handling complaints are implemented.	2	No procedures as such. However, no experience of complaints to-date.

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Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
9.36 Does the IP manage the procurement cycle following the established policies and procedures? If so, how do they verify this?	✓			The IP manages the procurement cycle per established policies and procedures.	1	Head of administration and finance, internal auditor, and project accountant verifies compliance with established policies.
9.37 Does the IP consistently apply transparency and integrity in the procurement process?	✓			The IP consistently applies transparency and integrity in the procurement process.	1	All procedures are documented with signature of all committee members.
Total number of questions in subject area:	**37**					
Number of questions marked 'N/A' in subject area:	3					
Total number of applicable questions in subject area:	34					
Total number of risk points:					48	
Procurement overall risk assessment:					1	Divide total number of risk points by total number of applicable questions in subject matter section. This amount should be rounded as detailed on page 1 of this checklist and assigned an overall risk rating.

REPORT ON MICRO ASSESSMENT OF THE FINANCIAL MANGEMENT CAPACITY

MINISTRY OF AGRICULTURE

(MOA)

THE STATE OF ERITREA

MAY 2015

CONTENTS

BACKGROUND

This report is an outcome of a micro-assessment work that we have been appointed to perform by the UNDP, UNFPA and UNICEF as funding agencies as per Ref.:/ORG/HACT/036/15. This micro assessment was performed in the Ministry of Agriculture as an implementing partner (IP). We would like to take this opportunity to compliment the UNDP, UNFPA and UNICEF for taking a proactive step for sound financial governance in the IP. We also like to take this opportunity to acknowledge the valuable contribution of the project coordinator and finance head of Zoba-Debub administration for the completion of this assessment.

The objective of this assessment is two fold. First, to assist both the IP and the funding agencies in identifying the most suitable modalities for the transfer of cash from the funding agency to the IP the purpose of which being the implementation of social and environmental intervention programs and projects. To this effect, we have assessed the financial management and procurement capacity of the IP (i.e. accounting, procurement, reporting, internal controls, etc.). Secondly, the assessment is meant to identify areas of financial management and procurement within the IP where there is a need for strengthening capacity. To this effect we have identified areas of deficiencies and made recommendation on how they can be avoided or minimized.

SCOPE

This micro-assessment exercise provides a risk assessment of financial management and procurement capacity of the Ministry of Agriculture to determine the overall risk rating and assurance activities. Specifically, we conducted an assessment of the IP's legal status and experience with UN agencies; fund management; IP's organizational structure and staffing; accounting policies and procedures, internal audit, independent audit, reporting and monitoring mechanism, information system, and procurement policies and procedures.

METHODOLOGY

The micro assessment is basically performed in accordance with the TOR that has been developed to guide United Nations agencies, third party service providers and IPs through the objectives, scope, timing and deliverables of performing micro assessments. The assessment primarily consists of interviews with IP's relevant personnel, review of relevant documentation, and physical examination of security provisions for cash and other resources sufficient to complete the micro assessment questionnaire. The questionnaire provides an overall risk rating based on responses provided as defined below.

Low risk: indicates a well-developed financial management system and functioning control framework with a low likelihood of negative impact on the IP's ability to execute the programme in accordance with the work plan. This risk is given a rank of 1.

Medium Risk: indicates a developed financial management system and control framework with moderate likelihood of potential negative impact on the IP's ability to execute the programme in accordance with the work plan. This risk is given a rank of 2.

Significant Risk: indicates an underdeveloped financial management system or control framework with a significant likelihood of potential negative impact on the IP's ability to execute the programme in accordance with the work plan. This risk is given a rank of 3.

High Risk: indicates an underdeveloped financial management system and control framework with a significant likelihood of potential negative impact on the IP's ability to execute the programme in accordance with the work plan. This risk is given a rank of 4.

In this assessment, explanations are provided in the remarks/comment column for subject areas where the risk ranking is other than "low". Moreover, for subject areas assessed as "low risk", remarks are provided where we felt that more explanation is necessary in addition to the low risk consideration statements.

EXECUTIVE SUMMARY

1. Implementing Partner
The Ministry of Agriculture (MOA) is a government ministry established by virtue of the rules and regulations of the State of Eritrea. The MOA has received funds in the past from UN agencies (for more than 10 years) and no issues were encountered with utilizing these funds. The funds are used for implementing projects through sub-zoba branches. The MOA is compliant with applicable statutory requirements reporting quarterly to the Ministry of National Development (MND) and funding agency through the FACE form and activity report. The governing body of the IP is independent from management. In this regard, the MOA can be considered as a low risk partner.

2. Funds Flow
The MOA receives funds directly from the funding agency through quarterly performance and fund request form (FACE) and transfer funds to zoba branches. The fund is received directly to a project bank account. However, the transfer of cash to sub-zobas where banking service is not available is risky as cash may be lost in the transit. The MOA has had no problems in the past regarding receipt and management of funds. Where some activities are implemented by other parties, the MOA has the necessary reporting and monitoring mechanisms in place to track the use of funds by other organizations. The other implementing organizations are required to provide financial and narrative report with supporting documentation to the MOA. Site visits are also made by MOA experts and project coordinator. However, control is sometimes hampered because of logistical problems. Overall, the MOA can be regarded as having medium risk as far as funds flow is concerned.

3. Organizational Structure and Staffing
Project implementation is through MOA branches of sub-zobas. This risk assessment is performed for Zoba branches. Projects are coordinated by a project coordination office under the zoba governor. The coordinator reports to the MOA-zobas before the report is sent to the MND.

The finance unit of the MOA-zobas is sourced with finance head, one accountant, one accounts clerk, and one cashier. Finance head and accountants are diploma graduates. The accounts clerk is a high school complete with some training in accounting. Job description is available only for the finance head. There is shortage of finance staff (accountants). Vacancy positions are key but no date of appointment has been set. Generally, it can be said that the MOAof zoba's finance unit is not staffed adequately for the current volume of transactions. Nevertheless, the project coordinator has excellent knowledge of United Nations procedures related to cash transfers.

Thus, the MOA-zobas have medium risk as regards to staff adequacy and clarity of lines of responsibility and accountability.

4. Accounting Policies and Procedures
The MOA-zobas have an accounting system for proper recording of transactions from any source with sufficient controls for the explanation, approval, and recording of transactions.

Accounting and supporting documents are accessible for any authorized user. No document has been disposed of to-date. The MOA-zobas have policies and procedures for tracking and reporting United Nations resources as required in the HACT framework. There is adequate separation of duties for the authorization and recording

of transactions, and custody of assets. Bank reconciliations are prepared by the accountants who are not involved in making or approving payments.

MOA prepares budgets that lay down physical and financial targets for all significant activities in sufficient detail to provide a meaningful tool for monitoring subsequent performance. The project coordinator is responsible for the compilation of data from sub-zobas' key experts for budget preparation. Actual expenditures are compared to the budget monthly for internal purpose and quarterly for funding agency. Explanations are given for significant variations from the budget for the purpose of requesting approval from funding agency.

Invoice processing procedures are sufficient, including: receiving copies of purchase orders and goods receiving notes; comparing invoice quantities, prices and terms with those indicated on the purchase order and with records of goods actually received; and checking the accuracy of calculations.

MOF guidelines are used for the preparation and approval of payroll expenditures. At present payroll changes are almost non-existent. For expense categories that do not originate from invoice payments, forms are generated to document and approve these expenses. Particulars and signatures of beneficiaries are also obtained.

MOA-zobas use cash basis accounting for UN funded projects. Accounting system is adopted from MOF manual and any changes are made only by the MOF. Internationally accepted accounting standards are not used. The manual is available at finance head's office and is accessible on request.

Funding agency resources are placed in a separate bank account. MOA-zobas have adequate controls over cash at zoba level. However, where there is no banking service cash could stay in hand up to a month. At zoba level cash and check books are maintained in a safe vault at the cashier's office. There are three signatories on the bank accounts that will be used for United Nations resources, namely: head of administration and finance, finance head and cashier. At least two are required to sign.

There is adequate control for fixed assets at zoba level. Fixed assets are tagged and checked and updated every six months. Each employee is responsible for assets within his/her office. Records are maintained by properties unit. Fixed assets are counted annually by proprieties unit head and general service head. However, only motor vehicles are covered by insurance.

Projects are implemented by zoba administration. MOA controls the proper use of funds and implementation of projects through financial and descriptive physical reports. Quarterly visits are also arranged to project sites. However, logistical problem makes visits irregular.

On average, the accounting policies and procedures of MOA-zobascan be regarded as low risk.

5. Internal audit
MOA-zobas have a reasonably independent internal auditor reporting to the governor of the zoba. The internal auditor is well qualified with B.A degree in accounting with about 15 years of experience. MOA appears to have adequate internal controls to ensure funds are expended for the intended purpose, discourage and prevent improper use of funds, and safeguard assets.

6. Financial Audit
MOA-zobas' project fund financial statements are audited annually by independent auditors. The audit includes the work plan, appraisal documents, financial documents, and status of work by third party. The audits are conducted according to the International Standards on Auditing. There are no delays in the audits of these financial statements, and the financial statements are issued latest by April. Two major accountability issues were brought out in audit reports over the past three years. These are: (i) recommendation to introduce a

procedure for conflict of interest identification, and (ii) the use of separate bank accounts for each project. These recommendations have not been implemented yet. Nevertheless, the MOA-zobas have low risk as far as external assurance needs are concerned.

7. Reporting and Monitoring

MOA-zobas prepare monthly (internal purpose) and quarterly (for project funds) and annual financial statements for various users. Generally, these financial statements are prepared in a timely fashion. For UN agencies, the FACE report is prepared. The financial reports are synchronized with narrative achievement report prepared by the project coordinator. Comparison of actual expenditures with budgeted and programmed allocations are made through the FACE report. MOA-zobas also use manual system parallel with the automated system. MOA-zobas have low risk on the reporting and monitoring function.

8. Information Systems

Currently, the financial statements are prepared using manual system. However, an automated system called C++ is in the process of implementation in Zoba-Debub with a plan to use it for project fund accounting. This system was developed by local experts. Zoba has contractual agreement with the software developer to maintain it. Access to the system is properly restricted with password. The IP also runs a manual system parallel to the automated system and this serves as a back-up. Therefore, MOA-zobas have a low-risk information system.

9. Procurement

MOA-zobas use MOF guidelines as its procurement principles. These guidelines promote broad participation from potential bidders and are consistently followed. However, MOA-zobas do not have specific anti-fraud and corruption policy. Nor do they have formal guidelines and procedures in place to assist in identifying, monitoring and dealing with potential conflict of interests with potential suppliers or procurement agents.

MOA-zobas have a well-defined process in place to ensure a secure and transparent bid and evaluation process with a mandate to undertake all types of procurements. There are two procurement committees depending on the size of purchase; (1) up to 100,000 ERN purchase, and (2) Above 100,000 ERN purchases. Procurement methods include broad broadcasting for large purchases. Public opening is used for broadcasted bids. Procurement contracts are awarded to qualified bidders whose bids substantially conform to requirements set forth in the solicitation documentation and offer the lowest cost.

Evaluation report is prepared for each bid. Quarterly procurement reports are also prepared and submitted to head of administration and finance. All procurements are approved by governor and administration and finance head. MOA-zobas use manual procurement system. IP's procurement unit is under the head of general service who reports to the head of administration and finance.

Although MOA-zobas claim that they have no experience of complaints from bidders to-date, they do not have procedures for handling complaints. Nevertheless, the internal auditor, head of administration and finance, and project accountant verify compliance with established policies. Thus, the procurement procedure of MOA-zobas isassessed as low risk.

