



**Ministry of Interior, Local Government and Rural Development**

## **Local Government Performance Assessment Manual**



**With Support from**



**United Nations Capital Development Fund**

**UN Joint Programme on Local Governance and Decentralised Service Delivery (JPGLG) in Somalia**

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## Acronyms/Abbreviations

AG	Accountant General
JPLG	Joint Programme for Local Governance and Decentralized Service Delivery
LDF	Local Development Fund
LG	Local Government
LG PAM	Local Government Performance Assessment Manual
M&E	Monitoring and Evaluation
MCs	Minimum Conditions
MoF	Ministry of Finance
MoI	Ministry of Interior, Local Government and Rural Development
OAG	Office of the Auditor General
PMs	Performance Measures
QA	Quality Assurance
UNCDF	United Nations Capital Development Fund

## Foreword and Acknowledgement

The Puntland Government of Somalia is receiving support to implement the second Joint Programme for Local Governance and Decentralized Service Delivery (JPLG II). The JPLG II is a five year programme that started in 2013 and planned to end in 2017.

One of the outputs of the JPLG II is the Local Development Fund (LDF). The objectives of the LDF are to: (i) develop the capacity of local governments to plan, budget and provide resources for local development and service delivery; (ii) pilot a discretionary capital fiscal transfer system at the local level; and (iii) act as an incentive for decentralisation reforms as the lessons and experiences are documented and systematically fed into the reforms. However, before the LGs become eligible to receive the LDF, they have to meet a number of Minimum Conditions (MCs). In addition to the MCs, the levels of performance of the LG is part of the allocation formula (i.e. 50% of the LDF is allocated based on LG weighted performance scores), whereby LGs with a relatively good performance are rewarded and those with relatively poor performance are penalized as a wake- up call to perform better.

The LG Performance Assessment Manual has been prepared by the Ministry of Interior, Local Government and Rural Development (MoI) in collaboration with the Ministry of Finance (MoF) with support from JPLG II/UNCDF in order to provide detailed guidance on how to prepare, execute, report and use the results of the LG performance assessment. I therefore urge all LGs to internalize and comply with the requirements of the LG Performance Assessment Manual so that they can get maximum rewards from the system geared towards improving service delivery to the citizens

Finally I would like to express my sincere gratitude to: UNCDF/JPLG II for having supported the development of the LG Performance Assessment Manual; and the officials in central Government ministries as well as LGs for their invaluable inputs.

Director General,  
Minister of Interior, Local Government and Rural Development  
June 2015

## **PART A: PERFORMANCE ASSESSMENT STRATEGY**

### **1 INTRODUCTION**

#### **1.1 Background of the LG Performance Assessment System**

Local Government Performance Assessments were introduced in Puntland when the Local Development Fund (LDF) was initiated under the Joint Programme for Local Governance and Decentralized Service Delivery (JPLG). For the Local Government (LGs) to receive the LDF, they have to meet a set of access/minimum conditions that ensure proper use of the funds. In addition, 30% of the LDF was allocated across LGs based on the results of the performance assessment as a mechanism of rewarding LGs that perform well.

Therefore, this LG Performance Assessment manual builds on the systems that have been implemented in Puntland as well as international experiences and good practices with implementation of performance-based grant systems. It is developed as an LDF tool but it is anticipated that lessons learned will be used to institutionalize the system as that of Government of Puntland which can be applied to all LGs countrywide. This Manual is still at basic levels but responsive to the nature of systems in place which are also still nascent. The main principle applied for its development is to avoid details that may render it impractical and difficult to apply in the pertaining circumstances in Puntland State of Somalia.

#### **1.2 Objectives of the LG Performance Assessment System**

The objectives of the LG Performance Assessment System are to:

- a) Enhance the LG legal compliance: the LG performance assessment verifies the compliance of LGs to the provisions of the laws and national guidelines;
- b) Ensure that sufficient safeguards are in place to handle discretionary development funds: The LG performance system determines the LGs that have sufficient safeguards to manage discretionary development funds and therefore qualify to access the grants/LDF;
- c) Ensure more efficiency in the LG's operations: The use of the LG performance assessment system results to allocate the LDF provides incentives for adhering to good practices in local government administration, resource management and service delivery;
- d) Improve institutional capacity and performance: The results of the LG performance assessment helps the LGs to identify functional capacity gaps and serves as the major input into the LG capacity strengthening plans and activities;
- e) Contribute to the general monitoring and evaluation (M&E) system of LGs.

### 1.3 Objectives of the LG Performance Assessment Manual

The objectives of the LG Performance Assessment Manual are to provide:

- a) Guidelines on how to organize and manage the LG performance assessment system;
- b) Indicators of minimum conditions and performance measures that are being applied;
- c) Guidelines on how to assess the minimum conditions and performance measures including sources of information and scoring mechanisms;
- d) Formats for compiling LGs specific performance assessment reports and synthesis reports
- e) Guidelines on how the results of the LG performance assessment impacts on the LDF allocations

### 1.4 Users of the LG Performance Assessment Manual

The LG performance assessment manual shall be used by a number of stakeholders for different reasons. The target group and indicative uses of the LG performance assessment manual are provided in table 1 below whilst other user groups may be added since the list is not exclusive but rather indicative:

**Table 1: Target Group for the LG Performance Assessment Manual**

No.	Target Group	Main Purpose
1.	Local Governments	<ul style="list-style-type: none"><li>• Basis for improving the LG performance</li><li>• Guide the internal assessment process</li></ul>
2.	National Agencies (MoI, MoF, AG, OAG)	<ul style="list-style-type: none"><li>• Basis for provision of supervisory support to LGs</li></ul>
3.	JPLG Partners and other DPs	<ul style="list-style-type: none"><li>• Basis for identifying capacity building gaps and activities</li></ul>
4.	External Assessment	<ul style="list-style-type: none"><li>• Provide guidance during the assessment of MCs and PMs</li></ul>
5.	Quality assurance team/person	<ul style="list-style-type: none"><li>• Provide guidance during the quality assurance of the LG performance assessment results</li></ul>
6.	Wider public	<ul style="list-style-type: none"><li>• Basis for holding the LG accountable</li></ul>

## 2 THE PERFORMANCE ASSESSMENT PROCESS AND ORGANISATION

### 2.1 Development of the LG Performance Assessment Manual

**Development of the LG Performance Assessment Manual:** The LG PAM builds on the existing performance assessment manual that has been used since 2011 as well as international experiences and best practices. The LG PAM has been developed in consultation with a wide range of stakeholders. It will be used to determine the access to and allocation of the LDF at least for two years (2016 and 2017). Thereafter the LG PAM will be reviewed and lessons used to update the LG PAM, which could be used to assess LGs nationwide and for determining access to the different grants thereby establishing a national system.

**Scope of the LG PAM:** The LG Performance Assessment system has: Minimum Conditions; Performance Measures and Triggers.

- a) The **minimum conditions** are basic requirements that provide the safeguards to ensure proper utilization of funds by the LGs. Failure to meet any of the indicators of minimum conditions implies that the LG will not access the LDF in the coming financial year. The principles used to select the indicators for minimum conditions are: (i) must be within the control of the LG; and (ii) minimum conditions focus on the proper functioning of a LG as an entity. However, there are a few indicators specific to the LDF that have been added. Minimum conditions are basic safeguards and therefore they apply to all LGs in the same way.
- b) The **performance measures** are more qualitative aspects of performance that are assessed to provide incentives for LGs to improve their performance. An overview of the performance areas assessed and the allocated scores are presented in annex 2. The details of the performance measure indicators, how they are to be assessed and scored are provided in section 4. To increase a score in one area has to be compensated with a reduction in scores in another area so that scores are kept within the 100% simplistic ranking score for easy use and interpretation
- c) The **triggers** are the requirements LGs must comply with in-year before the funds are actually released. Before the LDF is released to the LGs that meet the access conditions, the MoI with support from UNCDF/JPLG will verify whether they meet at number of triggers. The MoI will submit a report to UNCDF/JPLG indicating the LGs that have met the triggers for obtaining a No Objection before the LDF is released.

