

UNCC Follow-up Programme for Environment Awards

IR Evaluation of Report under Decision 269 (2011)

(a) Establishment and Maintenance of a Strong Management and Administration Infrastructure

(i) Evaluation of Government's plan, status and timetable for satisfying the criterion

The Government administration of the Badia Restoration Project is faced with some basic constraints, as shown below. It is quite doubtful that by end of 2012 the NFP would be able to handle the Administration and Management of the Project.

(ii) Identification of any issues / shortcomings.

1. The Project Management Unit (PMU) falls under the Minister of Environ (Jordan Focal Point) and therefore, the PMU position is quite vulnerable and influenced by the often changes of Ministers and their philosophy and management styles.
2. Stronger partnerships with other institutions need to be established to facilitate Project implementation of activities, when falling within some ministry's mandate/jurisdiction (Ministry of Agriculture and Ministry of Water/Irrigation).
3. PMU staff turn-over and the un-timely separation of the Director should be heralded as a risk to the institution memory and to the appropriate delivery of Project outputs.
4. The early withdrawal of the supervisory role of UNCC should create a real gap in the Project "professional oversight", which the Government needs to address with an adequate solutions and professional administrative tools and procedures.

(iii) Identification of solutions / measures for establishing this criterion by 2012

In spite of some control systems exist, yet the full operation of the Finance Control systems (and the software) were delayed and are not adequately tested, nor were the PMU staff adequately-trained on such systems. The Government should have the replacement mechanisms in place at least six months before UNCC phase out.

1. In view of the significant lifetime of the Project for Badia Restoration and Rehabilitation (20 yrs+), some "Management Board" could serve in strengthening the PMU. The proposed *Advisory Panel* needs to be formed from highly qualified and independent individuals to guide the Badia Restoration work, based on lessons learned and the /cumulative experiences of the staff..

2. A stronger partnership and coordination working relations ought to be created by the Government institutions for synergy and complementarity of resources, and more importantly, to secure and maintain the “restored rangeland” after the Project phases-out.
3. The issuance of “clear political assurances” expressing the Government obligation towards the Award and its funds cannot be over-emphasized, as a requirement of both the Governing Council and the Donor Government, in order to facilitate release of Project funds. In this regard, the channeled BR Project funds to cover an outside activity (Jerash project) require a speedy recovery of the money.
4. The Government should proceed with no further delays to reconcile the question of the overpaid claims of the Ministry of Finance. (\$12,377,046)?

(b) Project Plans and Related Budgets

(i) Evaluation of Government’s plan, status and timetable for satisfying the criterion

In spite of some efforts made by the NFP; their plans and timetable to meet the criteria are questionable. Instead of beefing-up of the PMU (as was repeatedly advised by IR’s), we have at present even a weakened NFP admin unit and ending 2012 with possible pull-out of UNCC, with no “functional supervisory body” to perform this basic duty. The following are some issues and shortcomings.

(ii) Identification of any issues / shortcomings

1. The revised CAP document, submitted as part of the 7th. NFP Biannual Report, stated projects and activities under the CAP worth some \$108 million; while the total Award sum is \$160 million and this budget figure ought to be all accounted for.
2. The plan to distribute Incentives (particularly the 1st. phase of Barley seed distribution) furnished a lesson for the PMU to study a better distribution mechanism and conduct an assessment before resuming the feed Incentives. Non-adequate coordination mechanisms are in place to streamline field activities in the three Badia regions, in spite of hiring a Field Manager .
3. The Badia Restoration Project ought to be somehow integrated with national development plans for synergy and coordination, as well as for securing Governmental annual allocations to help maintain ‘restored and rehabilitated areas.’
4. The allocation of funds for some project activities is not directly linked to the area of restoration. Also the impact of these activities on enhancing natural vegetation and restoring damaged ecosystems in the Badia is not always considered.

5. Barley incentives should be radically reformed and be directly-linked to resting the rangeland..

(iii). Identification of solutions / measures for establishing this criterion by 2012

1. A better and stronger mechanism ought to be explored to streamline the field work, with more often reporting from the Field Manager and by forming small easy-moving units, with a good degree of flexibility.
2. Badia restoration, as per the F4 Panel, should be extended to other Badia regions, provided adequate resources are available.
3. As there are several players working on Jordan Badia Rehabilitation and development; then collaboration could produce some synergy to BR Project work and the money spent can be more cost-effective.
4. Future plans and budget allocations should be geared towards giving the main role of managing the feed distribution to the Rangeland Cooperatives.
5. The *Steering Committee* is the highest Board for the management of this Project, and therefore, its mandate, deliberations and advise should be shared with UNCC and the IR's. This information sharing will create common understanding for Project planning and ensure proper implementation.
6. Establishing Rangeland Cooperatives according to F-4 panel recommendations is the vehicle to be used in executing the BRP. This component should be quite obvious and be considered as a "priority" (budget-wise and staff time) in the new revised CAP.
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(c) Accounting and Treasury Systems and Procedures

(i) Evaluation of Government's plan, status and timetable for satisfying the criterion

It took the Government somehow long period to purchase, install and operate a Finance Control System. Up to October 2012, NFP were not having a "functional finance system" and therefore, Government plan to reach its target by end of 2012 is not supported by facts on the ground.