FINDINGS AND RECOMMENDATIONS

	Findings	**Recommendation**
1	In many sub-zobas where projects are implemented, banking service is not available. Thus, cash has to be carried and transported. There is risk that cash may be lost or stolen while in transit.	IP has to insure itself against such risk.
2	There is shortage of staff in the finance unit (accountants).	The finance head has indicated that attracting new staff is difficult. Perhaps IP should explore possibilities of recruiting an accountant to be paid from project fund.
3	The IP does not have a procedure for identifying 'conflict of interest' and 'related party transactions'.	IP should introduce a document of 'impartiality and confidentiality' to be signed by all members of the procurement committee.
4	Properties are not insured except for motor vehicles.	However, this is government policy. The Ministry of Finance is probably the right authority to solve this weakness
5	The IP's procurement rules and regulations do not include provisions for handling procurement complaints.	IP should expect that some bidders may not be satisfied with the result of bid evaluation outcome and thus should include a fair and impartial mechanism for such.

Appendix IV. Micro Assessment Questionnaire

Micro Assessment Questionnaire

Implementing Partner: __MINISTRY OF AGRICULTURE_____   Date: ___09 May 2015_____

Instructions: This questionnaire contains various questions related to nine subject areas, summarized further below. Please answer each
question by indicating your response as 'Yes', 'No' or 'N/A' (for 'not applicable'). Also, use the 'Comments' section next to each
question to provide details of your assessment or to highlight any important matters. This document will be referenced subsequently by
the agency when performing additional assurance activities related to the IP. Sufficient details should be provided in this document for
the agency to understand the details of each response.

Assign a risk rating (high, significant, moderate or low) for each question based on the response obtained. (For example, if the question
addresses an item that should ideally be marked 'Yes' but was marked 'No', it should be assessed for the level of risk it presents to the
IP's financial management system). Assigning risk ratings to each question requires judgment by the assessor as to how the response
will affect the IP's financial management system. The risk ratings to be used are:

- *High* – Response to question/subject matter provides a risk to the overall financial management system that has both a high
likelihood of occurring and a potentially negative impact on the IP's ability to execute the programme in accordance with the work
plan[7] and stated objectives. Additionally, this risk has not been mitigated by any other controls/process that have been implemented
by the IP;

- *Significant* – Response to question/subject matter provides a risk to the overall financial management system that has either a
    significant likelihood of occurring or a potentially negative impact on the IP's ability to execute the programme in accordance with
    the work plan and stated objectives;

- *Medium* – Response to question/subject matter provides a risk to the overall financial management system that has a moderate
    likelihood of occurring and a potentially negative impact on the IP's ability to execute the programme in accordance with the work
    plan and stated objectives; or

- *Low* – Response to question/subject matter provides a risk to the overall financial management system that has a low likelihood of
    occurring and a potentially negative impact on the IP's ability to execute the programme in accordance with the work plan and
    stated objectives.

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[7] Agency work plans can be annual, multi-year, rolling or joint.

To determine the overall risk assessment for a subject matter section (e.g., Section 1. Implementing Partner), points are assigned that correlate with the level of risk. The points assigned to each question should be totaled and averaged based on the number of questions in the subject matter section. Questions that are not applicable to the IP (marked as 'N/A') should not be assigned a risk rating and should be removed from the total number of questions for the calculation. Points should be assigned as follows:

- H – High risk: 4 points

- S – Significant risk: 3 points

- M – Moderate risk: 2 points

- L – Low risk: 1 point

The average number of points calculated should then be compared to the points rating above and assigned a corresponding risk (i.e., an average of 2.0 would indicate a moderate risk rating for the subject matter section). Numbers should be rounded as follows:

- 0.1 to 0.49: Round down to the closest whole number (i.e., an average of 3.3 would be rounded down to 3.0. indicating a 'significant' risk rating);

- 0.5 to 0.99: Round up to the closest whole number (i.e., an average of 1.99 would be rounded up to a 2.0, indicating a 'moderate' risk rating).

The same process should be followed for determining the overall risk assessment for the IP once the checklist has been completed

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Summary of Risks Related to the Financial Management Capacity of the Implementing Partner				
Tested subject area (see subsequent pages for details of each subject area summarized below)				
	Total number of risk points	**Total number of applicable questions**	**Overall risk assessment**	Comments
1. Implementing partner:	5	5	1	
2. Funds flow:	9	6	2	
3. Organizational structure and staffing:	15	10	2	
4. Accounting policies and procedures:	52	43	1	
5. Internal audit:	6	5	1	
6. Financial audit:	10	7	1	
7. Reporting and monitoring:	7	7	1	
8. Information systems:	5	5	1	
9. Procurement:	48	34	1	

Total:	157	122	1	Divide the total number of risk points by the total number of applicable questions in the subject matter section. This amount should be rounded as detailed on page 1 of this checklist and assigned an overall risk rating.

Micro Assessment Questionnaire

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
1. Implementing partner						
1.1 Is the IP legally registered? If so, is it in compliance with registration requirements? Please note the legal status/registration of the entity. *Retain copies of registration documents if available.*	√			IP is registered in the country where the programme operates and is current with registration/reporting requirements.	1	IP is a government ministry established as per proclamation of 1992.
1.2 Has the IP received United Nations resources in the past? If so, provide details of amounts, from which agency and for what purpose.	√			IP has received United Nations resources in the past and no issues were encountered with utilizing these funds.	1	IP has received funds from UN agencies for more than 10 years. However, we were not provided with amounts.
1.3 Does the IP have statutory reporting requirements? If so, are they in compliance with such requirements? Please describe.	√			The IP is compliant with applicable statutory requirements.	1	Monthly and annually to the Ministry of Finance; Quarterly and annually to funding agency.
1.4 Is the governing body for the IP independent from management? If so, please describe.	√			The governing body of the IP is independent from management.	1	Office of the minister is governing and is independent from management.

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
1.5 Does the IP have any pending legal actions against it? *Confirm this with the IP, and possibly through assessment of the general ledger and confirmation with external legal counsel provided by the IP. Provide details and actions taken by the IP to resolve the legal action.*		√		The IP does not have any pending legal actions against it.	1	
Total number of questions in subject area:	5					
Number of questions marked 'N/A' in subject area:	0					
Total number of applicable questions in subject area:	5					
Total number of risk points:					5	

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
Implementing partner overall risk assessment:					1	Divide total number of risk points by total number of applicable questions in subject matter section. This amount should be rounded as detailed on page 1 of this checklist and assigned an overall risk rating.
2. Funds Flow						
2.1 Can the IP easily receive and transfer funds? If so, please describe the process.	√			The IP can receive funds directly from the agency.	1	IP can receive and transfer to zobas. Receipts and transfers are made through the banking system.
2.2 Are the proposed arrangements to transfer the funds to the IP satisfactory to the funding agency?	√			The proposed arrangements are satisfactory to the funding agency.	1	Based on funding agencies' requirements.

2.3 Have there been major problems in the past in receipt of funds by the IP, particularly where the funds flow from government ministries (if applicable)? If so, please describe.		√		The IP has not had problems in the past regarding receipt of agency funding.	1	No problem for fund from government.
2.4 In the past, has the IP had any problems in the management of funds received? If so, please describe.		√		The IP has not had problems in the management of funds received from the funding agency.	3	Where banking service is not available in sub-zobas cash has to be carried and transported. There is risk that cash may be lost in transit.
2.5 Does the IP have capacity to manage foreign exchange risks? (If it is expected to be using funds outside the country.) If so, does the IP have experience managing foreign exchange risk?			√	The IP has capacity and experience in managing foreign exchange risk.	-	Exchange rate for USD is fixed as per government policy. Thus, no exchange risk.
2.6 Does the IP have a process in place to access counterpart funds? Please describe.	√			The IP has capacity and experience in assessing counterpart funds.	1	Government fund is accessed through the budget process.

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
2.7 If some activities will be implemented by others, such as civil society groups or non-governmental organizations, does the IP have the necessary reporting and monitoring mechanisms to track the use of funds? Does the IP have experience with implementation of activities by external civil society or non-governmental organizations? If so, please describe.	√			The IP has the necessary reporting and monitoring mechanisms in place to track the use of funds by external organizations. The IP also has experience with this process.	2	MOA implements projects through zobas. Control is through progress reports, site visits, and monitoring and evaluation. However, control is sometimes hampered because of logistical problems
Total number of questions in subject area:	**7**					
Number of questions marked 'N/A' in subject area:	**1**					

Total number of applicable questions in subject area:	6					
Total number of risk points:					9	
Funds flow overall risk assessment:					2	Divide total number of risk points by total number of applicable questions in subject matter section. This amount should be rounded as detailed on page 1 of this checklist and assigned an overall risk rating.
3. Organizational Structure and Staffing						
3.1 Is the organizational structure of the IP's accounting/finance department appropriate for the level of financial volume? Does the organizational structure provide clear lines of reporting and accountability? If so, please describe. *Attach an organization chart if available.*	√			The organizational structure of the IP's accounting/finance department is appropriate for the level of financial volume (including funding from the agency).	1	Project implementation is by MOA branches of sub-zobas. Projects are coordinated by a project coordination office under the zoba administrator. The coordinator reports are periodically to the MOA. The staffing is appropriate for the level of financial volume.
3.2 Are the level of posts and competency of staff appropriate for the level of financial volume in the accounting/finance	√			The level of posts and competency of staff are	1	Staff competence is adequate for current volume of transactions.

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Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
department? Identify the staff, including job titles, responsibilities, educational backgrounds and professional experience. *Attach job descriptions and CVs of key accounting/ finance staff.*				appropriate for the level of financial volume in the accounting/finance department.		

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
3.3 Is the IP's accounting/finance function staffed adequately to ensure sufficient controls are in place to manage agency funds? If so, please describe.		√		The IP's accounting/finance function is staffed adequately to ensure sufficient controls are in place to manage agency funds.	3	There is shortage of finance staff (accountants). The existing salary scale does not attract new staff. And incumbent staff may resign any time.
3.4 Are accounting/finance staff familiar with United Nations procedures related to cash transfers (specifically the HACT framework)? If so, please provide details.	√			The accounting/finance staff are familiar with United Nations procedures related to cash transfers (specifically the HACT framework).	1	They have sufficient experience with the cash transfer and reporting framework (FACE form).
3.5 Are there vacancies in positions considered key? If so, provide the estimated date of appointment.		√		The IP does not have any vacancies in positions considered key.	3	Vacancy positions are key but no date of appointment.
3.6 Are staff frequently transferred to other departments, offices, countries, etc.? If so, what is the estimated frequency?		√		IP staff are not frequently transferred to other departments, offices, countries, etc.	1	
3.7 Does the IP have training policies for accounting/finance staff? Are necessary trainings undertaken? If so, please describe.		√		The IP has no training policies for accounting/finance staff, which are undertaken as planned.	2	IP has no written training policy.
3.8 Has there been significant turnover in the past five years? If so, has the rate improved or worsened? Does it appear to be a problem? If so, what is the IP doing to address this		√		The IP has not had significant turnover in the past five years.	1	The IP has not had significant turnover in the past five years.

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
issue?"						