The indicators are derived from the existing **statutory requirements/legal framework** as well as guidelines and also consider good institutional performance, good governance and accountability practices not yet stipulated in legal framework but seen as important areas of performance. The minimum conditions and performance measures are assessed annually (once a year) and the triggers are assessed twice a year consistent with the two LDF installments.

## 2.2 Orientation & Dissemination of the LG Performance Assessment Manual

**Orientation and dissemination of the LG PAM** will involve:

- a) Consultation and orientation of key stakeholders at the national level as part of the LG PAM development process;
- b) Conducting a ToT for Government staff from the national ministries and agencies as well consultants from LGs who will be expected to roll-out the Manual to the LGs;
- c) Translation of the LG Performance Assessment Manual into the Somali Language
- d) Printing and distribution of the Manual. The LG PAM should be printed in large numbers to be distributed to the participating LGs (staff in all departments, councilors) and national ministries before the first annual assessment.
- e) The ToT trained at the national level should induct and orient the participating LGs on the LG PAM.

## 2.3 Internal Assessment of MCs and PMs

**Objectives of the internal assessment:** After the orientation/induction, each LG will conduct an internal/mock assessment to prepare for the external assessment by: arranging and ascertaining whether all the required information is available; identifying the areas of weaknesses (capacity building needs) and try to address them ahead of the external assessment. The internal assessment is an internal learning process and the results will have no impact on the allocation of the LDF.

**Timing of the internal assessment:** The internal assessment, for learning purposes, should be conducted continuously throughout the year. However, there should be an internal assessment just before the external assessment is conducted.

**Composition of the internal assessment team:** The internal assessment team should be composed of Heads of Departments and their immediate subordinates. The team should be supported and backstopped by members from the national ministries (MoI, MoF, AG, OAG etc.), consultants and capacity building providers (the respective JPLG Implementing Partners). The internal assessment team should be divided into sub-teams to allow for concentration of members on areas of expertise and for progressive mentoring. In the first year (2015) because of time limitations, the internal assessment should be combined with the orientation of LGs to the LG PAM.

**Reporting and discussion of the internal assessment results:** Internal assessment teams should prepare a report identifying the strengths and areas of weaknesses and proposing strategies to address them. The internal assessment report should be discussed by the technical team, presented to the councilors and provided to the external assessment team for reference.

## 2.4 External Assessment of MCs and PMs

**Timing of the external assessment:** The external assessment shall be conducted in the third quarter of the FY (i.e. July to September). This will allow: (i) assessment of LGs based on finalized outputs for the previous FY; (ii) the incorporation of the LDF allocations in the budget for the coming Financial Year (FY); and (iii) publicizing of the LDF allocations to LGs at the beginning of the budgeting process.

**Team composition:** The external assessment will be contracted to an independent, neutral and objective service provider with sufficient capacity and experiences. The contracting process will be the responsibility of MoI with financial support from UNCDF. Each LG should be visited by a team of two people. One focusing on: planning and budgeting; revenue generation and administration; and oversight, monitoring and accountability; and the other on procurement, accounting and financial management and project execution/implementation.

**Orientation of the external assessment team:** An orientation workshop will be conducted before the external assessment to ensure internalization of the LG PAM and standardized interpretation of the indicators and application of scores. The main reference document for the orientation is the LG PAM which summarizes the assessment process and procedures, the minimum conditions and their indicators, the performance measures and their indicators, information sources and assessment procedures, the administration of rewards and sanctions as well as code of ethics for the assessment and quality assurance teams. The orientation of the external assessment team should also involve the team/individuals to provide quality assurance.

**Assessment process:** For cost effectiveness the external assessment team will use secondary data as much as feasible to collect information regarding a number of indicators before field work. MoI and other national agencies (e.g. OAG; MoF) will avail the external assessment team with all documents from which they will collect data. Based on information gaps, the external assessment team will conduct field work in the LGs to collect information. Information regarding the dates when the external assessment team will be conducted shall be communicated to the LGs at least one week prior to the team's visit. This would allow the LGs to make ample preparations. On arrival in the LG, the external assessment team will hold an introductory meeting with the Executive Secretary and technical staff to: agree on the programme and approach that should be followed; request the Executive Secretary to make appointments with all the people that will be met; and collect all documents that should be reviewed in the field.

For detailed field work, the external assessment team will :

- a) Review the LG internal assessment report and identify salient issues that need more focus;
- b) Conduct the assessment following the procedures stipulated in the LG PAM;
- c) The team will spend maximum two days in each LG
- d) In case the LG fails to avail the assessment team with information for a particular scoreable area, then the score to that indicator should be zero.
- e) Conduct a wrap-up session before departing from the LGs. The purpose of the wrap-up session is to give preliminary feedback on the performance of the LG (general weaknesses and strengths) and seek clarification regarding issues that are not clear but not to communicate decision on qualification or the specific scores. A LG can use this opportunity to clarify or substantiate on some of the assessment results.

**Reporting:** The external assessment team will produce two reports: (i) the LG specific assessment report; and (ii) the synthesis report. LG Specific report will be a report per LG as per the reporting format presented in the LG PAM. Information on the same indicator but from different sources should be reconciled. The team members should ensure that the report is accurate and comprehensive before being submitted to MoI. All team members should sign/endorse the report before submission. Synthesis reports will involve the external assessment team reviewing all the LG specific reports and compile a synthesis report using the reporting format presented in the LG PAM and submit it to the MoI.

## 2.5 Quality Assurance

An independent, competent and objective team or person shall be commissioned to perform the quality assurance function (checking the validity of the results). The QA person shall be oriented together with the external assessment team. The MoI will submit all the LG specific assessment reports and the synthesis report to the QA person. The QA person will review the reports to check adherence to the reporting formats and comprehensiveness. Based on the issues identified from the review of reports and the respective performance of LGs (the best and worst), the QA person will review secondary data and sample at least 2 LGs to verify and validate results. The QA person will spend one day in each LG as it may not be necessary to validate assessment of all indicators. The QA person will then compile the report, which is an assessment of the assessment process and results/outputs. The QA report is also submitted to MoI. In cases where there are major disagreements between the external assessment and the QA team, meetings will be conducted under the auspices of MoI for reconciliation.

## 2.6 Discussion and Approval of the LG Performance Assessment Results

Screening and approval of the results need to be done by a credible national multi-disciplinary committee. A Committee will be constituted to review and approve the results. The discussion within a broad group of national stakeholders will ensure buy in, ownership, neutrality and credibility of the results. It will be composed of:

- a) Director Generals from: MoI; MoF; AG; OAG; Health, Education, Water, Public Works and Natural Resources (Environment).
- b) Representative of the LG Association
- c) The committee can be supported by representatives from JPLG

MoI will submit the LG performance assessment synthesis report and QA report to the committee. The committee will review, discuss and approve (or reject) the reports. The approved report will be submitted to UNCDF/JPLG for obtaining a No Objection. The results of the assessment are finally endorsed by the DG of MoI who makes the pronouncement to the LGs, JPLG and the public.

## 2.7 Allocation of the LDF based on LG Assessment Results

In order for the LG to get access to the LDF, it should meet all the minimum conditions during the assessment. The results of the assessment in year “n” determine access and allocation of the grant in year “n+1”. The minimum conditions have been limited to those that are basic safe guards to ensure that the LGs can appropriately use the LDF. The LGs that do not meet the minimum conditions will be entitled to access the LDF in future years if they meet the minimum conditions but will forfeit the current year allocation. Provided that a LG meets the minimum conditions, the LGs will be rewarded or penalized based on the system outlined in the table below. The LDF allocation will be based on two components: (i) the basic component; and (ii) the performance component.

