

UNDP Check list to be used for projects when submitted to the GEF for CEO endorsement/approval

Project Title: *Seventh Operational Phase of the GEF Small Grants Programme in Indonesia (PIMS6545)*

Background:

Reference is made to the OAI Audit report in relation to UNDP's management of GEF-supported projects (issued on 1 December 2020). Any actions undertaken in relation to the project shall require strict adherence to all recommendations and associated management actions plans set out in the OAI report. Pursuant to the decisions of the GEF Council during the 59th GEF Council meeting, UNDP is required by GEF Council, at the time of seeking CEO Endorsement/approval, to demonstrate that this project design meets all of the 2020 OAI audit recommendations as a prerequisite for further consideration and review by the GEF Secretariat. The project proposal will also be subject to 2nd review and approval by Council as a condition for CEO endorsement/approval. Consequently (and contrary to earlier practices), please note that funding is not assured unless and until these preconditions have been met and duly confirmed and submitted to the GEF Secretariat.

Checklist:

Project address all concerns raised in the OAI report, based on below assessment.			UNDP Assessment	
			YES	NO
			X	
UNDP to indicate Yes or No and provide additional information:	Yes	No	Additional information (please include a page reference in the PRODOC and/or a link to supporting documents)	
Internal Control Framework (ICF)				
1) Please indicate when the Internal Control Framework of your Country Office has been validated by the Regional Bureau. Indicate when this will be reviewed again.	X		Date of ICF review by RBX: 22November 2021 Future date of ICF review: May 2022	
Country Office (CO) Capacities				
2) Please clarify if the CO is equipped to provide proper implementation (oversight) and financial management of the project in line with UNDP rules and regulations and GEF policies?	X		CO Indonesia has adequate technical capacities and human resources to ensure delivery and provide oversight management according to planned results. In 2020, CO successfully delivered US\$ 37.6 million. In 2021, UNDP Indonesia aims to deliver US\$ 38.0 million. Since 1998, the CO managed a portfolio of more than 25 GEF-funded projects, with more than US\$ 100 million. In 2020, for VF portfolio, CO's delivery was US\$ 11,843,919 (31% of total CO Programme Delivery). In 2021, there are 13 GEF projects with a combined delivery target of US\$ 11.6 million.	

		<p>CO has consistently ensured quality oversight throughout the project cycle – from identification through to development, implementation and closure. Project ideas are assessed jointly by the GEF Operational Focal Point and CO Senior Management. Prior to Project Document finalization, a Local Project Appraisal Committee (LPAC) is convened. During project implementation, the UNDP CO Programme Manager exercises substantive oversight over the activities of the Project Management Units.</p> <p>Secondary quality assurance is conducted by the Quality Assurance and Reporting (QARE) Unit to provide support to Mid-Term Reviews and Terminal Evaluations as well as HACT micro assessments for Implementing Partners and Responsible Parties. In addition, it is also responsible for HACT spot checks and audits.</p> <p>Compliance and programme management is discussed during weekly CO Management Team Meetings chaired by the UNDP Indonesia Resident Representative, and during Programme Staff Meetings, chaired by the Deputy Resident Representative. Unit and cluster meetings are also held regularly. Issues related to implementation, compliance and partnerships are discussed and course corrections decided and undertaken, as required.</p>
<p>3) Please provide evidence of CO capacities including the list of subject matter experts to support oversight and provide execution support/procurement (when the latter has been approved by GEF)</p>	<p>X</p>	<p>CO Staff/ personnel providing oversight (not paid for by the fee)</p> <ul style="list-style-type: none"> • Norimasa Shimomura, Resident Representative (D1), overall oversight and accountability of all programme and operations undertaken in the CO. • Sophie Kemkhadze, Deputy Resident Representative (P5). Overall technical and operational oversight of all vertical fund design, implementation and monitoring. <p>CO staff providing oversight funded from general management services fee accrued to UNDP from multiple donor resources, including GEF resources.CO Oversight Team:</p> <ul style="list-style-type: none"> • John Benjamin, Operations Manager (NOC). provides strategic directions and quality assurance of operations and supervision of the admin, procurement and ICT team.

		<ul style="list-style-type: none"> • Riana Hutahayan, Programme Finance Associate, Environment Unit (G7). Her role in the oversight services is to review budget revision requests, verify expenditures, advance funds, issue combined delivery reports, ensure no over-expenditure of budget. In addition, she provides technical, managerial and financial backstopping, problem identification and troubleshooting as well as ensuring timely project closure. • Vacant (candidate being onboarded), Head of the Quality Assurance and Results (QARE) (NOC): technical quality clearance, gender mainstreaming, programmatic guidance and oversight services, including support to Mid-term Reviews and Terminal Evaluations. • Iwan Kurniawan, Programme Management, Environment Unit (NOB). His expertise is in programme design, proposal development and policy advocacy in the areas of climate change, natural resources management, and community empowerment. • There will be no UNDP staff who will provide execution support covered by PMC because the project implementing partner is an NGO.
4) Has the CO put in place the necessary protocols to conduct annual field missions (monitoring visits) for project oversight support?	X	<p>The CO has standard processes for ensuring quality assurance and oversight support, which includes conducting field missions/monitoring visits.</p> <p>All projects submit Project Assurance Reports (PAR) on a bi-annual basis. For this project, PARs are assured by the Head of Unit and reviewed by the CO oversight team with additional reviews undertaken by the QARE Unit.</p> <p>The PARs include various elements of planning, monitoring, tracking, results achievement, and risk management, as well as findings from the field missions to which the Back to Office Report1s (the main output of the field missions) are appended.</p> <p>The M&E Plan described in Section V of the Project Document also outlines monitoring requirements of UNDP such as annual supervisory missions aimed at validating project results and ensuring effective communication with the target beneficiaries. To this end, the assigned CO oversight team arranges field</p>