	√				
3.9 Does the IP perform background verification/checks on all new accounting/finance and management positions? If alternative practices for processing new hires are in place, please provide a brief description.	√			The IP performs background verification/checks on all new accounting/finance and management positions.	1	Information (reference letter) is sought from previous employers.
3.10 Does the IP have a defined and documented internal control framework? Is this framework consistent with international standards? If so, please describe.		√			1	However, IP follows Ministry of Finance financial management and procurement guidelines which are adequate.
Total number of questions in subject area:	**10**					
Number of questions marked 'N/A' in subject area:	0					
Total number of applicable questions in subject area:	10					
Total number of risk points:					15	
Organizational structure and staffing overall risk assessment:					2	Divide total number of risk points by total number of applicable questions in subject matter section. This amount should be rounded as detailed on page 1 of this checklist and assigned an overall risk rating.
4. Accounting Policies and Procedures						
4a. General						
4.1 Does the IP have an accounting system that allows for proper recording of financial transactions from United Nations agencies, including allocation of expenditures in accordance with the respective components, disbursement categories and sources of funds?	√			The IP has an accounting system that allows for proper recording of financial transactions from United Nations agencies, including	1	IP has an accounting system that allows for proper recording of financial transactions for funds from UN agencies.

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Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
				allocation of expenditures in accordance with the respective components, disbursement categories and sources of funds.		
4.2 Are controls in place concerning preparation and approval of transactions, ensuring that all transactions are correctly made and adequately explained?	√			Controls are in place concerning preparation and approval of transactions, ensuring that all transactions are correctly made and adequately explained.	1	Transactions are based on the request of project implementers and according to work plan. They are, then, approved by head of administration and finance, and recorded by finance staff.
4.3 Is the chart of accounts adequate to properly account for and report on activities and disbursement categories?	√			The chart of accounts is adequate to properly account for and report on activities and disbursement categories in accordance with the established agreements.	1	Ledger maintained by project with detailed chart of accounts.
4.4 Are controls in place for accurate cost allocations to the various funding sources in accordance with established agreements?			√	Controls are in place for accurate cost allocations to the various funding sources in accordance with established agreements.	-	No common costs to be allocated. Each project is funded by specific agency.
4.5 Are the general ledger and subsidiary ledgers reconciled at least monthly? Are explanations provided for significant reconciling items?	√			The general ledger and subsidiary ledgers are reconciled at least monthly, and explanations are provided for significant reconciling items.	1	Reconciliation is made monthly and explanations are provided for significant reconciling variations, if any.
4.6 Are all accounting and supporting documents retained permanently in a defined system that allows authorized	√			Accounting and supporting documents are retained	1	Documents are maintained for 10 years as per Ministry of Finance guidelines.

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
users easy access? If so, please describe.				permanently in a defined system that allows authorized users easy access.		
4.7 Does the IP have policies and procedures for tracking and reporting United Nations resources as required in the HACT framework? If so, please describe.	√			The IP has policies and procedures for tracking and reporting United Nations resources as required in the HACT framework.	1	Funding is requested and reported using the FACE form.
4b. Segregation of duties						
4.8 Are the following functional responsibilities performed by different units or individuals: (a) authorization to execute a transaction; (b) recording of the transaction; and (c) custody of assets involved in the transaction?	√			The following functional responsibilities are performed by different units/individuals: (a) authorization to execute a transaction; (b) recording of the transaction; and (c) custody of assets involved in the transaction.	1	Authorisation is made by project coordinator, recording by finance officer, and custody of assets by cashier and store keeper.
4.9 Are the functions of ordering, receiving, accounting for and paying for goods and services appropriately segregated?	√			The functions of ordering, receiving, accounting for and paying for goods and services are appropriately segregated.	1	Purchaser purchases, storekeeper receives and prepares GRN, finance office prepares payments, approval given by project coordinator.
4.10 Are bank reconciliations prepared by individuals other than those who make or approve payments?	√			Bank reconciliations are prepared by individuals other than those who make or approve payments.	1	Reconciliation is performed by the accountant who is not involved in making or approving payments.
4c. Budgeting system						

Subject area	Yes	No	N/A		
4.11 Do the IP's budgets lay down physical and financial targets?	√			The IP's budgets lay down physical and financial targets.	1	Budgets are prepared both for general fund and for projects. Project budget lays down physical and financial targets.

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
4.12 Are IP budgets prepared for all significant activities in sufficient detail to provide a meaningful tool for monitoring subsequent performance?	√			IP budgets are prepared for all significant activities in sufficient detail to provide a meaningful tool for monitoring subsequent performance	1	Project budgets are sufficiently detailed.
4.13 Are actual expenditures compared to the budget with reasonable frequency? Are explanations required for significant variations from the budget?	√			Actual expenditures are compared to the budget with reasonable frequency, and explanations are required for significant variations from the budget.	1	Comparison is made monthly for internal purpose and quarterly for funding agency. Explanations are given for significant variations.
4.14 Are approvals required prior to significant variations from the budget?	√			Approvals are required prior to significant variations from the budget.	1	Approval is requested from funding agency.
4.15 Does the IP have a designated individual(s) responsible for preparation and approval of budgets related to agency funding?	√			The IP has a designated individual(s) responsible for preparation and approval of budgets related to agency funding.	1	Budget is prepared by project coordinator and is approved by finance and administration head.
4.16 Are procedures in place to plan activities, collect information from the units in charge of the different components and prepare the budgets? If so, please describe.	√			Procedures are in place to plan activities, collect information from the units in charge of the different components and prepare the budgets.	1	For budget preparation purpose, information is sought from key experts at sub-zobal level.

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
4.17 Are the plans and budgets of activities realistic, based on valid assumptions and developed by knowledgeable individuals?	√			The plans and budgets of activities appear to be realistic, based on valid assumptions, and developed by knowledgeable individuals.	1	Budgets are realistic and prepared by knowledgeable personnel.

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Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
4d. Payments						
4.18 Do invoice processing procedures provide for: • Copies of purchase orders and receiving reports to be obtained directly from issuing departments? • Comparison of invoice quantities, prices and terms with those indicated on the purchase order and with records of goods actually received? • Checking the accuracy of calculations, if any?	√			Invoice processing procedures are sufficient, including: receiving copies of purchase orders and receiving reports directly from issuing departments; comparing invoice quantities, prices and terms with those indicated on the purchase order and with records of goods actually received; and checking the accuracy of calculations (if any).	1	
4.19 Can the IP identify tax-exempt activities to ensure tax is not paid?	√			The IP has the ability and experience to indentify tax-exempt activities and ensure tax is not paid.	1	

	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
4.20 Are all invoices stamped '*PAID*', dated, reviewed and approved, and clearly marked for account code assignment?	√			Invoices are stamped '*PAID*', dated, reviewed and approved, and clearly marked for account code assignment.	1	
4.21 Do controls exist for preparation and approval of payroll expenditures? Are changes properly authorized? If so, please describe.	√			Controls exist for the preparation and approval of payroll expenditures and changes are properly authorized.	1	Payroll is paid from general fund (recurrent budget). Ministry of finance guidelines are followed for payroll, which is adequate.
4.22 Do controls exist for expense categories that do not originate from invoice payments, such as DSA, travel, consultancies?	√			Controls exist for expense categories that do not originate from invoice payments, such as	1	For projects implemented through paid community participation, payment is made based on supervisors' report of

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Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
				DSA, travel, consultancies.		work done. Particulars and signatures of beneficiaries are obtained.
4e. Policies and procedures						
4.23 Does the IP have a single stated basis of accounting (e.g., cash or accrual)? If so, please describe.	√			The IP has a single basis of accounting.	1	IP uses cash basis accounting system.
4.24 Does the IP have an established accounting manual sufficient to ensure control of assets and proper use of agency funds? Are internationally accepted accounting standards followed? If so, which standard?	√			The IP has an established accounting manual sufficient to ensure control of assets and proper use of agency funds. This manual follows an internationally accepted accounting standard.	1	Accounting system is adopted from Ministry of finance manual which is adequate. Internationally accepted accounting standards are not used. Cash basis is used.

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
4.25 Does the IP have an adequate policies and procedures manual to guide activities and ensure staff accountability? If so, please describe.	√			The IP has an adequate policies and procedures manual to guide activities and ensure staff accountability.	1	Ministry of local government administrative manual is used (updated in 2014).
4.26 Do procedures exist to ensure that only authorized persons can alter or establish a new accounting principle, policy or procedure to be used by the IP?		√		The IP has procedures in place to ensure that only authorized persons can alter or establish a new accounting principle, policy or procedure.	-	Changes are made by the Ministry of Finance only.
4.27 Are there written policies and procedures covering all routine financial management and related administrative activities? Are these accessible? Please describe.	√			There are accessible written policies and procedures covering all routine financial management and related administrative activities.	1	IP uses Ministry of Finance guidelines for financial management and Ministry of local government administrative manual. Staff are continuously reminded in writing to adhere.

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Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
4.28 Do policies and procedures clearly define 'conflict of interest' and 'related party transactions' (real and apparent) and provide safeguards to protect the organization from them? If so, please describe.		√		The IP has well-defined policies and procedures for 'conflict of interest' and 'related party transactions' (real and apparent) that provide adequate safeguards to protect the organization from them.	3	IP has no procedure of identifying conflict of interest.
4.29 Are manuals distributed to appropriate personnel? If so, please describe the manuals and the personnel who receive them.	√			Manuals are distributed to appropriate personnel.	1	Manuals are available with administrative and finance department and finance unit.

4f. Cash and banks						
4.30 Are there authorized signatories on the bank accounts that will be used for United Nations resources? How many signatories are on the bank account and how many are required to execute transactions? If so, provide names.	√			The IP has signatories on the bank accounts that will be used for United Nations resources and more than one signatory is required for each transaction.	1	There are three signatories on the bank account: administration and finance head, finance head, and cashier. At least two are required to sign jointly.
4.31 Does the IP maintain an adequate, up-to-date cashbook, recording receipts and payments?	√			The IP maintains an adequate, up-to-date cashbook, recording receipts and payments.	1	
4.32 Do controls exist for the collection, timely deposit and recording of receipts at each collection location? If so, please describe.	√			Controls exist for the collection, timely deposit and recording of receipts at each collection location.	2	Collections are evidenced by invoices. Where there is banking service deposits are made daily. Otherwise it could stay in hand up to a month.
4.33 Are bank balances and cash ledger reconciled monthly and properly approved? Are explanations provided for significant and unusual reconciling items?	√			Bank balances and cash ledgers are reconciled monthly and properly approved. Significant and unusual reconciling items are explained.	1	

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
4.34 Are agency resources be placed in a separate bank account?	√			Agency resources are placed in a separate bank account.	1	

	√		Cash and checks are maintained in a secure location and access has been properly designated and maintained.	1	Cash and check books are kept in safe box in the cashier's office.
4.35 Are cash and checks maintained in a secure location? Has access been properly designated and maintained?	√		Cash and checks are maintained in a secure location and access has been properly designated and maintained.	1	Cash and check books are kept in safe box in the cashier's office.

4g. Safeguards for assets

4.36 Is there a system of adequate safeguards to protect assets from fraud, waste and abuse? If so, tour the facility to ensure the system has been implemented and followed.	√		The IP has a system of adequate safeguards to protect assets from fraud, waste and abuse.	1	Fixed assets are tagged; each employee is responsible for assets within his/her office. Locked offices; security guards.
4.37 Are subsidiary records of fixed assets and inventory kept up to date and reconciled with control accounts? If so, please describe.	√		Subsidiary records of fixed assets and inventory are kept up to date and reconciled with control accounts.	1	Records are maintained by properties unit. Fixed assets are checked, updated and reconciled with control accounts every six months.
4.38 Are there periodic physical inventories of fixed assets and stocks? If so, please describe.	√		The IP performs periodic physical inventories of fixed assets and inventory.	2	Annual count by proprieties unit head and general service head. These employees may not be independent enough.
4.39 Are fixed assets and inventory adequately covered by insurance policies?		√	The IP's fixed assets and inventory are adequately covered by insurance policies.	3	Only motor vehicles are covered.