**Table 2: Allocation Criteria and Weights**

Component	Criteria	Weight	Comments
1. Basic allocation	1) Equal share with the weight of 60% of this component 2) Population with 40% of this component	50% of the total size of the LDF	<ul style="list-style-type: none"> <li>Allocated if MCs are complied with (met)</li> </ul>
2. Performance based allocations – size depend on performance)	3) Score in the performance assessment of LG Xi weighted (multiplied) with the basic allocation for Xi compared with the weighted score of all other LGs	50 % of the grants	This component means that the performance of Xi LG will be compared with the performance of other LGs. Every performance point counts and the LGs have incentives for continuous improvements compared with others. If the performance is above the weighted average, the LG will be rewarded and if it is below, the LG will be sanctioned (grants will be reduced).
Total allocation	Results of components 1 + 2	Entire amount (100% of the allocation)	The results of the basic and the performance - components will be added. It will be clear for the LGs how much they had received, if the performance was at the average level, and how much they have now received due to the poorer or better performance, hence all adjustments will be made in a transparent manner

## 2.8 Communication of the results and implications of the LG Performance Assessment

The results of the LG PA and implications to the LDF allocations shall be widely publicized to the LGs and their constituents. This will stimulate mutual competition among the LGs as well checks and balances on the results. Each LG should get: (i) a copy of the LG specific assessment report; and (ii) the LG performance assessment synthesis report. A summary of the results and implications to the LDF allocation should be publicized in the media to stimulate action. It is recommended that each LG should organize a meeting to present and discuss the implications of the performance assessment results to the LG stakeholders. The meeting should be attended by the political leadership (councilors); representatives

of NGOs/CSOs, the private sector and the general public. MoI should also officially communicate the results and implications to MoF so that they are included in the national budget estimates.

## 2.9 Code of Ethics for those involved in the assessment process

In order to achieve its objectives, the LG performance assessment should be conducted with the highest levels of objectivity and integrity. Therefore all persons involved the LG performance assessment should be subjected to a code of ethics with focus on adhering to the procedures, integrity and anti-corruption issues. The code stipulates harsh disciplinary actions/punitive measures against non-compliance. The table below outlines some of the disciplinary actions that can be applied to non-compliant stakeholders

**Table 3: Disciplinary Actions that can be applied to non-compliant stakeholders**

No.	Stakeholder	Proposed Disciplinary Action
1.	The members of the external assessment team	<ul style="list-style-type: none"> <li>• Additional work and reassessments at no extra cost</li> <li>• Deduction in the contract value for the assessments</li> <li>• Black listing and not participating in future assessments and other consultancy assignments</li> </ul>
2.	The members of the quality control team	<ul style="list-style-type: none"> <li>• Additional work and reassessments at no extra cost</li> <li>• Black listing and not participating in future assessments and other consultancy assignments</li> </ul>
3.	LG (e.g. providing false information to the assessment team)	<ul style="list-style-type: none"> <li>• Forfeit 50% performance allocation</li> </ul>

## 2.10 Overall Timing of the LG Performance Assessment Activities

The LG Performance Assessment results should be ready to inform the LDF allocations before the beginning of the national and LG budgeting process. The assessment in 2015 will serve as a baseline for the revised performance assessment system. Low score across LGs will have similar impact and therefore the assessment bar should not be lowered.

Activity	Timing		Responsibility
	2015 (Transition Year)	2016 (“Normal” Assessment Cycle)	
Development of the LG PAM	May – June		MoI, UNCDF/JPLG and Consultant
Conducting a ToT course	June		MoI, UNCDF/JPLG and Consultant
Translation of LG PAM	June - July		MoI and UNCDF/JPLG
Printing of the LG PAM	July		MoI and UNCDF/JPLG
Orientation of LGs to the LG PAM	July – August		Training of Trainers
Internal Assessment of LGs	Report ready by end of August	Report ready by end of July	Local Governments with support from ToTs

Activity	Timing		Responsibility
	2015 (Transition Year)	2016 (“Normal” Assessment Cycle)	
External Assessment	Report ready by end of September	Report ready by end of August	MoI, UNCDF/JPLG and contracted service provider
Quality Assurance	Report ready by end of September	Report ready by end of August	
Discussion and approval of the results	September	August	Committee
No Objection from UNCDF/JPLG	October	September	UNCDF/JPLG
Communication of results to LGs and MoF	October	September	MoI
Incorporation of figures in the National Budget and issue Budget call circular	October	September	MoF

## 2.11 Assessment of Triggers for release of the LDF

Even if a LG meets the MCs, it has to comply with a number of requirements (triggers) before the LDF is actually released. There are also triggers that are supposed to be met by the national ministries and agencies. There are different triggers for the first and second installment which are elaborated in section 5.

Evidence that both the national agencies and LGs have met the triggers is submitted to UNCDF/JPLG by the AG as part of the withdraw application.

In the initial years, UNCDF/JPLG can commission independent financial and technical audits to verify the information provided in the financial summary sheets, physical progress reports and asset inventories before a NO Objection is issued to transfer the funds to the MoF Bank Account. Once the funds are transferred to the MoF Bank Account, and the LGs have met the triggers, funds should be transferred to the LGs without delay by the MoF and AG.

## PART B: PERFORMANCE ASSESSMENT EXECUTION AND REPORTING GUIDELINES

### 3. GUIDELINES FOR ASSESSING MINIMUM CONDITIONS AND PERFORMANCE MEASURES

#### 3.1 Guidelines for Assessing LG Minimum Conditions

Minimum Condition	No.	Indicators of Minimum Condition	Information sources and assessment procedures
Planning and Budgeting	1	A LG has an annual work plan for the current year approved by the LG Council	From the LG Executive Secretary obtain the annual work plan for the current financial and minutes of council and ascertain whether the annual work plan was approved by the LG council. Note the date and minute of the council meeting.
	2	A LG has a budget (estimates of revenue and expenditure) for the current year approved by the Council and submitted to MoI	From the LG Executive Secretary obtain the LG budget for the current financial year and minutes of council and ascertain whether the LG budget was approved by the LG council. Note the date and minute of the council meeting.
	3	The LG Budget for the current FY is balanced	From the LG Executive Secretary obtain and review the LG budget for the current FY to establish whether the expenditure and revenue forecasts balance/'are equal'.
Financial management and audit <sup>1</sup>	4	LG has produced and submitted the annual financial statements (draft final accounts) for the previous FY to MoI	From the MoI, obtain a copy of the draft final accounts and note the date when these were submitted.
LDF Specific	5	LG has signed a Participation Agreement with MoI and witnessed by MoF and AG	From the MoI obtain a copy of the Participation Agreement for the LG to ascertain whether the LG signed it and it was witnessed.
	6	LG has an operational LDF Bank Account in a Commercial Bank	From the Executive Secretary obtain a copy of the LDF Bank Account Statement to ascertain whether the LG has an operation LDF Bank Account. Note the Bank, Branch and Account number and signature mandates

<sup>1</sup> Use of external audit findings as a safeguard measure will be introduced when LG Audits become regular.

### 3.2 Guidelines for Assessing LG Performance Measures

Performance Measure	No.	Indicators of Performance Measures	Scoring Guide	Information sources & assessment procedure
A) Planning and Budgeting  <i>Maximum - 20 points</i>	1	Quality of Medium Term Planning Frameworks (District Profile and District Development Framework)  <i>Maximum – 5 points</i>	If the DDF specifies clear outputs and indicators score 1 or else score 0	From the MoI, Planning Department, obtain and review the DDFs for all LGs to establish whether they have clear outputs and indicators
			If the DDF has clear investment priorities score 1 or else score 0	From the MoI Planning department, obtain and review the DDFs for all LGs to establish whether they have clear investment priorities
			If the DDF has mainstreamed crosscutting issues: (i) gender – score 1 or else 0; (ii) environment –score 1 or else 0.	From the MoI Planning Department, obtain and review the DDFs for all LGs to establish whether they have mainstreamed gender and the environment
			If LG has developed and submitted to the MoI a LG profile score 1 or else 0	From the MoI Planning Department, obtain and review the LG profile to establish whether it was developed and submitted to MoI
	2	Quality of the planning and budgeting process  <i>Maximum – 9 points</i>	If LG has evidence of consultation of VDCs (reprioritization of investment in DDF) during the annual plan and budget process score 1 or else score 0	From the LG Planning Department, obtain and review minutes of village consultation meetings to establish that consultations were held.
			If LG has evidence of inclusion of VDCs priorities in the annual work plan and budget score 2 or else score 0	From the LG Planning Department, obtain and compare the village action plans and the annual work plan to establish that the priorities from VDCs were considered.
			If LG has evidence including gender in planning - adherence to gender guidelines in planning score 1 or else score 0	From the LG Planning Department, obtain and review minutes and other evidence (e.g. participation Video) demonstrating women’s participation in the planning process
			If the LG has evidence that the plan and priorities were discussed with the LG technical/sector (social affairs department) staff to ensure that recurrent cost implications will be met and there are no overlaps with other sector activities score 1 or else score 0	From the LG Planning Department obtain and review the minutes of meetings with technical staff to establish whether they discussed the priorities to be funded by the LDF that are to be included in the LG work plans. Also discuss with the LG sector staff the priorities to be implemented using the LDF to find out whether they have agreed to meet the recurrent cost implications and that activities do not overlap with other activities planned in the sector.