(i) Identification of any issues / shortcomings

1. The Chief Finance Officer (employed in August 2011) has resigned. This was the 2nd CFO to work for a short time and leave, which represents a turn-over problem among PMU staff.

2. No hand-over notes were documented between the previous CFO and his successor, as a reference for the Project accounts.
3. The Manual for Finance Policies and Procedures, prepared by the PMU, was not reviewed and endorsed by the External Auditor and by IR /Finance.
4. The Protocols and Policies related to stakeholders reporting and the funding of Stakeholders by the NFP haven't been codified in any manual.
5. PMU must be the repository for all financial information in sufficient details to ensure that those responsible, both internal and external, can obtain a true picture of what is transpiring (related to Stakeholders protocol documents, policy and procedures).

(ii) Identification of solutions / measures for establishing this criterion by 2012

1. Request the CFO to review the PMU Manual with the External Auditor and to take into account any recommendations, as necessary.
2. The NFP should conduct testing operations of the system and engage the External Auditor to undertake a control audit after an appropriate period.
3. The Stakeholders protocols should be more clearly defined and incorporated in the financial system as a whole. These should be reviewed by the IRs and the Secretariat, as soon as possible.
4. Expedite installation and operation of the Finance Control System, with no further delay.

(d) Adequate and Coherent Audit Processes

(i) Evaluation of Government's plan, status and timetable for satisfying the criterion

The Audit process is improving with contracting an External Auditor (Ernst &Young). If this Audit is well-briefed of the Project transactions and procedures; then during 2013 they could perform a proper Audit for the Project. The following steps were taken:

1. In Sept. 2010, NFP entered a contract with Ernst &Young as External Auditor to ensure conformity with International Auditing Standards. This is in addition to the Project internal audit.
2. Chief of the Governmental Audit Bureau is a member of the Steering

Committee, as well as in the Special Tendering Committee.

(ii) Identification of any issues / shortcomings

1. The report indicated that the EA contract was renewed in February 2012, thus been delayed few months. It is important to point out that Audit process ought to proceed with no gaps.
2. To date, no financial statement audits have been received. However, we note that the Audit for the calendar year 2011 is presently under way.
3. There is no discussion of the scope of the audit process.

(iii) Identification of solutions / measures for establishing this criterion by 2012

1. The contract of the External Auditor should be of sufficient time duration so as to ensure continuity for auditing the Award Fund.
2. Audit schedules should be developed and followed.
3. The scope of the Audit needs to be documented and fully understood by all parties.
4. EA has to review the Project control structure, including accounting systems and control procedures in order to assess the control risk for financial statement assertions.
5. EA has to report to the management of any material weaknesses found during the review.

(e) Transparent Procurement Processes

(i) Evaluation of Government's plan, status and timetable for satisfying the criterion

The Project is obliged to follow Governmental rules and regulations, since the fund is considered "governmental funds". As a result, NFP is trying to make these steps fair and transparent, as much as possible:

1. Formation in 2006 the Special Tendering Committee, chaired by Under-Secretary of Ministry of Environment to streamline the procurement process and ensure its adherence to Governmental rules and regulation.
2. The PMU recruited in August 2011 a Procurement Officer.

3. The Bidders submit their bids in two separate envelopes for the “technical and the financial offers.” The Tendering Committee requests the help of Professionals to evaluate the “technical aspects and merits” first; then comes the “financial analysis”.
4. The Tendering Committee, with its members from the relevant Governmental Bodies, and Ministries is liable to result in fairness and transparency of the process.
5. The Opening Bids session is shown through a Video Televised Conference which is accessible to all concerned.
6. The announcement for bidders is published in the daily newspapers.

(ii) Identification of any issues / shortcomings

1. The contribution and outputs of the Procurements Officer is not adequately explained, vis-à-vis the Central Tendering Committee.
2. There is no explanation on the oversight role of the NFP as regards to any procurement under-taken by the stakeholders (implementing institutions), either for assets/supplies or for services.

(iii) Identification of solutions / measures for establishing this criterion by 2012

1. It would add to the transparency and fairness of the Project contracting work to invite some qualified Private Sector institutions in the bidding process.
2. The outputs of the Procurements Officer and that of the Chief Finance Officer ought to be elucidated.
3. The Protocol document described above, under (2) should include the over-sight of procurement processes that might be undertaken by stakeholders.