4h. Other offices or entities[2]

4.40 Do any other offices/entities participate in implementation? If so, does the IP have policies and	√		If the IP has other offices/entities participating in	1	Projects are implemented by Zoba administration. MOA monitors

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[2] This refers to sub-offices of the IPs or other parties.

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
process to ensure appropriate oversight and monitoring of implementation?				implementation, there are adequate policies and procedures to ensure appropriate oversight and monitoring of implementation. The IP also has experience with this process.		implementation through financial and narrative physical reports. Quarterly visits are also arranged to project sites.
4.41 Does information flow among the different offices/entities in an accurate and timely fashion? If so, please describe.	√			Information flows among the different offices/entities in an accurate and timely fashion.	1	Quarterly reports are compiled and sent to the MOA. Narrative reports are also sent for every site visit.
4.42 Does the IP have a process in place to evaluate the impact of any deficiencies or negative findings identified through reporting or discussions with the other offices/entities? If so, describe the process.	√			The IP has a process in place to evaluate the impact of any deficiencies or negative findings identified through reporting or discussions with the other offices/entities. The IP also has experience with this process.	1	Deficiencies identified through progress reports and are discussed through meetings and workshops.
4.43 Does the IP maintain contractual agreements with other offices/entities?		√		The IP maintains current contractual agreements with other offices/entities.	2	Activities are implemented through directives and instructions.
4.44 Does the IP have a process to ensure expenditures of other offices/entities are in compliance with the work plan and/or contractual agreement noted in item 4.43?	√			The IP has a process to ensure expenditures of other offices/entities are in compliance with the work plan and/or contractual agreements.	1	Compliance is ensured through the comparison of work plan and expenditure reports.
4i. Other						
4.45 Has the IP advised employees, beneficiaries and other recipients to whom they should report if they suspect		√		The IP has not advised employees, beneficiaries and other	3	No written or verbal advice.

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Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
fraud, waste or misuse of agency resources or property?				recipients to whom they should report if they suspect fraud, waste or misuse of agency resources or property.		
4.46 If yes to item 4.45, does the IP have a policy against retaliation for those who report fraud, waste or misuse of agency resources or property?			√	The IP has a policy against retaliation for those who report fraud, waste, or misuse of agency resources or property.	-	
Total number of questions in subject area:	**46**					
Number of questions marked 'N/A' in subject area:	3					
Total number of applicable questions in subject area:	43					
Total number of risk points:					52	
Accounting policies and procedures overall risk assessment:					1	Divide total number of risk points by total number of applicable questions in subject matter section. This amount should be rounded as detailed on page 1 of this checklist and assigned an overall risk rating.
5. Internal Audit						
5.1 Is the internal auditor sufficiently independent to make critical assessments? To whom does the internal auditor report?	√			The internal auditor is sufficiently independent to make critical assessments.	1	Internal auditor reports to the governor.

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
5.2 Does the IP have stated qualifications and experience requirements for internal audit department staff? If so, please describe.	√			The IP has stated qualifications and experience requirements for internal audit department staff.	1	B.A degree in accounting and 5 years of experience.

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
5.3 Will the activities financed by the agencies be included in the internal audit department's work programme?	√			The activities financed by agency funds will be included in the internal audit department's work programme.	1	
5.4 Does the internal auditor have policies and procedures to take action on findings identified?	√			The internal auditor has policies and procedures to take action on findings identified, if any.	1	Internal auditor reports his audit findings to the governor for appropriate action.
5.5 Does the IP appear to have strong internal controls to ensure funds are expended for their intended purpose, to discourage and prevent improper use of funds, and to safeguard assets? If so, please describe.	√			The IP appears to have strong internal controls to ensure funds are expended for the intended purpose, discourage and prevent improper use of funds, and safeguard assets.	1	Good control environment, banking system, separation of duties, proper approval procedures, and internal and external audit.
Total number of questions in subject area:	5					
Number of questions marked 'N/A' in subject area:	0					
Total number of applicable questions in subject area:	5					
Total number of risk points:					6	

					Risk points	
Internal audit overall risk assessment:					1	Divide total number of risk points by total number of applicable questions in subject matter section. This amount should be rounded as detailed on page 1 of this checklist and assigned an overall risk rating.
6. Financial Audit						
6.1 Are the IP's specific financial statements audited regularly	√			The IP's specific financial	1	Project financial statements are audited annually by independent auditors (HLB

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
by an independent auditor? If so, please describe the auditor.				statements are audited regularly by an independent auditor.		Abraham Isaac and Co.). General funds are audited by The Office of the Auditor General.
6.2 Are there any delays in audit of the IP? When are the audit reports issued?	√			There are no delays in audits of the IP's financial statements, and the financial statements are issued within a reasonable amount of time.	1	Audit of projects is generally on time. Reports are issued in April of every year.
6.3 Is the audit of the IP's financial statements conducted according to the International Standards on Auditing?	√			The audit of the IP's financial statements are conducted according to the International Standards on Auditing.	1	Project fund is audited according to International Standards on Auditing. General fund is audited based on ISSAI.

	√				
6.4 Were there any major accountability issues brought out in audit reports of the IP over the past three years?	√		No major accountability issues were brought out in audit reports of the IP over the past three years.	2	Two issues were brought out by the external auditors: (i) a document for the identification of conflict of interest to be signed by procurement committee members, and (ii) the use of separate bank accounts for each project was recommended.
6.5 Will the auditor audit the accounts related to the work plan or other contractual agreements with the agency? If not, will a separate auditor be appointed to audit the work plan financial statements?	√		The auditor will audit the accounts related to the work plan or other contractual agreements with the agency.	1	Work plan and financial documents are all included in the audit.
6.6 Have any recommendations made by auditors in the prior three audit reports and/or management letters not yet been implemented?	√		All recommendations made by the auditor in the prior three audit reports and/or management letters have been implemented.	3	The recommendations in 6.4 above have not been implemented yet.
6.7 Historically, has the IP prepared audit plans?		√	The IP has historically prepared audit plans.	1	Audit plan is prepared by auditor.
Total number of questions in subject area:	**7**				

Subject area	Yes	No	N/A	**Low risk consideration**	**Risk points**	**Remarks/comments**
Number of questions marked 'N/A' in subject area:	0					
Total number of applicable questions in subject area:	7					
Total number of risk points:					10	

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
Financial audit overall risk assessment:					1	Divide total number of risk points by total number of applicable questions in subject matter section. This amount should be rounded as detailed on page 1 of this checklist and assigned an overall risk rating.
7. Reporting and Monitoring						
7.1 Are financial statements prepared specifically for the IP?	√			Financial statements are prepared specifically for the IP.	1	Financial statements are prepared for general fund as well as project funds.
7.2 What is the frequency of preparation of the financial statements mentioned in 7.1? Are the reports prepared in a timely fashion so they are useful to management for decision-making?	√			Financial statements of the IP are prepared on a frequent basis so they are useful to management for decision-making.	1	Monthly for internal purpose and quarterly for project funds (FACE form). They are prepared in a timely fashion.
7.3 Does the reporting system have the capacity to link the financial information with the work plan's physical progress? If separate systems are used to gather and compile physical data, what controls are in place to reduce the risk that the physical data may not synchronize with the financial data?	√			The reporting system has the capacity to link the financial information with the work plan's physical progress.	1	Using the FACE form accompanied by narrative report for physical data.
7.4 Does the IP have established financial management reporting responsibilities that specify what reports are to be prepared, what they are to contain and how they are to	√			The IP has established financial management reporting responsibilities that	1	For UN funded projects, expenditures are reported using the FACE form. General fund is reported using Ministry of Finance

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Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments

be used? If so, please describe.			specify what reports are to be prepared, what they are to contain and how they are to be used.		forms.
7.5 Does the IP have financial reports that compare actual expenditures with budgeted and programmed allocations?	√		The IP has financial reports that compare actual expenditures with budgeted and programmed allocations.	1	
7.6 Are financial reports prepared directly by the automated accounting system or are they prepared using spreadsheets or some other means?	√		Financial reports are prepared directly by the automated accounting system or using spreadsheets (or some other means) that are properly reviewed and approved.	1	General fund is automated. Project fund is not automated. Spreadsheet is used to report project fund. However, IP is in the process of automating its system.
7.7 Does the IP appear to have been solvent (i.e. total assets greater than total liabilities) for the past three fiscal years? Are there any unexplained or ongoing inconsistencies? *Provide the amount of total assets and total liabilities for the current and prior fiscal year.*		√	The IP appears to have been solvent (i.e. total assets greater than total liabilities) for the past three fiscal years.	-	IP is a budgetary organisation. Hence, no liabilities.
7.8 Do the IP's total revenues/contributions exceed its total expenditures over the past three fiscal years? Have the IP's contributions been contracting (i.e. dwindling) over the past three years? If so, why and how will the organization address this issue? *Provide the amount of total revenues/contributions and total expenditures for the current and prior fiscal year.*	√		The IP's total revenues/contributions exceed its total expenditures in the past three fiscal years, and its contributions have not been contracting in the past three fiscal years.	1	IP is a budgetary organisation. Expenditures have to be within budget.
Total number of questions in subject area:	**8**				
Number of questions marked 'N/A' in subject area:	1				

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Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
Total number of applicable questions in subject area:	7					
Total number of risk points:					7	
Reporting and monitoring overall risk assessment:					1	Divide total number of risk points by total number of applicable questions in subject matter section. This amount should be rounded as detailed on page 1 of this checklist and assigned an overall risk rating.
8. Information Systems						
8.1 Is the financial management system computerized? If so, does the IP have policies and procedures to maintain this system?	√			The financial management system is computerized and properly maintained.	1	General fund is computerized whereas project funds are handled manually. However, IP has started to automate its system. It has contractual agreement with the software developer to maintain it.
8.2 Does the IP have policies and procedures to restrict access to the computerized financial management system to appropriate personnel? If so, please describe them.	√			The IP has policies and procedures to restrict accesses to the computerized financial management system to the appropriate personnel.	1	The system is password protected.
8.3 Can the computerized financial management system produce the necessary financial reports?	√			The computerized financial management system can produce the necessary financial reports.	1	Yes, for general funds. For other UN funds, spreadsheet is used.
8.4 Are IP staff adequately trained to maintain the computerized financial management system?		√		IP staff are adequately trained to maintain the computerized financial management system.	1	The automated system for general fund is maintained by Ministry of Finance experts.

8.5 Does the IP have appropriate safeguards to ensure the confidentiality, integrity and availability of the data? If so,	√			The IP has appropriate safeguards to ensure the	1	Confidentiality and integrity of data is through password protection.

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Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
please describe them.				confidentiality, integrity and availability of the data.		Back-up is available in manual system.
Total number of questions in subject area:	**5**					
Number of questions marked 'N/A' in subject area:	0					
Total number of applicable questions in subject area:	5					
Total number of risk points:					5	
Information systems overall risk assessment:					1	Divide total number of risk points by total number of applicable questions in subject matter section. This amount should be rounded as detailed on page 1 of this checklist and assigned an overall risk rating.
9. Procurement						
9a. General						
9.1 Has the IP undertaken a procurement exercise with United Nations / World Bank / European Union resources in the past? If so, please describe it.	√			The IP has undertaken a procurement exercise with UN/WB/EU resources in the past.	1	IP has undertaken a procurement exercise with United Nations before (UN agency has purchased on behalf of IP).