Performance Measure	No.	Indicators of Performance Measures	Scoring Guide	Information sources & assessment procedure
			<p>If the LG has evidence of discussion and prioritization by the LG Executive Committee score 1 or else score 0.</p> <p>If the LG has evidence of discussion and approval of LG work plan and budget by the LG Council score 1 or else score 0</p> <p>If a LG has evidence of feasibility analysis and technical costing based on standard technical designs score 1 or else score 0.</p> <p>If a LG has evidence that environment screening is carried out for prioritized infrastructure projects and mitigation measures are planned and budgeted score 1 or else score 0.</p>	<p>From the LG Planning Department, obtain and review the minutes of the LG Executive Committee to establish whether they discussed and prioritized investments to be funded by the LDF.</p> <p>From the LG Executive Secretary, obtain and review the minutes of the LG Council to establish whether they discussed and approved the LG work plan and budget</p> <p>From the LG Planning Department, obtain and review the feasibility analysis and technical costings of all prioritized investments to ascertain whether they were done and are based on technical designs.</p> <p>From the LG Planning Department, obtain and review the work plan and budget to establish whether environment screening was carried out for all prioritized projects and that the mitigation measures are planned and budgeted.</p>
	3	<p>Quality of the Annual work plan and budget</p> <p><i>Maximum – 6 points</i></p>	<p>If the LG submitted the budget and annual work plan to the MoI score 1 or else score 0</p> <p>If the LG annual budget includes revenue forecast from all sources (local revenue, local revenue arrears; CG transfers; LDF; other donor funds etc..) score 0.5 for each source captured – maximum 2 scores</p> <p>If the LG has all prioritized infrastructure projects captured in the work plan and budget irrespective of funding source score 1 for each – maximum 2 scores</p>	<p>From the MoI, Local Government Department obtain the annual work plans and budgets for all LGs to establish whether they were submitted by LGs and received at MoI</p> <p>From the MoI, Local Government Department obtain and review the LG annual budgets to establish whether it includes revenue forecasts from the different sources. Discuss with the LG finance person to establish whether there are some revenue sources that were not included in the budget and the reasons.</p> <p>From the MoI, Local Government Department obtain and review the LG annual work plans and budgets to establish the prioritized projects. Discuss with the LG finance person to establish whether there are some prioritized projects being implemented in the LG but not included in the work plan and budget and the reasons.</p>

Performance Measure	No.	Indicators of Performance Measures	Scoring Guide	Information sources & assessment procedure
			If the budget and annual work plan are linked score 1 or else score 0	From the MoI, Local Government Department, obtain and review the LG annual work plans and budgets to establish whether the prioritized investment in the work plan are the ones captured in the budget.
Local Revenue Generation and Administration  <i>Maximum - 20 points</i>	4	Existence and quality of the Local revenue enhancement/ mobilization plan for the current FY <sup>2</sup>  <i>Maximum – 6 points</i>	If the LG has a local revenue enhancement/ mobilization plan score 1 or else score 0.	From the LG Finance Department obtain the local revenue enhancement/ mobilization plan to establish that it was developed
			If the LG has estimated revenue potential based on sound analysis score 2 or else score 0.	From the LG Finance Department review the local revenue enhancement/ mobilization plan to establish that the LG estimated the revenue potential based on sound analysis.
			If the LG has included innovations/creativity in revenue collection score 1 or else score 0.	From the LG Finance Department review the local revenue enhancement/ mobilization plan to establish that the LG included creativity in revenue collection strategies being proposed.
			If the LG has costed revenue collection strategies (budgeted for implementation of the revenue enhancement plan) score 2 or else score 0.	From the LG Finance Department review the local revenue enhancement plan to establish that the LG costed revenue collection strategies.
	5	Tax Assessment – existence of tax registers  <i>Maximum – 6 points</i>	If the LG has a property register score 2 or else score 0.	From the LG Tax Department obtain and review the property register to establish that it is in place and properly developed/designed.
			If the LG has a business register score 2 or else score 0.	From the LG Tax Department obtain and review the business register to establish that it is in place and properly developed/designed
			If the LG has other own revenue collection registers score 1 for each. Maximum score 2	From the LG Tax Department obtain and review other registers to establish that there are in place and properly developed/designed
	6	Local Revenue Administration  <i>Maximum –8 points</i>	If the LG has segregated duties in tax administration (e.g. having different people doing the assessment and collection) score 1 or else score 0	From the LG Tax Department discuss and establish whether there is segregation of duties in tax administration (e.g. the Executive Secretary has appointed a Tax Assessment Committee or Revenue Generation Unit).

<sup>2</sup> This indicator is not supposed to be scored during the 2015 performance assessment – all LGs should be scored 0.

Performance Measure	No.	Indicators of Performance Measures	Scoring Guide	Information sources & assessment procedure
			Revenue collection ratio - the percentage of local revenue collected against planned for the previous FY More than 70% score 3 Between 60% and 70 % score 2 Between 50% and 60 % score 1 Below 50% score 0	From the MoI, LG Department obtain the Draft Final Accounts for the previous FY and calculate the percentage of the planned local revenue collected
			Increase in local revenue collected in the previous FY (n-1) as compared to last FY but one (n-2). If the LG has increased collected revenue in the previous FY as compared to last FY but one: <ul style="list-style-type: none"> <li>By more than 10 %: score 3 points</li> <li>By 5% - 10 %: score 2 points</li> <li>By 1% - 4% score 1 points</li> </ul> Less than 1% score 0	From the MoI, Local Government Department obtain Final Accounts for previous FY but one and Draft Final Accounts for the previous FY and calculate the percentage increase in local revenue collected.
			If LG has allocated more that 10% of local revenue collected to development budget (inclusive of the LDF co-funding) score 1 or else score 0	From the MoI, Local Government Department, obtain the Draft Final Accounts for the previous FY and calculate the percentage of the local revenue spent on development
C) Procurement <i>Maximum - 15 points</i>	7	Existence of capacity to manage the procurement function  <i>Maximum –5 points</i>	If a LG has a dedicated procurement staff (Procurement Unit) score 1 or else score 0	From the Procurement Focal Person establish whether there is staff dedicated to perform the procurement function. Record the name, title and qualifications.
			If the LG has a tender committee score 1 or else score 0	From the Procurement Focal Person establish whether the LG has formed a tender committee.
			It the LG tender committee has right membership score 1 or else score 0	From the Procurement Focal Person establish the names and titles of the members of the procurement/tender committee to establish whether it is the right membership (as provided for in the Procurement Guidelines).
			It the LG has evidence that the tender committee meets score 1 or else score 0	From the Procurement Focal Person obtain and review the minutes of tender committee meetings to establish whether the committee meets.
			It the LG has evidence that the tender committee records and properly stores	From the Procurement Focal Person obtain and review the minutes of tender committee meetings to establish