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Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
9.2 Has the IP been audited by ECHO and selected as a Framework Partnership Agreement partner as per: http://ec.europa.eu/echo/files/partners/humanitarian_aid/fpa_partners.pdf		√		The IP has been audited by ECHO and selected as a Framework Partnership Agreement partner.	2	IP has not been audited by ECHO.
9.3 Has the IP been audited by ECHO and selected as a Humanitarian Procurement Centre partner as per:		√		The IP has been audited by ECHO and selected as a	-	

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
http://ec.europa.eu/echo/files/partners/humanitarian_aid/H PC-register_en.pdf				Humanitarian Procurement Centre partner.		
9b. Procurement principles, policies and procedures						
9.4 Does the IP follow acceptable United Nations procurement principles? Do these principles promote broad participation from potential bidders? If so, please describe them.	√			The IP follows acceptable United Nations procurement principles.	1	IP follows Ministry of Finance guidelines which in our opinion is adequate. Foreign purchases are not centralized.
9.5 Does the IP have written procurement policies and procedures? *If yes, please provide a copy. If no, please attach an outline of the tender procedures specifying the different procurement procedures, related thresholds and methodology for the assessment of tenders.*	√			The IP has written procurement policies and procedures.	1	IP uses Ministry of Finance procurement policies and procedures which in our opinion is adequate.
9.6 Does the IP have a specific code of procurement ethics? *Please attach copy of the code.*		√		The IP has a specific code of procurement ethics.	2	The IP procurement manual includes ethical procurement procedures. However, the procedures do not identify potential conflict of interest.
9.7 Does the IP have a specific anti-fraud and corruption policy? If so, please describe it.		√		The IP has a specific anti-fraud and corruption policy.	2	However, fraud and corruption are penalized by the Criminal Code of Eritrea.

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
9.8 Do the IP's procurement rules and regulations contemplate a fair and impartial mechanism for revision of procurement protests?		√		The IP's procurement rules and regulations contemplate a fair and impartial mechanism for revision of procurement protests.	2	There are no documented rules and regulations. However, IP has never experienced protest by tenderers to-date.
9.9 Does the IP frequently override purchasing procedures without proper authorization?		√		The IP does not frequently override the purchasing procedures without proper authorization.	1	Purchasing procedures are consistently followed by IP.

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
9.10 Are exceptions to procedures documented and sent to management for approval? Are the exceptions periodically analysed and corrective actions taken?	√			Exceptions to procedures are documented and sent to management for approval. Exceptions are periodically analysed and corrective actions are taken.	1	Exceptions are documented in the procurement evaluation report for approval by the Governor.
9c. Internal control system						
9.11 Does the IP have a procurement committee for review and approval of contracts? If so, please specify composition of committee.	√			The IP has a procurement committee that reviews and approves contracts.	1	IP has two committees depending on size of purchase; (1) up to 100,000 ERN purchase (Construction development head, technical expert, finance head, general service head, feeder road head, and engineer). (2) Above 100,000 ERN purchases (see 9.23 for composition).
9.12 Does the IP identify the requested authorizations for each value level of purchases? At what value does the IP require written authorization of senior management for a purchase (value in US dollars)?		√		The IP has defined authorization guidance and policies and procedures to ensure they are properly applied.	1	All purchases are approved by governor and administration and finance head.

9.13 Does the IP use standard bidding documents and contracts?	√			The IP utilizes standard bidding documents and contracts.	1	
9.14 Do the procurement procedures and templates of contracts integrate references to ethical procurement principles and exclusion and ineligibility criteria?		√		The procurement procedures and templates of contracts integrate references to ethical procurement principles and exclusion and ineligibility criteria.	2	IP's templates do not provide such reference.
9.15 Does the IP obtain sufficient approvals before signing a contract, executing a purchase, or a payment? How many people give their approval before signing a contract or executing a purchase or a payment?	√			The IP obtains sufficient approvals before signing a contract executing a purchase or a payment.	1	All approvals for contracts, purchases, and payments are given by governor and administration and finance head.

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
9.16 Does the IP rotate staff positions for internal control purposes? If yes, how often?		√		The IP has procedures to rotate staff positions for internal control purposes.	3	IP does not have procedures for staff rotation.
9.17 Does the IP have formal guidelines and procedures in place to assist in identifying, monitoring and dealing with potential conflicts of interest with potential suppliers/procurement agents? If so, how does the IP proceed in cases of conflict of interest?		√		The IP has formal guidelines and procedures in place to assist in identifying, monitoring and dealing with potential conflict of interests with potential suppliers/procurement agents.	2	IP does not have formal procedures for identifying conflict of interest.
9e. Procurement process						

9.18 Does the IP have a well-defined process for sourcing/pre-qualification of suppliers? Do formal procurement methods include broadly broadcasting procurement opportunities? *Please attach methodology for the assessment of suppliers.*	√			The IP has a well-defined process for sourcing/pre-qualifying suppliers.	1	For small purchases (see 9.11) proformas are collected from bidders by purchaser. Broad broadcasting is made for large purchases.
9.19 Does the IP undertake regular market surveys? If so, describe the process.		√		The IP undertakes regular market surveys.	2	IP does not undertake regular market surveys.
9.20 Does the IP have a database of active suppliers? If so, please describe the process for maintaining this database.		√		The IP has a database of active suppliers.	2	IP maintains suppliers list.
9.21 Does the IP keep track of past performance of suppliers? If so, describe the process.		√		The IP keeps track of past performance of suppliers.	2	No formal (documented) report; Experience is discussed verbally.
9.22 Does the IP regularly check 'market' prices for goods and services purchased? If so, describe the frequency and process.		√		The IP regularly checks 'market' prices of goods and services purchased.	2	IP does not regularly check market prices.
9.23 Does the IP conduct public bid opening for formal procurement methods (invitation to bid and request for	√			The IP conducts public bid	1	Bid opening is conducted for large purchases (see 9.11). Composition is: Heads of Finance,

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
proposal)? What is the composition of public bid opening committees?				opening for formal procurement methods.		general service, secondary feeder road, radio operator, construction expert, and properties head.
9.24 Does the IP have a well-defined process in place to ensure a secure and transparent bid and evaluation process? If so, describe the process.	√			The IP has a well-defined process in place to ensure a secure and transparent bid and evaluation process.	1	Locked bid box are used; bids are accepted in sealed envelopes; and all procurement committee members meet to open bid envelops.
9.25 Does the IP establish long-term agreements with suppliers based on a tender process?		√		The IP establishes long-term agreements with suppliers based on a tender process.	1	No long-term contracts.
9.26 Are long-term agreements reviewed/retendered? If so, how frequently? Please describe.			√	Long-term agreements are reviewed and retendered.	-	
9f. Awarding of contracts						
9.27 When a formal invitation to bid has been issued, does the IP award the procurement contract to the qualified bidder whose bid substantially conforms to requirements set forth in the solicitation documentation and offers the lowest cost?	√			The IP awards procurement contracts to qualified bidders whose bids substantially conform to requirements set forth in the solicitation documentation and offer the lowest cost.	1	

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
9.28 When a formal request for proposal has been issued, does the IP award the procurement contract to the qualified proposer whose proposal, all factors considered, is the most responsive to the requirements set forth in the solicitation documentation?	√			The IP awards procurement contracts to qualified proposers whose proposals, all factors considered, are the most responsive to the requirements set forth in the solicitation process.	1	
9g. Reporting and monitoring						

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
9.29 Are procurement reports prepared for the IP? If so, describe the preparation and frequency of these reports.	√			Procurement reports are prepared frequently for the IP.	1	Quarterly procurement report submitted to head of administration and finance.
9h. Information system						
9.30 Is the procurement system computerized? If so, is the system adequately maintained?		√		The procurement system is computerized and adequately maintained.	1	All procurement procedures are performed manually.
9.31 Can the procurement system produce the necessary reports?			√	The procurement system is capable of preparing the necessary reports.	-	
9i. Verification of procurement capacity						
9.32 Is the IP's procurement unit properly resourced in terms of number of staff and their qualifications?	√			The IP's procurement unit is properly resourced in terms of number of staff and their qualifications.	1	IP's procurement unit consists of five purchasers and one clerk. All are qualified staff.

9.33 Is the structure of the IP's procurement unit clear, with defined reporting lines that foster efficiency and accountability?	√			The structure of the IP's procurement unit is clear, with defined reporting lines that foster efficiency and accountability.	1	IP's procurement unit is under the head of general service who reports to the head of administration and finance.
9.34 Does the IP have a procurement strategy and appropriate tools and mechanisms to conduct procurement activities? If so, please describe.		√		The IP has a procurement strategy and appropriate tools and mechanisms to conduct procurement activities.	2	IP's procurement is on demand basis.
9.35 Does the IP verify that established procedures for handling complaints are implemented? If so, please describe.		√		The IP verifies that established procedures for handling complaints are implemented.	2	No procedures as such. However, no experience of complaints to-date.

Subject area	Yes	No	N/A	Low risk consideration	Risk points	Remarks/comments
9.36 Does the IP manage the procurement cycle following the established policies and procedures? If so, how do they verify this?	√			The IP manages the procurement cycle per established policies and procedures.	1	Head of administration and finance, internal auditor, and project accountant verifies compliance with established policies.
9.37 Does the IP consistently apply transparency and integrity in the procurement process?	√			The IP consistently applies transparency and integrity in the procurement process.	1	All procedures are documented with signature of all committee members.
Total number of questions in subject area:	**37**					
Number of questions marked 'N/A' in subject area:	3					
Total number of applicable questions in subject area:	34					

Total number of risk points:				48	
Procurement overall risk assessment:				1	Divide total number of risk points by total number of applicable questions in subject matter section. This amount should be rounded as detailed on page 1 of this checklist and assigned an overall risk rating.

ANNEX K:

CAPACITY ASSESSMENT SCORECARD

FOR AGRICULTURAL EXTENSION DEPARTMENT OF THE MINISTRY OF AGRICULTURE

INSTITUTIONAL CAPACITY FOR CLIMATE CHANGE

Overview

This capacity assessment scorecard will be one key resource to identify Institutional Capacities for Climate Change, which will allow a prioritized Capacity Development Plan to be prepared.

The capacities identified are those that are intended to contribute to the following results.

1) Performance: Climate change adaptation measures incorporated into or considered in all national, provincial and local level strategies, plans and programmes.
2) Stability: Adequate financial and human resources allocated to address climate change challenges at national, provincial and local levels.
3) Adaptability: Innovative research and development as well as adoption of climate change adaptation technology on-going.

The scorecard is arranged according to: 1) Institutional Policy and Legal Framework; 2) Planning and Implementation, Monitoring and Evaluation; 3) Knowledge Management; and 4) Community Engagement and is focused on functional capacities.

These categories and questions have been developed taking into consideration the various Climate Change Adaptation policies, guidelines, frameworks and tools developed by UNDP (including the Africa Adaptation Fund and the Practitioner's Guide: Capacity Development for Environmental Sustainability), GEF (including the Strategy on Adaptation to Climate Change for LDCF and SCCF), Adaptation Fund (NIE accreditation criteria). The national counterpart responsible for coordinating climate change initiatives has been consulted in the development of the questions, and development partners and civil society organisations have confirmed the relevance and importance of these capacities for climate change.