Performance Measure	No.	Indicators of Performance Measures	Scoring Guide	Information sources & assessment procedure
			minutes score 1 or else score 0	whether they are were recorded and properly stored.
	8	Procurement Planning <i>Maximum –5 points</i>	<p>If the LG submitted the procurement plan for the current FY to the MoI score 1 or else score 0</p> <p>If the LG has a procurement plan approved by the LG Council for the current year (year of the assessment) score 1 or else score 0</p> <p>If the procurement plan was prepared as per the set format score 1 or else score 0.</p> <p>If the procurement Plan covers all infrastructure projects in the approved annual work plan and budget score 2 or else score 0</p>	<p>From the MoI; LG Department obtain the procurement plan for the current FY to establish that it was submitted by the LG and received by MoI.</p> <p>Establish whether the procurement plan was approved by the LG Council and signed by the Mayor.</p> <p>Review the procurement plan to establish whether it was prepared as per the format provided for in the Procurement Guidelines</p> <p>Compare the procurement plan and budget to establish whether all the projects in the approved work plan and budget were included in the procurement plan.</p>
	9	Procurement Management <i>Maximum –5 points</i>	<p>If the LG has prepared bid documents for all investment/infrastructure procurements score 2 or else score 0.</p> <p>If the LG has made procurements as per plan (adherence to the procurement plan) score 1 or else score 0.</p> <p>If the LG has an updated contract register score 1 or else score 0.</p> <p>If the LG has complete procurement activity files for all procurements score 1 or else score 0.</p>	<p>From the Procurement Focal Person, obtain the bid documents to establish that they were prepared for all procurements.</p> <p>From the Procurement Focal Person, obtain the procurement plan to establish whether LDF procurements were made as per plan.</p> <p>From the Procurement Focal Person, obtain the contract register to establish that it is prepared and updated.</p> <p>From the Procurement Focal Person, obtain the contract activity files for all LDF procurements to establish whether they are complete.</p>
D) Accounting, Financial Management and Audit  <i>Maximum - 15 points</i>	10	LG maintains the basic books of account.  <i>Maximum –5 points</i>	<p>If the LG maintains and posts the cash book for the LDF bank account up to-date score 1 or else score 0.</p> <p>If the cash book is checked and signed by the Head of Finance, score 1 or else score 0</p> <p>If the LG prepares monthly bank reconciliation statements for the LDF Bank Account score 1 or else score 0</p>	<p>From the LG Finance Department obtain and review the cash book for the LDF Bank Account to establish whether it is posted up to-date</p> <p>From the LG Finance Department obtain and review the cash book for the LDF Bank Account to establish whether it is checked and signed by the Head of Finance.</p> <p>From the LG Finance Department obtain and review the bank reconciliation statements to establish whether they are prepared and checked by a senior official.</p>

Performance Measure	No.	Indicators of Performance Measures	Scoring Guide	Information sources & assessment procedure
			If the LG maintains the local revenue cash book score 1 or else score 0.	From the LG Finance Department obtain and review the local revenue cash book to establish whether it is maintained.
			If the LG maintains any other books of account score 0.5 score for each – the maximum score should be 1	From the LG Finance Department obtain and review other books of Account maintained by the LG
	11	LG has established the Internal Audit function  <i>Maximum –6 points</i>	If the LG prepares Internal audit reports – score 0.5 per report in a year – maximum 2 points	From the LG Internal Audit obtain internal audit reports and ascertain the number of reports that were produced in the previous FY
			If the LG submits internal audit reports to council – score 0.5 per report submitted and discussed in a year, maximum 2 points	From the Executive Secretary obtain the minutes of the LG Council to establish whether the internal audit reports were submitted and discussed
			If the LG has addressed/responded to queries raised in the audit reports (Audit follow-ups) or where there is no audit query or all queries are followed up and/or addressed score 2 or else score 0	From the LG Finance Department obtain and review responses to audit reports and actions taken to establish the extent to which internal audit reports were followed up.
	12	Asset Management: inventory of infrastructure and assets  <i>Maximum –4 points</i>	If the LG maintains an asset register score 1 or else score 0	From the LG Finance Department obtain the asset register to establish whether it is maintained
			If the asset register is up to-date score 1 or else score 0	Review the asset register to establish whether it is up to-date (as provided for in the guidelines)
			If the LG Assets are reflected in the final accounts score 2 or else score 0	Review the final accounts for the previous FY to establish whether the assets were reflected.
E) Project Execution/ Implementation  <i>Maximum - 15 points</i>	13	Projects implemented as per plan and budget  <i>Maximum –7 points</i>	If all infrastructure projects implemented by the LG are derived from the annual work plan and budget approved by the LG Council score 1 or else score 0	From the LG Planning Office obtain the list of projects that were implemented in the previous FY and establish whether they were derived from the annual work plan and budget approved by the LG council.
			If all the infrastructure projects adhere to the investment menu score 1 or else score 0	From the LG Planning Office obtain the list of projects that were implemented in the previous FY and establish whether these adhere to the investment menu
			If the infrastructure projects have approved technical designs score 1 or else score 0	From the LG Planning Office obtain the list of projects that were implemented in the previous FY and establish whether these have approved technical designs

Performance Measure	No.	Indicators of Performance Measures	Scoring Guide	Information sources & assessment procedure
			<p>If the projects are completed as per work plan (timely completion of projects)  100% projects completed on time score 2  More than 50% of projects completed on time score 1  Less than 50% of projects completed on time score 0</p>	From the LG Planning Office obtain the list of projects that were implemented in the previous FY and establish whether these were completed as per work plan
			If all infrastructure projects are completed within budget - 15% plus or minus of original budget score 2 or else score 0	From the LG Planning Office obtain the list of projects that were implemented in the previous FY and establish whether these were completed within budget
	14	Project Execution Capacity  <i>Maximum –8 points</i>	<p>If the LG either has the position of the Engineer filled or budget to meet project development costs (5% of the LDF) score 2 or else score 0</p>	Establish whether the position of the Engineer is filled – note the names and qualifications. If not filled, review the LG work plan and budget to establish whether project development costs have been budgeted for.
			<p>Absorption capacity - percentage of the LDF received and spent  More than 80% spent score 3  Spent 70% to 80% score 2  Spent 60% to 70% score 1  Below 60% score 0</p>	From the MoI, LG Department obtain and review the draft final accounts for the previous FY to establish the percentage of LDF funds received and spent.
			If all works projects are appropriately certified – completion certificates for all projects score 1 or else score 0.	From the LG Engineer obtain and review certificates for LDF projects implemented to establish whether appropriate certification was done.
			If all works projects are clearly labeled indicating the name of the project, the contractor and expected duration score 1 or else score 0.	Visit a sample of works projects to establish whether they are clearly labeled indicating the name of the project, the contractor and expected duration etc...
			If all infrastructure projects completed are commissioned score 1 or else score 0.	From the LG Engineer obtain and review reports for commissioning of LDF completed projects to establish that these were done.

Performance Measure	No.	Indicators of Performance Measures	Scoring Guide	Information sources & assessment procedure
F) Oversight, monitoring, accountability and communication  <i>Maximum - 15 points</i>	15	LG Council performs oversight and accountability function  <i>Maximum –4 points</i>	If the LG council meets with the required quorum (at least twice a year) score 1 or else score 0.	From the Executive Secretary obtain the minutes of the LG Council, ascertain and record the number of meetings held and issues discussed.
			If the LG has recorded and stored minutes for all Council meetings score 1 or else score 0.	From the Executive Secretary obtain the minutes of the LG Council to ascertain whether the minutes are well recorded and stored.
			If LG has evidence that the LG council (or Standing Committee) monitors projects score 1 or else score 0	From the Executive Secretary obtain LG Council project monitoring reports to establish that monitoring takes place and reports are prepared.
			Evidence that the LG has discussed the performance assessment results for the previous year score 1 or else score 0	Review the minutes of the LG Council to establish that they discussed the LG performance assessment results for the previous assessment.
	16	Transparency – communication to the public by for example posting information on LG notice boards, through the media and posting information on websites  <i>Maximum –7 points</i>	If the LG has publicized the LDF IPFs (allocation) score 1 or else score 0	Check the LG notice board to establish whether LDF allocations were publicized. Interview a sample of people (e.g. members of VDCs, NGOs) to establish whether the LGs publicized the LDF IPFs/allocations.
			If the LG has publicized local revenue collected and how it is spent score 1 or else score 0	Check the LG notice board to establish whether local revenue collected and how it is spent was publicized. Interview a sample of people (e.g. members of VDCs, NGOs) to establish whether the LGs publicized local revenue collected and how it was spent.
			If the LG has publicized the budget and annual approved projects score 1 or else score 0	Check the LG notice board to establish whether the budget and annual approved projects were publicized. Interview a sample of people (e.g. members of VDCs, NGOs) to establish whether the LGs publicized the budget and annual approved projects
			If the LG has publicized the procurement plan score 1 or else score 0	Check the LG notice board to establish whether the procurement plan was publicized Interview a sample of people (e.g. members of VDCs, NGOs) to establish whether the LGs publicized the procurement plan
			If the LG has publicized awarded contracts and amounts score 1 or else score 0	Interview a sample of people (e.g. members of VDCs, NGOs) to establish whether the LGs publicized the awarded contracts and amounts

Performance Measure	No.	Indicators of Performance Measures	Scoring Guide	Information sources & assessment procedure
			If the LG has publicized physical progress report score 1 or else score 0	Check the LG notice board to establish whether the physical progress report was publicized Interview a sample of people (e.g. members of VDCs, NGOs) to establish whether the LGs publicized the physical progress reports
			If the LG has publicized the LG performance assessment results and implications score 1 or else score 0	Check the LG notice board to establish whether the LG performance assessment results and implications were publicized. Interview a sample of people (e.g. members of VDCs, NGOs) to establish whether the LGs publicized the LG performance assessment results.
	17	Timely submission of accountability and progress reports to MoI <sup>3</sup>  <i>Maximum –4 points</i>	If the LG has submitted the financial summary sheet (Form C) score 1 or else score 0	From the MoI, Local Government Department obtain and review the financial summary sheet to establish that it was submitted.
			If the LG has submitted the physical progress report (Form D) score 1 or else score 0	From the MoI, Local Government Department obtain and review the physical progress report to establish that it was submitted.
			If the LG has submitted Output/outcome/impact monitoring report (Form F) for all projects implemented score 1 or else score 0	From the MoI, Local Government Department obtain and review the Output/outcome/impact monitoring report to establish that they were submitted for all completed projects.
			If the LG has submitted the Investment Inventory (Form G) score 1 or else score 0	From the MoI, Local Government Department obtain and review the investment inventory to establish that it was submitted.

<sup>3</sup> For 2015, this indicator will not be assessed – all LGs will score 0

### 3.3 Guidelines for Verifying Triggers

Note that the triggers will not be assessed together with the minimum conditions and performance measures. Triggers will be independently verified by UNCDF/JPLG before the LDF is released. MoI and AG has to ensure that all the required information is collected from the LGs and submitted as part of the withdraw application. JPLG/UNCDF will only release LDF to the MoF Bank Account after the National Ministries and Agencies have met the triggers. The AG will be expected to release the LDF to the LGs that meet the triggers.

Triggers		No.	Triggers	Information sources and assessment procedures
A) For Release of First Tranche	To be met by the Local Government	1	The LG has an annual work plan approved by LG council for the year in which the LDF will be used	From the MoI obtain and review the annual work plan for the year in which the LDF will be used to establish whether it was approved by LG council
		2	The LG has a Budget approved by LG council for the year in which the LDF will be used	From the MoI obtain and review the budget for the year in which the LDF will be used to establish whether it was approved by LG council
		3	The LG has a procurement plan approved by LG council for the year in which the LDF will be used	From the MoI obtain and review the procurement plan for the year in which the LDF will be used to establish whether it was approved by LG council
		4	The LG has evidence of meeting 50% of the co-funding obligations (50% of the 5% requirement)	From the MoI obtain and review the bank statement of the LG LDF Account to establish whether the LG has met its co-funding obligations
		5	The LG has signed contracts of up to 70% of the LDF allocation	Signed contract between the district and the contractor
	To be met by Central Government	6	MoI has signed a MoU between Puntland and UNCDF/JPLG witnessed by MoF and AG	From MoI obtain the MoU to establish that it was signed and properly witnessed.
		7	MoF has opened up an LDF Bank Account in a Commercial Bank	From the Accountant General obtain the Bank Statement for the LDF Account to establish that it was opened.
		8	MoF has deposited at least 50% of the required contribution of the LDF (50% of the 10% requirement)	From the bank statement establish whether the MoF/AG has met its co-funding obligations
		B) For release of Second Tranche	To be met by the Local Government	9
10	LG has evidence that at least 75% of the previous LDF released has been either properly spent or committed by the LGs			Financial Summary Sheets for the LDF for each of the LG (Form C) and Physical progress report for each of the LG (Form D).

Triggers		No.	Triggers	Information sources and assessment procedures
		11	LG has proof that 100% LDF adhere to the investment menu (spending on ineligible items leads to suspension of the LDF).	Review the Physical Progress report to establish that the LDF has only been spent on eligible investments.
	To be met by Central Government	12	MoF has deposited 100% of the required contribution of the LDF	From the Bank Statement establish whether the MoF/AG has met its co-funding obligations.
		13	MoF has submitted accountability for the 1 <sup>st</sup> instalment -	Bank statement to show that transferred the LDF released by JPLG/UNCDF to the LGs in full and on time.

## **4 CHECKLISTS FOR ASSESSING MINIMUM CONDITIONS AND PERFORMANCE MEASURES**

### **4.1 National Level**

#### **A) Ministry of Interior (LG Department)**

1. Obtain and review the annual work plans and budgets for all LGs to establish whether:
  - a. they were submitted to MoI;
  - b. the budget includes revenue forecasts from the different sources
  - c. all the prioritized projects are included
  - d. The prioritized investments in the work plan are the ones captured in the budget.
2. Obtain and review the Draft Final Accounts for the previous FY:
  - a. To establish whether they were submitted noting the date when they were submitted
  - b. Calculate the percentage of the planned local revenue collected
  - c. Calculate the percentage of the local revenue spent on development
  - d. Establish whether the assets were reflected
  - e. Establish the percentage of LDF funds received spent
3. Obtain Final Accounts for previous FY but one and Draft Final Accounts for the previous FY and calculate the percentage increase in local revenue collected.
4. Obtain and review the procurement plan for the current FY to establish
  - a. that it was submitted
  - b. whether it was approved by the LG Council and signed by the Mayor
  - c. whether it was prepared as per format provided for in the Procurement Guidelines
5. Compare the procurement plan and budget to establish whether all the projects in the approved work plan and budget were included in the procurement plan.
6. Obtain and review the financial summary sheets to establish that they were submitted
7. Obtain and review the physical progress report to establish that it was submitted
8. Obtain and review the Output/outcome/impact monitoring report to establish that they were submitted for all completed projects
9. Obtain and review the investment inventory to establish that it was submitted

#### **B) Ministry of Interior (Planning Department)**

1. Obtain and review the following documents
  - a. Participation Agreement for all LGs to ascertain whether the LGs signed it and it was witnessed
  - b. The DDFs for all LGs to establish whether they have:
    - i. clear outputs and indicators
    - ii. clear investment priorities
    - iii. mainstreamed gender and the environment
  - c. LG profile to establish whether it was developed and submitted to MoI

## 4.2 Local Government Level

### A) LG Executive Secretary

1. Obtain and review the annual work plan for the current financial year to establish that it was approved by the LG council;
2. Obtain and review the LG budget for the current financial year to establish that:
  - a. it was approved by the LG council;
  - b. whether the expenditure and revenue forecasts balance
3. Obtain and review the LDF Bank Account Statement to ascertain whether the LG has an operation LDF Bank Account, noting the Bank, Branch and Account number
4. Obtain and review the minutes of LG council
  - a. Ascertain whether the minutes are well recorded and stored
  - b. Ascertain and record the number of meetings held and issues discussed.
  - c. Establish whether they discussed and approved the LG work plan and budget
  - d. Record date and minute approving the annual work plan for the current FY;
  - e. Record date and minute approving the LG budget for the current FY
  - f. Establish whether the Internal Audit reports were submitted and discussed
  - g. Establish that they discussed the LG performance assessment results for the previous assessment
5. Obtain LG Council project monitoring reports to establish that these are being done

### C) LG Planning Department

1. Review minutes of village consultation meetings to establish that consultations with VDCs were held
2. Compare the village action plans and the annual work plan to establish that the priorities from VDCs were considered.
3. Review minutes and other evidence (e.g. participation Video) demonstrating women's participation in the planning process
4. Review minutes of meetings with technical staff to establish whether they discussed the priorities to be funded by the LDF that are included in the LG work plans
5. Review the minutes of the LG Executive Committee to establish whether they discussed and prioritized investments to be funded by the LDF.
6. Review the feasibility analysis and technical costings of all prioritized investments to ascertain whether they were done and are based on technical designs
7. Review the work plan and budget to establish whether environment screening was carried out for all prioritized projects and that the mitigation measures are planned and budgeted.
8. Obtain the list of projects that were implemented in the previous FY and establish whether
  - a. they were derived from the annual work plan and budget approved by the LG council
  - b. whether they adhere to the investment menu
  - c. whether they have approved technical designs
  - d. whether they were completed as per work plan
  - e. whether they were completed within budget