To establish the baseline capacity, stakeholders who represent key climate change institutions are asked to score their understanding of the existing institutional capacities for climate change, where they would like to move the capacity to in the 2 year timeframe, and how they would prioritize each capacity. The scoring scale is:

1. No evidence of capacity
2. Anecdotal evidence of capacity
3. Partially developed capacity
4. Widespread, but not comprehensive capacity

5. Fully developed capacity

Upon completion of the questionnaire by the stakeholders, the data will be collated in a spreadsheet, and analysed to identify the capacities with the greatest gap between existing and desired level of capacity, as well as priority areas. These results will be shared with the respondents, and triangulated with interviews and discussions with key stakeholders (including those who were not part of the exercise), to develop a capacity development plan.

It is important to note that this tool is a rapid self-assessment tool that is intended to provide a snapshot of the perceptions of the stakeholders, which can be useful in stimulating dialogue regarding the capacities they wish to strengthen; by its very nature, the tool is not intended to provide a statistically relevant numerical capacity score. Furthermore, the process of capacity development starts with the filling out of the questionnaire itself, as the respondents become aware of the specific institutional capacities required to address climate change challenges (going beyond general human and financial capacities usually identified) and are asked to think about their own organisation's capacity in each area.

Instructions for Respondents

This capacity assessment scorecard is intended to identify the largest gaps between existing and desired institutional capacities for climate change, and to prioritise capacities to be strengthened. Thus, it is important that all three columns for each question are filled out.

Please follow the instructions below:
1) Read the capacity question
2) Assess the **existing** level of capacity of your organisation using the following scoring system, and write an '**X'** under the number closest to your assessment:
    1. No evidence of capacity
    2. Anecdotal evidence of capacity
    3. Partially developed capacity
    4. Widespread, but not comprehensive capacity
    5. Fully developed capacity
3) Identify the **desired** level of capacity of your organisation using the same scoring system, and write the **NUMBER**.
4) Consider the **importance** of the capacity for climate change (High, Medium, or Low) and write **H, M** or **L**.
5) Move to the next question and repeat the same process. (Please try to answer all questions to the best of your ability. If you have questions regarding the instructions or the capacity question, please ask the UNDP CA team. However, if you have no knowledge of the particular capacity, please leave the row blank and move to the next one.)
6) If you have any comments, please write them in the space provided at the end.
7) Please provide your name and organisation. (All responses will be collated and thus individual answers will not appear in the report.)
8) When you have completed the questionnaire, please hand them to the UNDP CA team.

1. CAPACITY for the institutional, policy and legal framework for Climate Change

Capacity Indicator	Baseline: Level of Existing Capacity					Target level of Capacity in the timeframe 5 years	Priority of Capacity (h/m/l)
	1	2	3	4	5		
1.1 To what extent is there an effective **government coordination mechanism** for International Climate Change (CC) Convention-related dialogue& policy making		X				4	H
1.2 To what extent is there an effective **development partner /donor coordination mechanism** for Climate Change (CC) -related funding, dialogue, and programming		X				4	M
1.3 To what extent are there effective mechanisms to ensure **coordination** between other **conventions** relevant to CC		X				3	M
1.4 To what extent is there a **government strategy or plan** with clear priorities in place to implement Climate Change Conventions			X			4	H
1.5 To what extent are there cross-sectoral **climate-resilient policies** with clear priorities	X					3	L
1.6 To what extent is there **political engagement** at national and provincial/regional levels on approach to extension and its delivery system to meet the risks and opportunities of CC		X				3	H
1.7 To what extent is there effective leadership and a clear vision on how to meet the risk and opportunities of CC through agricultural extension system.		X				4	H

	1	2	3	4	5	Target level	Priority
1.8 To what extent is there a harmonized agricultural extension **legal framework** with incentives and compliance mechanisms that reflect CC priorities.	X						**3**	**H**
1.9 To what extent are there clear core **functions and roles** relating to CC to minimize duplication and gaps (Refers to institutions mandated to agricultural extension delivery)	X					**3**	**H**
1.10 To what extent is there an **organizational structure** aligned to functions with clear responsibilities to address CC (Refers to institutions mandated to agricultural extension delivery)	X					**3**	**H**
1.11 To what extent are **non-state stakeholders** such as CSOs and private sector participating in the CC coordination mechanisms	X					**3**	**L**

Capacity Indicator	Baseline: Level of Existing Capacity					Target level of Capacity in the timeframe 5 years	Priority of Capacity (h/m/l)
	1	2	3	4	5		
2.1 To what extent are there dynamic, long-term Agricultural extension **programme and project planning** mechanisms that can respond to the risks and opportunities of CC.		X				4	H
2.2 To what extent are there **frameworks** to manage planning of CC and agricultural extension programming at the **national** level		X				4	H
2.3 To what extent are there **frameworks** to manage planning of CC and agricultural extension programming at the **provincial** level	X					3	H

Question	1	2	3	4	5	Score	Priority
2.4 To what extent does extension approach and delivery system planning take into consideration available **evidence** on CC and lessons learned from past CC programming?		X				3	M
2.5 To what extent do **risk** management, CC **modeling** and CC **scenarios** inform extension and delivery system planning at the **national** level		X				3	M
2.6 To what extent do **risk** management, CC **modeling** and CC **scenarios** inform extension approach and delivery system planning at the **provincial** level	X					3	M
2.7 To what extent is extension approach and delivery system planning and implementation **decentralized**	X					3	L
2.8 To what extent do **non-state** stakeholders including CSOs and private sector participate in CC/CSA related extension and delivery system programme planning, implementation and M&E	X					2	L
2.9 To what extent are there **partnerships** between the Extension Service Department of the MoA and the National Agricultural Research Institution (NARI), and other public and private sector for implementing CC/CSA related extension and delivery system programming		X				3	H
2.10 To what extent does government **budget allocation for extension approach and delivery system** at **national**, level reflect CC priorities			X			4	H
2.11 To what extent does government **budget allocation for extension approach and delivery system** at the **provincial** level reflect CC priorities			X			4	H
2.12 To what extent is **extension approach and delivery system programming** aligned to CC policy priorities at national and provincial level			X			4	H

Capacity Indicator	Baseline: Level of Existing Capacity					Target level of Capacity in the timeframe 5 years	Priority of Capacity (h/m/l)
2.13 To what extent is design, appraisal and implementation of CC **projects** aligned to the extension approach, methodology and delivery programs at provincial and local level	X					3	M
2.14 To what extent is there effective **advocacy** for the inclusion of CC in **agricultural extension system (CSA extension system)** planning, budgets and programming		X				4	H
2.15 To what extent are **innovative financing** options to support the national agricultural extension system being developed to respond to the challenges of CC (including private sector financing)	X					3	H
2.16 To what extent is there sufficient financial resource **mobilization** to support climate smart agricultural extension system aligned to priorities		X				4	H
2.17 To what extent are functioning **financial management** and reporting systems in place for CC related **agricultural extension** financing		X				3	M
2.18 To what extent is there a **results-based management (RBM)** system and culture in **CC related agricultural extension** programming (incl. clear outcomes/ outputs, and indicators)	X					3	M
2.19 To what extent is there an integrated management information system (**MIS**) including databases for CC **related agricultural extension** programming established and managed	X					3	H
2.20 To what extent is there a functioning monitoring and evaluation (**M&E**) system for CC **related agricultural extension** programming	X					3	H

2.21 To what extent are there **reporting** mechanisms for CC **related agricultural extensin** programming	X					3	H
2.22 To what extent is there effective Human resource management (**HRM**) to attract and retain talent for CC **related agricultural extension** programming	X					3	H

3. CAPACITY for Climate Change Knowledge Management

Capacity Indicator	Baseline: Level of Existing Capacity					Target level of Capacity in the timeframe 5 years	Priority of Capacity (h/m/l)
	1	2	3	4	5		
3.1 To what extent is CC **knowledge generated** and **codified** at national and local levels so that it provides a base to incorporate CC risks and opportunities via the agricultural extension delivery system.	X					3	H
3.2 To what extent is CC **knowledge shared** and **accessible** through appropriate media/ platforms to provide a base to incorporate CC risks and opportunities at all levels including via the agricultural extension delivery system.	X					3	H
3.3 To what extent do **extension experts and agents, communities and stakeholders** have access to national and / or regional sources of **expertise** on CC?	X					3	M
3.4 To what extent is global and regional **learning** adapted to the national context though regional exchange/ learning mechanisms (e.g. CoPs)		X				3	M
3.5 To what extent are global, regional or national '**good climate smart agricultural extension practices**' contextualized to address community CC risks and opportunities at the provincial and local level.	X					3	H
3.6 To what extent is the Extension Service Department of the MoA working with the national and local research institutions to identify, apply and insitutionalize CC knowledge.		X				3	H
3.7 To what extent are **technical capacities** required to analyse CC issues and plan, implement, monitor and evaluate climate smart extension programmes **identified and strengthened** at the national and local levels?		X				4	H

3.8 To what extent do **public awareness** planed and implemented as part of the agricultural extension programs include CC risks and opportunities	X					3	H
3.9 To what extent are CC and CSA related **public awareness programs accessible** to communities so it overcomes local languages and literacy barriers		X				3	H
3.10 To what extent do the Agricultural Extension Service Department (AESD's) **environmental education** programs (if exist) include CC risks and opportunities.	X					3	H
3.11 To what extent is AESDI's CC environmental education **accessible** to communities so it overcomes local languages and literacy barriers	X					3	H
3.12 To what extent is the involvement of the Extension Service Department in "**scaling up**" local knowledge to provincial and national level.		X				3	H

4. CAPACITY for Community Engagement

Capacity Indicator	Baseline: Level of Existing Capacity					Target level of Capacity in the timeframe 5 years	Priority of Capacity (h/m/l)
	1	2	3	4	5		
4.1 To what extent is AESD's **community** engagement around CC priorities			X			4	H
4.2 To what extent is AESD's **community** mobilization and piloting around CC priorities			X			4	H
4.3 To what extent are extension programs effective in identifying alternative **sustainable livelihood opportunities** and improvement of knowledge and skills for livelihood activities	X					3	H
4.4 To what extent are gender issues mainstreamed into the extension programs and priorities to enable **women** to engage and mobilize around CC priorities		X				3	H

4.5 To what extent are the needs of **vulnerable groups** addressed into extension programs and priorities to enable them to engage and mobilize around CC priorities	**X**					**3**	**H**
4.6 To what extent is the performance of AESD's extension packages and delivery programs **assessed by communities** and responded to e.g. balanced score cards	**X**					**3**	**M**

Comments:	
Name and position of people completed this scorecard:	Mr. Kahsay Negash, Senior expert from **Crop and Livestock Development Department** of the Extension **Service Department of the Ministry of Agricultures** with assistance of the National Consultant for the preparation of PRODOC - Mainstreaming Climate Change Risk Consideration in Food Security and IWRM in Tsilima Plain.
Organization:	Ministry of Agriculture - Eritrea

ANNEX L:

CAPACITY ASSESSMENT SCORECARD

FOR NATIONAL AGRICULTURAL RESEARCH INSTITUTE (NARI)

INSTITUTIONAL CAPACITY FOR CLIMATE CHANGE

Overview

This capacity assessment scorecard will be one key resource to identify Institutional Capacities for Climate Change, which will allow a prioritized Capacity Development Plan to be prepared.
The capacities identified are those that are intended to contribute to the following results.

1) Performance: Climate change adaptation measures incorporated into or considered in all national, provincial and local level strategies, plans and programmes.
2) Stability: Adequate financial and human resources allocated to address climate change challenges at national, provincial and local levels.
3) Adaptability: Innovative research and development as well as adoption of climate change adaptation technology on-going.

The scorecard is arranged according to: 1) Institutional Policy and Legal Framework; 2) Planning and Implementation, Monitoring and Evaluation; 3) Knowledge Management; and 4) Community Engagement and is focused on functional capacities.