## **D) LG Finance Department**

1. Obtain the local revenue enhancement/ mobilization plan to establish that:
  - a. it was developed
  - b. LG estimated the revenue potential based on sound analysis
  - c. LG included creativity in revenue collection strategies being proposed
  - d. the LG costed revenue collection strategies
2. Discuss and establish whether there are some revenue sources that were not included in the budget and the reasons.
3. Obtain and review the cash book for the LDF Bank Account to establish whether:
  - a. it is posted up to-date
  - b. it is checked and signed
4. Obtain and review the Bank Reconciliation to establish whether it is done
5. Obtain and review the local revenue cash book to establish whether it is maintained
6. Obtain and review other books of Accounts maintained by the LG
7. Obtain and review Audit report responses to establish the extent to which they were followed up
8. Obtain the asset register to establish whether
  - a. it is maintained
  - b. it is up to-date

## **E) LG Tax Department**

1. Obtain and review
  - a. the property register to establish that it is in place and properly developed.
  - b. the business register to establish that it is in place and properly developed.
  - c. other registers to establish that there are in place and properly developed.
2. Discuss and establish whether there is separation of duties in tax administration (e.g. the Executive Secretary has appointed a Tax Assessment Committee or Revenue Generation Unit).

## **F) Procurement Focal Person**

1. Establish where there is staff dedicated to perform the procurement function. Record the name, title and qualifications
2. Establish whether the LG has formed a tender committee
3. Establish the names and titles of the members of the procurement/tender committee to establish whether it is the right membership
4. Obtain and review the minutes of tender committee meetings to
  - a. establish whether the committee meets
  - b. establish whether the minutes were recorded and properly stored
5. Obtain the bid documents to establish that they were prepared for all procurements
6. Obtain the procurement plan to establish whether LDF procurements were made as per plan
7. Obtain the contract register to establish that it is prepared and updated
8. Obtain the contract activity files for all LDF procurements to establish whether they are complete

## **G) LG Internal Audit**

Obtain the internal audit reports and ascertain the number that was produced in the previous FY

## **H) Local Government Engineer**

1. Establish whether the position of the Engineer is filled and note the names, qualifications
2. If the position is not filled, review the LG work plan and budget to establish whether project development costs have been budgeted for.
3. Obtain and review certificates for LDF projects implemented to establish whether appropriate certification was done
4. Obtain and review reports for commissioning of LDF completed projects to establish that these were done.

## **I) LG Social Affairs Department**

1. Discuss the priorities to be implemented using the LDF to find out whether they have agreed to meet the recurrent cost implications and that activities do not overlap with other activities planned in the sector.

## **J) Site visit to a sample of projects**

1. Visit a sample of works projects to establish whether they are clearly labelled indicating the name of the project, the contractor and expected duration etc...

## **K) LG notice board**

1. Establish whether LDF allocations were publicized.
2. Establish whether local revenue collected and how it is spent were publicized.
3. Establish whether the budget and annual approved projects were publicized
4. establish whether the procurement plan was publicized
5. Establish whether the physical progress report was publicized
6. Establish whether the LG performance assessment results and implications were publicized

## **L) Interview a sample of people (e.g. members of VDCs, NGOs)**

1. Establish whether the LGs publicized the LDF IPFs/allocations.
2. Establish whether local revenue collected and how it is spent were publicized.
3. Establish whether the budget and annual approved projects were publicized
4. establish whether the procurement plan was publicized
5. Check the LG notice board to establish whether the physical progress report was publicized
6. Establish whether the LG performance assessment results and implications were publicized

## 5 REPORTING FORMATS FOR MINIMUM CONDITIONS AND PERFORMANCE MEASURES

### 5.1 Individual Local Government Performance Assessment Report Format

#### Preliminaries

- Cover Page: include name of the LG and period of assessment
- Table of Contents: list of main heading in the report and page numbers
- Abbreviations:
- Acknowledgement:
- Executive Summary:

#### 1 Introduction

- Assessment team
- Timing and duration of the assessment
- Assessment process in a particular LG;
- Process challenges and mitigation measures
- Any proposed improvement on the LG PAM

#### 2 Results of Minimum Conditions

Minimum Condition	No.	Indicators of Minimum Condition	Met	Not Met	Remarks
Planning and Budgeting	1	A LG has an annual work plan for the current year approved by the LG Council			
	2	A LG has a budget (estimates of revenue and expenditure) for the current year approved by the Council and submitted to MoI			
	3	The LG Budget for the current FY is balanced			
Financial management and audit	4	LG has produced and submitted the annual financial statements (draft final accounts) for the previous FY to MoI			
LDF Specific	5	LG has signed a Participation Agreement with MoI and witnessed by MoF and AG			
	6	LG has an operational LDF Bank Account in a Commercial Bank			

#### 3 Results of Performance Measures

Performance Measure	No.	Indicators of Performance Measures	Score	Remarks <sup>4</sup>
A) Planning and Budgeting <i>Maximum - 20 points</i>	1	Quality of Medium Term Planning Frameworks (District Profile and District Development Framework) <i>Maximum – 5 points</i>		
	2	Quality of the planning and budgeting process <i>Maximum – 9 points</i>		
	3	Quality of the Annual work plan and Budget <i>Maximum – 6 points</i>		

<sup>4</sup> Provide comments on each of the aspects in the scoring guide to justify the score(s) awarded.

Performance Measure	No.	Indicators of Performance Measures	Score	Remarks <sup>4</sup>
B) Local Revenue Generation and Administration <i>Maximum - 20 points</i>	4	Existence and quality of the Local revenue enhancement/ mobilization plan for the current FY <sup>5</sup> <i>Maximum – 6 points</i>		
	5	Tax Assessment – existence of tax registers <i>Maximum – 6 points</i>		
	6	Local Revenue Administration <i>Maximum –8 points</i>		
G) Procurement <i>Maximum - 15 points</i>	7	Existence of capacity to manage the procurement function <i>Maximum –5 points</i>		
	8	Procurement Planning <i>Maximum –5 points</i>		
	9	Procurement Management <i>Maximum –5 points</i>		
H) Accounting, Financial Management and Audit <i>Maximum - 15 points</i>	10	LG maintains the basic books of accounts <i>Maximum –5 points</i>		
	11	LG has established the Internal Audit function <i>Maximum –6 points</i>		
	12	Asset Management: inventory of infrastructure and assets <i>Maximum –4 points</i>		
I) Project Execution/ Implementation <i>Maximum - 15 points</i>	13	Projects implemented as per plan and budget <i>Maximum –7 points</i>		
	14	Project Execution Capacity <i>Maximum –8 points</i>		
J) Oversight, monitoring, accountability and communication <i>Maximum - 15 points</i>	15	LG Council performs oversight and accountability function <i>Maximum –4 points</i>		
	16	Transparency – communication to the public by for example posting information on LG notice boards, through the media and posting information on websites <i>Maximum –7 points</i>		
	17	Timely submission of accountability and progress reports to MoI <sup>6</sup> <i>Maximum –4 points</i>		

### 3 Overview of Capacity Building Requirement of the LG

#### Annexes

- List of documents consulted
- List of people met

<sup>5</sup> This indicator is not supposed to be scored during the 2015 performance assessment – all LGs should be scored 0.