These categories and questions have been developed taking into consideration the various Climate Change Adaptation policies, guidelines, frameworks and tools developed by UNDP (including the Africa Adaptation Fund and the Practitioner's Guide: Capacity Development for Environmental Sustainability), GEF (including the Strategy on Adaptation to Climate Change for LDCF and SCCF), Adaptation Fund (NIE accreditation criteria). The national counterpart responsible for coordinating climate change initiatives has been consulted in the development of the questions, and development partners and civil society organisations have confirmed the relevance and importance of these capacities for climate change.

To establish the baseline capacity, stakeholders who represent key climate change institutions are asked to score their understanding of the existing institutional capacities for climate change, where they would like to move the capacity to in the 2 year timeframe, and how they would prioritize each capacity. The scoring scale is:

        1 - No evidence of capacity
        2 - Anecdotal evidence of capacity
        3 - Partially developed capacity
        4 - Widespread, but not comprehensive capacity

5. Fully developed capacity

Upon completion of the questionnaire by the stakeholders, the data will be collated in a spreadsheet, and analysed to identify the capacities with the greatest gap between existing and desired level of capacity, as well as priority areas. These results will be shared with the respondents, and triangulated with interviews and discussions with key stakeholders (including those who were not part of the exercise), to develop a capacity development plan.

It is important to note that this tool is a rapid self-assessment tool that is intended to provide a snapshot of the perceptions of the stakeholders, which can be useful in stimulating dialogue regarding the capacities they wish to strengthen; by its very nature, the tool is not intended to provide a statistically relevant numerical capacity score. Furthermore, the process of capacity development starts with the filling out of the questionnaire itself, as the respondents become aware of the specific institutional capacities required to address climate change challenges (going beyond general human and financial capacities usually identified) and are asked to think about their own organisation's capacity in each area.

Instructions for Respondents

This capacity assessment scorecard is intended to identify the largest gaps between existing and desired institutional capacities for climate change, and to prioritise capacities to be strengthened. Thus, it is important that all three columns for each question are filled out.

Please follow the instructions below:
4) Read the capacity question
5) Assess the **existing** level of capacity of your organisation using the following scoring system, and write an '**X'** under the number closest to your assessment:
   1 - No evidence of capacity
   2 - Anecdotal evidence of capacity
   3 - Partially developed capacity
   4 - Widespread, but not comprehensive capacity
   5 - Fully developed capacity
6) Identify the **desired** level of capacity of your organisation using the same scoring system, and write the **NUMBER**.
7) Consider the **importance** of the capacity for climate change (High, Medium, or Low) and write **H, M** or **L**.
8) Move to the next question and repeat the same process. (Please try to answer all questions to the best of your ability. If you have questions regarding the instructions or the capacity question, please ask the UNDP CA team. However, if you have no knowledge of the particular capacity, please leave the row blank and move to the next one.)
9) If you have any comments, please write them in the space provided at the end.
10) Please provide your name and organisation. (All responses will be collated and thus individual answers will not appear in the report.)
11) When you have completed the questionnaire, please hand them to the UNDP CA team.

5.   CAPACITY for the institutional, policy and legal framework for Climate Change

Capacity Indicator	Baseline: Level of Existing Capacity					Target level of Capacity in the timeframe 5 years	Priority of Capacity (h/m/l)
	1	2	3	4	5		
1.1 To what extent is there an effective **government coordination mechanism** for International Climate Change (CC) Convention-related dialogue& policy making		X				3	H
1.2 To what extent is there an effective **development partner /donor coordination mechanism** for Climate Change (CC) -related funding, dialogue, and programming		X				3	H
1.3 To what extent are there effective mechanisms to ensure **coordination** between other **conventions** relevant to CC		X				3	H
1.4 To what extent is there a **government strategy or plan** with clear priorities in place to implement Climate Change Conventions			X			4	L
1.5 To what extent are there cross-sectoral **climate-resilient policies** with clear priorities	X					3	H
1.6 To what extent is there **political engagement** at national and provincial/regional levels to set research priorities to meet the risks and opportunities of CC		X				3	L
1.7 To what extent is there effective leadership and a clear vision on how to meet the risk and opportunities of CC through agricultural research.		X				3	L

	1	2	3	4	5	Target	Priority
1.8 To what extent is there a harmonized **legal framework** with incentives and compliance mechanisms that reflect, prioritize and support climate smart agriculture researches.	X					3	M
1.9 To what extent are there clear core **functions and roles** relating to CC to minimize duplication and gaps (Refers to NARI and other agricultural research institutions)		X				3	L
1.10 To what extent is there an **organizational structure** aligned to functions with clear responsibilities to address CC (Refers to NARI and other agricultural research institutions)		X				3	M
1.11 To what extent are **non-state stakeholders** such as CSOs and private sector participating in the CC coordination mechanisms	X					3	L

6. CAPACITY for the Planning, Implementation and Monitoring and Evaluation for Climate Change

Capacity Indicator	Baseline: Level of Existing Capacity					Target level of Capacity in the timeframe 5 years	Priority of Capacity (h/m/l)
	1	2	3	4	5		
2.1 To what extent are there dynamic, long-term research **programme and project planning** mechanisms that can respond to the risks and opportunities of CC.		X				4	H
2.2 To what extent are there **frameworks** to manage planning of CC researches for CSA technology generation at the **national** level		X				4	H
2.3 To what extent are there **frameworks** to manage planning of CC researches for CSA technology generation at the **provincial** level	X					3	L

	1	2	3	4	5		
2.4 To what extent does research planning take into consideration available **evidence** on CC and lessons learned from past CC programming?		X				4	H
2.5 To what extent do **risk** management, CC **modeling** and CC **scenarios** inform research planning at the **national** level	X					3	M
2.6 To what extent do **risk** management, CC **modeling** and CC **scenarios** inform research planning at the **provincial** level.	X					3	H
2.7 To what extent is CC related research and CSA technology generation planning and implementation **decentralized**		X				3	L
2.8 To what extent do **non-state** stakeholders including CSOs and private sector participate in CC/CSA related research programme planning, implementation and M&E	X					2	M
2.9 To what extent are there **partnerships** between the National Agricultural Research Institution (NARI), public sector and private sector for implementing CC/CSA technology generation and dissemination programming	X					3	M
2.10 To what extent does government **budget allocation for research** at **national**, level reflect CC priorities			X			4	H
2.11 To what extent does government **budget allocation for research** at the **provincial** level reflect CC priorities			X			4	H
2.12 To what extent is **research programming** aligned to CC policy priorities at national and provincial level			X			4	H

Capacity Indicator	Baseline: Level of Existing Capacity					Target level of Capacity in the timeframe 5 years	Priority of Capacity (h/m/l)
2.13 To what extent is design, appraisal and implementation of **research projects** related to **CSA technology generation and dissemination** aligned to CC programs at provincial and local level			X			4	H
2.14 To what extent is there effective **advocacy** for the inclusion of CC in **agricultural research** planning, budgets and programming		X				3	M
2.15 To what extent are **innovative financing** options to support the design and implement **climate smart agriculture research programs** being developed to respond to the challenges of CC (including private sector financing)		X				3	H
2.16 To what extent is there sufficient financial resource **mobilization** for **Climate Smart Agriculture Research** aligned to priorities		X				3	H
2.17 To what extent are functioning **financial management** and reporting systems in place for CC related **agricultural research** financing		X				3	M
2.18 To what extent is there a **results-based management (RBM)** system and culture in **CC related agricultural research** programming (incl. clear outcomes/ outputs, and indicators)		X				4	M
2.19 To what extent is there an integrated management information system (**MIS**) including databases for CC **related agricultural research** programming established and managed	X					4	H
2.20 To what extent is there a functioning monitoring and evaluation (**M&E**) system for CC **related agricultural research** programming		X				4	H
2.21 To what extent are there **reporting** mechanisms for CC **related agricultural research** programming		X				4	H

2.22 To what extent is there effective Human resource management (**HRM**) to attract and retain talent for CC **related agricultural research** programming	**X**					**3**	**H**

7. CAPACITY for Climate Change Knowledge Management

Capacity Indicator	Baseline: Level of Existing Capacity					Target level of Capacity in the timeframe 5 years	Priority of Capacity (h/m/l)
	1	2	3	4	5		
3.1 To what extent is CC **knowledge** and CSA research findings **generated** and **codified** at national and local levels so that it provides a base to incorporate CC risks and opportunities.		X				4	H
3.2 To what extent is CC **knowledge and CSA research findings shared** and **accessible** through appropriate media/ platforms to provide a base to incorporate CC risks and opportunities at all levels.		X				4	H
3.3 To what extent do **NARI** have access to national and / or regional sources of **expertise** on CC and **CSA related research**?		X				4	H
3.4 To what extent is global and regional **learning** adapted to the national context though regional exchange/ learning mechanisms (e.g. CoPs)		X				4	H
3.5 To what extent are global, regional or national '**good climate smart agricultural research practices**' contextualization to address community CC risks and opportunities at the provincial and local level.		X				3	M
3.6 To what extent is NARI working with the government national and regional institutions in identifying, applying, and institutionalising CC knowledge.		X				3	H
3.7 To what extent are **technical capacities** required to analyse CC issues and plan, implement, monitor and evaluate CC related research programmes like research on CSA **identified and strengthened** at the national and local levels?		X				4	H
3.8 To what extent do NARI's **public awareness and farmers (community) training and extension** programs include CC risks and opportunities		X				4	H

	1	2	3	4	5		
3.9 To what extent are **NARI's CC related research findings and public awareness programs accessible** to communities so it overcomes local languages and literacy barriers		X					4	H
3.10 To what extent do NARI incorporate **environmental education** programs as part of its research findings dissemination strategy.		X					3	H
3.11 To what extent is NARI's CC environmental education **accessible** to communities so it overcomes local languages and literacy barriers		X					3	H
3.12 To what extent is research on farmers plot level (demonstration) practiced and these local knowledge **'scaled up'** to provincial and national level.		X					3	H

8. CAPACITY for Community Engagement

Capacity Indicator	Baseline: Level of Existing Capacity					Target level of Capacity in the timeframe 5 years	Priority of Capacity (h/m/l)
	1	2	3	4	5		
4.1 To what extent is NARI's **community** engagement around CC related research priorities			X			4	H
4.2 To what extent is NARI's **community** mobilization and piloting around CC related research priorities			X			4	H
4.3 To what extent are NARI's research programs effective in identifying alternative **sustainable livelihood opportunities** and improvement of knowledge and skills for livelihood activities		X				4	H
4.4 To what extent are gender issues mainstreamed in to its research programs and priorities to enable **women** to engage and mobilize around CC priorities		X				4	H

4.5 To what extent are the needs of **vulnerable groups** addressed in to research programs and priorities to enable them to engage and mobilize around CC priorities		X					4	H
4.6 To what extent is the performance of NARI's research programs **assessed by communities** and responded to e.g. balanced score cards		X					4	M

Comments: **In the case of Eritrea, human capacity development is No 1 priority. To that extent especially in NARI (National Agricultural Research Institute) long term training, at all levels, should be considered**	
Name and position of people completed this scorecard:	Mr. Asmerom Kidane, Director of Natural Resources Management Research Division of NARI with assistance of the National Consultant for the preparation of PRODOC - Mainstreaming Climate Change Risk Consideration in Food Security and IWRM in Tsilima Plain.
Organization:	Ministry of Agriculture - Eritrea

Project Outcomes	Project Outputs	Gender mainstreaming actions	Comments/Guidance and Recommendations
Outcome 1.1: Capacity of research institutions to undertake climate related research increased	Output 1.1.1: Capacity and resource needs assessment undertaken and capacity development strategy and training programme developed and implemented for NARI, which includes training on climate change and water resources management, as well as research/data collection, analysis and packaging/publication of information.	• Identification of research needs and activities must ensure the needs and priorities of women and female-headed households inform research • Identification of gaps in staffing, skills and facilities must apply a gender-lens	• Capacity needs assessments must disaggregate data based on gender (i.e. number of men and women and their profiles) • Training must strive for a 1:1 ratio of men and women trainees • Support to NARI must ensure gender-sensitive research
	Output 1.1.2: Network and information sharing platform on CCA and climate-smart agriculture (CSA) developed at national, Zoba and sub-Zoba levels.	• Establish a platform for multi-stakeholder dialogue on climate change issues, including the gender dimensions of climate change.	• Membership of platforms must ensure 50% men and 50% women
	Output 1.1.3: Technical and financial support provided to NARI (in association with other academic and research institutions) for conducting research and producing research reports on CSA and production systems, including but not limited to: i) drought resistant and early maturing crops; ii) sustainable water use and conservation practices; iii) conservation agriculture practices, including tillage management and soil fertility; iv) sustainable landscape management; and v) livestock production and grazing management.	• Support production and publication of policy briefs on climate change, including on the gender dimensions of climate change. • Facilitate access to international research findings/results on gender and climate change. • Provide technical and financial support for collection of gender-disaggregated data for input into the National Food Information System • Facilitate the re-establishment of Farmer Advisory Services that	• Support will put in place conditions to ensure that the beneficiaries and recipients are 50% men and 50% women • Research activities must strive for equal participation and targeting of informants/ interviewees (50/50 ratio between men and women) • Female and male farmers must equal participate in demonstration activities

		• provide support to male and female farmers based on their needs and priorities • Develop local level research capacity, including on gender and climate change	
	Output 1.1.4: Climate information and monitoring systems developed in association with relevant line ministries, departments – in particular, the Meteorological Services Unit – and local communities based upon data received from hydro-meteorological stations installed under Output 2.2.2.	• Provide training on meteorological observation and analysis to the MSU, other institutions and stakeholders involved in the collection and gathering of meteorological data. • Provide technical and financial support to the MSU and other stakeholders to facilitate the establishment of a community-based EWS in sub-Zoba Dbarwa, ensuring that women's needs and priorities are in the operationalization of the EWS	• Ensure participation of women in data collection • Information must be packaged in a form that is accessible to women and men equally • Information must be disseminated in forums that are accessible to both men and women • EWS must provide information that responds the information needs of women and men
Outcome 1.2: Capacity of extension service institutions to provide knowledge based climate smart extension service to agriculture, livestock production and water management increased	Output 1.2.1: Capacity and resource needs assessment, development and training programmes implemented within institutions involved in extension services on inter alia sustainable land, forestry and water resources management.	• Conduct a needs assessment for the Extension Services Department, ensuring the assessment properly captures issues of gender, and the Department's ability to provide gender-responsive services. • Review and update the extension services packages to include aspects on gender and women's needs. • Train extension agents on the revised extension services	• Assessments must consider the capacity needs of both men and women • 50% of trainees must be women
	Output 1.2.2: Extension packages reviewed and updated to include best practices and other relevant materials through the		• Best practices to be promoted must be acceptable to women

		packages, including on the integration of gender-responsive advice into the provision of extension services.	and consider women's time and abilities
	provision of technical and financial support at national, Zoba, sub-Zoba and Kebabi levels.		• Provision of technical and financial support must strive for a 50/50 balance between male and female recipients
		• Develop a strategy to build technical capacity of MoA's Agricultural Extension Services to enable development and transfer of gender-sensitive climate-smart agricultural technologies and production practices.	
	Output 1.2.3: A long-term strategy developed and implemented for monitoring and evaluating climate-smart: i) water resources use and management; ii) agricultural practices; and iii) livestock productivity.	• Develop an M&E methodology in pilot areas taking into consideration biophysical and socio-economic indicators and develop performance targets for project interventions, ensuring gender disaggregation.	• Strategy must ensure a 50/50 ratio in participation by men and women in the identification, implementation and evaluation of practices
		• Train the community members (50%, 50% men), extension agents (50/50 ratio of men to women), NARI technical staff on the M&E methods and techniques, as well as gender-disaggregated indicators.	
		• Document processes, implement M&E methodology and synthesise lessons learned and best practices to inform gender-responsive local level land-use planning and the up scaling of CCA interventions.	

Outcome 2.1: Climate-resilient land use planning implemented over 9,000 hectares of the Tsilima Region.	Output 2.1.1: Based on the assessments undertaken in Output 2.2.1: i) identify and map drought and flood prone areas; and ii) develop and implement community-based land use and area development plans in the Tsilima Region.	- Generate maps identifying flood and drought prone areas through participation of men and women. - Conduct threat assessment on the livelihoods of both men and women. - Provide technical and financial support to undertake land capability classification, integrating knowledge and information held by both women and men, and based on the experiences of both men and women. - Facilitate the development and implementation of land use and area development plans that are gender-sensitive and consider the needs and priorities of men and women in land use.	- Mapping and assessments must ensure 50/50 participation between men and women - Preparation of land use and area development plans must ensure the consideration of women's activities/needs
	Output 2.1.2: Existing CBOs strengthened, including inter alia VACs, Water User Associations and Farmer Associations to coordinate local level participation in climate change adaptation, land use and development planning.	- Identify the different needs of men and women in land use - Assess the current differences in land uses between men, women and female-headed households	- Membership of CBOs and other committees must include women in decision-making positions - Consultations must ensure/facilitate an enabling environment for women's full participation (e.g. timing and location of meetings must allow for women's participation)

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	Output 2.1.3: Technical support provided to the Zoba and sub-Zoba administration to inform implementation of the land redistribution process through the: i) classification of land according to potential land uses; ii) mapping of coordinates; and iii) assessment of the availability and quality of resources (e.g. soil and water).		• Classification of land must be informed by women's needs and activities for use of land • Resource availability and quality assessments must include women and men's participation in defining availability and quality
Outcome 2.2: Integrated water management operationalised across the Tsilima Region, increasing water availability and land under irrigation.	Output 2.2.1: Groundwater and surface water resources assessment undertaken and a groundwater monitoring strategy (including a system of data collection and information exchange on water use and projected demand) developed and implemented in the Upper Mereb catchment.	• Determine current water uses and the differences in water use and demand between men and women • Determine climate information needs between men and women, and between subsistence and commercial farming groups • Determine the water uses and demands between arable and livestock farming groups, disaggregated by gender	• Demand/supply projections must ensure the different needs and uses of men and women, subsistence and commercial farmers and arable and livestock farmers • Monitoring strategy must ensure the use of locally-available tools to ensure participation of local communities, including women in informing the monitoring exercises
	Output 2.2.2: Hydro-meteorological stations established and/or refurbished at Mendefera, Dbarwa and Halhale.		
	Output 2.2.3: Climate-smart watershed restoration and management measures identified and implemented, including: i) water harvesting and storing interventions; ii) flood diversion and water spreading facilities; and iii) on-farm and off-farm soil and water conservation measures.	• Development and piloting of integrated water management practices must ensure balance between practices adopted by women and men equally • Soil and water conservation measures to be developed and implemented must consider the needs and priorities of women in land and water use	• Identification of restoration and management measures must be informed through equal participation of men and women • Implementation support must ensure a 50/50 ratio in participation of women and men, and ensure gender parity in the number of beneficiaries

	Output 2.2.4: Local communities and households trained to undertake sustainable water use and management, including inter alia water harvesting, construction and maintenance of hard and soft engineering interventions.	• Identification of climate-smart agricultural technologies and methods must ensure equal participation of women in the process • Farms belonging to female/ women farmers must be included in the sample of farms to be chosen for demonstration activities (50/50 ratio between men and women)	• Training must cover 50% men and 50% women • Interventions identified and support must consider the needs and abilities of men and women equally • Training must be delivered in an accessible manner for both men and women (i.e. timing, location, methods of delivery)
Outcome 2.3: Increased food production through the implementation of climate-smart agricultural practices across the Tsilima Region.	Output 2.3.1: Climate-smart agricultural practices – informed by research products generated under Output 1.1.3 and land use and area development plans prepared under Output 2.1.1 – developed and transferred to farmers, including :i) drought- and disease-resistant varieties; ii) integrated crop-livestock production systems; iii) conservation agriculture; iv) agroforestry; v) silvopasture; and vi) rangeland and livestock management.		• Beneficiaries of the technologies piloted must include 50% men and 50% women at a minimum • Interventions and technologies proposed must ensure equal benefits for men and women • Climate-smart practices identified must be accessible to women, female-headed households and poor households
	Output 2.3.2: Alternative income-generating livelihoods identified and implemented in pilot communities.	• Identify female-headed and income-poor households • Ensure +50% participation of women and female-headed households • Identify gender-appropriate and responsive AIGAs (i.e. those women can participate in culturally)	• Additional consultations and Focus Group Discussions must be separately for men and women • 50% or more women must be identified as beneficiaries of the AIGAs • AIGAs must consider the priorities and needs of both men and women

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			• Deliberate support must be provided to women and female-headed households and poorer households
Outcome 3.1: Increased monitoring, knowledge-sharing and awareness at Zoba, sub-Zoba, Kebabi and community levels on: i) climate change risks; ii) climate- and ecosystem-smart watershed restoration; iii) climate-smart agricultural technologies and measures; and iv) the sustainable use and management of natural resources.	Output 3.1.1: Public awareness-raising and education campaigns conducted in the Tsilima Region using all forms of media (including inter alia print, radio, art and drama)	• Measure/assess the levels of awareness among males and females prior to and after awareness and information campaigns through surveys • Raise awareness on climate change and on the awareness of the impacts climate change on women in relation to their traditional and actual roles in production and in the household and implications of social disadvantages suffered by women	• Methods/tools must consider literacy levels among the different groups of informants and consider the ability (i.e. timing and location) of men and women to equally participate in consultations and assessments • Information/awareness campaigns to target men and women based on their priorities
	Output 3.1.2: A communication strategy developed and implemented to collect and disseminate knowledge and best practices on: i) watershed restoration; ii) climate-smart agriculture; iii) sustainable land management; and iv) natural resource use.	• Conduct communication needs assessments for different groups of stakeholders, including men and women	• Assessments must consider the needs and priorities of men and women • Information must be accessible to both men and women equally

	Output 3.1.3: A strategy developed and implemented for: i) scaling up lessons learned to other Zobas, sub-Zobas and Kebabis; and ii) informing decision-making at national level.	• Identify information dissemination methodologies/ approaches • Document lessons and experiences of men and women's separately	• Strategies must informing gender-sensitive planning at the sectoral and national levels
	Output 3.1.4: A gender strategy developed and implemented, which includes capacity building and enhancing the participation of women in planning, selecting, implementing adaptation measures and monitoring their success	• Separate meetings with women to ensure their issues and needs are raised; • Scheduling meetings for compatibility with other demands on women's time, and providing for care of children so that women can fully participate; • Ensuring that the women' ideas and needs are considered for local development plans and investment program.	The gender strategy will focus on: 1. Raising the awareness of the overall community of the differential gendered aspects of climate change; 2. Ensuring and facilitating participation of women and vulnerable groups in all aspects of project implementation; 3. Specific livelihoods support to poor and vulnerable women.