<sup>6</sup> For 2015, this indicator will not be assessed – all LGs will score 0

## 5.2 Local Government Performance Assessment – Synthesis Report Format

### Preliminaries

- Cover Page: include period of assessment
- Table of Contents: list of main heading in the report and page numbers
- Abbreviations:
- Acknowledgement:
- Executive Summary:

### 1 Introduction

- Background to the performance assessment – objectives, assessment tool used etc...
- Assessment team
- Timing and duration of the assessment
- Assessment process across the LGs;
- Process challenges and mitigation measures – mention LG peculiarities
- Any proposed improvement on the LG PAM

### 2 Summary Results of the MCs

Local Government	Planning and Budgeting			Financial management and audit	LDF Specific		Overall Status
	Annual work plan for the current year approved by the LG Council	Budget for the current year approved by the Council and submitted to MoI	The LG Budget for the current FY is balanced		Produced and submitted the annual financial statements for the previous FY to MoI	LG has signed a Participation Agreement with MoI and witnessed by MoF and AG	
Bandarbeyia							
Bossaso							
Eyl							
Galkayo							
Gardo							
Garowe							
Jariban							

### 3 Summary Scores of PMs

Performance Measure	No .	Indicators of Performance Measures	LG Score							Total
			Bandarbeyia	Bossaso	Eyl	Galkayo	Gardo	Garowe	Jariban	
C) Planning and Budgeting <i>Maximum - 20 points</i>	1	Quality of Medium Term Planning Frameworks (District Profile and District Development Framework) <i>Maximum – 5 points</i>								

Performance Measure	No .	Indicators of Performance Measures	LG Score							Total
			Bandarbeyia	Bossaso	Eyl	Galkayo	Gardo	Garowe	Jariban	
	2	Quality of the planning and budgeting process <i>Maximum – 9 points</i>								
	3	Quality of the Annual work plan and Budget <i>Maximum – 6 points</i>								
D) Local Revenue Generation and Administration <i>Maximum - 20 points</i>	4	Existence and quality of the Local revenue enhancement/ mobilization plan for the current FY <sup>7</sup> <i>Maximum – 6 points</i>								
	5	Tax Assessment – existence of tax registers <i>Maximum – 6 points</i>								
	6	Local Revenue Administration <i>Maximum – 8 points</i>								
K) Procurement <i>Maximum - 15 points</i>	7	Existence of capacity to manage the procurement function <i>Maximum – 5 points</i>								
	8	Procurement Planning <i>Maximum – 5 points</i>								
	9	Procurement Management <i>Maximum – 5 points</i>								
L) Accounting, Financial Management and Audit <i>Maximum - 15 points</i>	10	LG maintains the basic books of accounts  <i>Maximum – 5 points</i>								
	11	LG has established the Internal Audit function <i>Maximum – 6 points</i>								
	12	Asset Management: inventory of infrastructure and assets <i>Maximum – 4 points</i>								

<sup>7</sup> This indicator is not supposed to be scored during the 2015 performance assessment – all LGs should be scored 0.

Performance Measure	No	Indicators of Performance Measures	LG Score							Total
			Bandarbeyia	Bossaso	Eyl	Galkayo	Gardo	Garowe	Jariban	
M) Project Execution/ Implementation <i>Maximum - 15 points</i>	13	Projects implemented as per plan and budget <i>Maximum - 7 points</i>								
	14	Project Execution Capacity <i>Maximum - 8 points</i>								
N) Oversight, monitoring, accountability and communication <i>Maximum - 15 points</i>	15	LG Council performs oversight and accountability function  <i>Maximum - 4 points</i>								
	16	Transparency – communication to the public by for example posting information on LG notice boards, through the media and posting information on websites <i>Maximum - 7 points</i>								
	17	Timely submission of accountability and progress reports to MoI <sup>8</sup> <i>Maximum - 4 points</i>								
<b>Total</b>		<b>Maximum - 100 points</b>								

#### 4 Presentation and Analysis of the Overall Assessment Results

For each of the thematic area including their indicators, the assessment team is expected to

- Describe the situation as it pertains on the ground: major findings, achievements and challenging areas
- Explain the differences between the LGs
- Explain the possible cause(s) of the existing situation/performance and differences
- Discuss the current situation in light of the previous assessment (for the second LG PA)

4.1 Planning and Budgeting

4.2 Local Revenue Generation and Administration

4.3 Procurement

4.4 Accounting, Financial Management and Audit

4.5 Project Execution/ Implementation

4.6 Oversight, monitoring, accountability and communication

#### 5 Summary of Capacity Building Requirements and need for follow-up

#### 6 Recommendations and Way Forward

<sup>8</sup> For 2015, this indicator will not be assessed – all LGs will score 0

## **PART C**

## **ANNEXES AND ADMINISTRATIVE MATTERS**

### **ANNEX 1: CODE OF ETHICS FOR EXTERNAL ASSESSMENT & QA TEAMS**

In order to achieve its objectives, the LG performance assessment should be conducted with the highest levels of objectivity and integrity. Therefore all persons involved the LG performance assessment should be subjected to this CODE OF ETHICS with focus on adhering to the procedures, integrity and anti-corruption issues. The code of ethics will be part of the contract documents to be signed by the firms and/or individuals contracted to conduct the external assessment and Quality Assurance.

1. Fielding of competent team members:
  - a) Staff conducting the assessment should be those submitted for evaluation during the bidding process;
  - b) The staff should demonstrate that they have proven capacity and experience in their respective areas of expertise as presented in their respective CVs;
  - c) The staff should be neutral and without conflict of interest in terms of the LGs to be assessed.
2. Team objectivity, neutrality and integrity during the assessment process:
  - a) The team members should adhere to the assessment process, procedures and scoring as prescribed in the LG Performance Assessment Manual;
  - b) The team members should not get involved in any sort of corrupt tendencies/practices;
  - c) The team member cannot receive any payments from the assessed LGs/or related bodies/stakeholders;
  - d) The team members should not have (or should declare) any sort of conflict of interest in the LG being assessed, e.g. the team member should not have been involved in work or related support, e.g. capacity building support, to the LG in case;
  - e) Team members are obliged to report about any irregularities related to the assessments to the MoI
3. Timely and quality production of the reports
  - a) The team members should produce the report as per the provided formats;
  - b) The team members should provide the report within the provided time;
  - c) The team members should provide comprehensive and accurate information.

In case of failure to comply with the provisions of this code of conduct, the assessment team or any member thereon shall be subject to all/or some of the following disciplinary measures:

- a) Additional work and reassessments: Teams may be required to conduct follow-up work on issues which are not sufficiently clear, or where there are cases of contradiction between the assessments and the quality assurance at no further costs
- b) Deduction in the contract value for the assessments: In severe cases, where there are clear instances of wrong/flawed results, this may lead to deductions in the payments for the work conducted.
- c) Blacklisting from future assessments: This will happen if there is strong reasons to believe that assessments are with lack of quality, are flawed, or manipulated.

## ANNEX 2 PERFORMANCE AREAS ASSESSED AND THE INDICATIVE SCORES

	<b>Performance Area</b>	<b>Allocated Score</b>
<b>A</b>	<b>Planning and Budgeting</b>	
	Quality of Medium Term Planning Frameworks (District Profile and District Development Framework)	5
	Quality of the budgeting and planning process	9
	Quality of the Annual work plan and Budget	6
	<i>Sub-total</i>	<i>20</i>
<b>B)</b>	<b>Local Revenue Generation and Administration</b>	
	Existence and quality of the Local revenue enhancement plan	6
	Tax Assessment – existence of tax registers	6
	Local Revenue Administration	8
	<i>Sub-total</i>	<i>20</i>
<b>C)</b>	<b>Procurement</b>	
	Existence of capacity to manage the procurement function	5
	Procurement Planning	5
	Procurement Management	5
	<i>Sub-total</i>	<i>15</i>
<b>D)</b>	<b>Accounting, Financial Management and Audit</b>	
	LG maintains the basic books of accounts	5
	LG has established the Internal Audit function	6
	Asset Management: inventory of infrastructure and assets	4
	<i>Sub-total</i>	<i>15</i>
<b>E)</b>	<b>Project Execution/ Implementation</b>	
	Projects implemented as per plan and budget	7
	Project Execution Capacity	8
	<i>Sub-total</i>	<i>15</i>
<b>F)</b>	<b>Oversight, monitoring, accountability and communication</b>	
	LG Council performs oversight and accountability function	4
	Transparency – communication to the public	7
	Timely submission of accountability and progress reports to MoI	4
	<i>Sub-total</i>	<i>15</i>
	<b>Grand Total</b>	<b>100</b>