		<p>missions, at least once a year, to visit selected project sites.</p> <p>Due to the COVID-19 pandemic and restricted mobility, alternative mechanisms have been adopted for verification of project results. This includes utilization of Information and Communication Technologies (such as video-conferencing, social messaging apps and networks) for remote exchanges and engagement with field level stakeholders, including local government focal points (and other assigned members as deemed necessary), for regular verification and monitoring of project results.</p> <p>The CO Team members participating in the supervisory visits will adhere to the Travel Authorization procedures with different levels of certifying officers. Furthermore, a Back-to-Office Report (BTOR) will be prepared and submitted to CO Management for review and lessons-learned at least once a year.</p> <p>The BTORs will also be used as reference documents when reviewing project risks, in addition to providing initial information on the need for adaptive management, grievances related to UNDP's Social and Environmental Standards (SES), and feedback from target beneficiaries. Moreover, the QARE Unit will use the various M&E reports presented by the project as the basis to assess its compliance with the regular IATI reporting.</p>
<p>5) Please indicate when the latest internal OAI audit of the Country Office took place? Were there any qualifications and are there any outstanding recommendations? Is there an Action Plan in place?</p> <p>Please indicate if any other audits (BOA, DIM audits, special audits, etc.) have taken place in relation to the CO during the last 3 years.</p>	X	<p>Date last OAI audit: 5 Oct 2018</p> <p>Qualification: Satisfactory</p> <p>List outstanding audit recommendations: none.</p> <p>Date last OAI DIM audit: 18 July 2019 for Support Facility for the Institutional Setup of the Peat Restoration Agency Qualification: Unmodified</p> <p>List outstanding audit recommendations: N/A</p>
<p>6) Has ProDoc clearly outlined roles and responsibilities of UNDP Country Offices and</p>	X	<p>Yes (see sections VII and VIII of the ProDoc).</p>

implementing partners for the oversight of this project			
7) Has ProDoc clearly outlined roles and responsibilities of the project boards?	X		Yes. please refer to page 72-76 of the Project Document.

Oversight and execution			
8) Where execution support services have been agreed with GEF Secretariat, specify if the LOA with the Government to provide CO support has been duly completed, cleared by BPPS, and signed by the relevant parties and included as Annex to the UNDP-GEF project document before signature by the Implementing Partner, Government Coordinating Agency and UNDP. Please provide the link to the LOA. Also, please indicate what provisions have been taken to ensure that a proper separation of functions between staff providing oversight of the Implementing Partner executing the project and execution on behalf of the Implementing Partner is in place at the CO level.	X		Not Applicable. Execution support services have not been requested by the Implementing Partner (IP). The project will be executed under UNDP NGO execution modality based on the demonstrated capacities of the IP to successfully execute the project. There are no support services agreed with GEF Secretariat.
9) Have governance structures, staffing and/or operational measures been put in place in this specific project to ensure proper oversight of this project and effective separation between oversight and execution?	X		<p>The structure of the SGP is decentralized and country-driven in line with the parameters approved by the GEF Council under the GEF Programming Directions, SGP Implementation Arrangements and other relevant GEF Council decisions, and the approved SGP Project Document for this SGP Operational Phase.</p> <p>The project will be implemented under UNDP NGO execution modality. The Implementing Partner will be Yayasan Bina Usaha Lingkungan Hidup (YBUL).</p> <p>As per UNDP guidelines concerning GEF programming, UNDP will employ a three-tier supervisory, oversight and quality assurance role. This structure funded by the GEF Agency fee comprises:</p>

			<ol style="list-style-type: none"> 1. UNDP Country Office; 2. UNDP Regional Bureau to ensure compliance with UNDP's regulations and rules; 3. UNDP BPPS Nature, Climate and Energy (NCE) unit to ensure technical oversight and compliance with GEF policies and procedures – Headquarters (Global Principal Technical Advisers) and regional based staff (Regional Technical Advisor). <p>UNDP CO provides the first-tier oversight, as mentioned above.</p> <p>For SGP Country Programmes under both the Global Programme and the Upgrading Country Programme (UCP) portfolio, the UNDP NCE Unit is ultimately accountable to the GEF Council as the GEF Agency.</p> <p>For SGP-UCP, third tier oversight of country projects is undertaken by NCE Principal Technical Advisors, <i>Midori Paxton</i> (Ecosystems and Biodiversity), <i>Srilata Kammila</i> (Adaptation) and <i>Oliver Weissbein</i> (Energy).</p> <p>SGP-UCPs are managed by a Global Coordinator providing second-tier oversight as a Global Technical Advisor. The Global Coordinator provides oversight by supporting and monitoring implementation and promoting the sharing of lessons learned among UCPs and between UCPs and the Global Programme.</p>
Implementing Partner Capacities			
10) Please indicate the risk rating outlined in the Partner Capacity Assessment Tool (PCAT) and HACT/ micro assessments. Indicate the year the HACT assessment was undertaken.	X		<p>PCAT: conducted in 2021. Risk rating: low. The PCAT will be updated at mid-term review of this project.</p> <p>HACT: In 2021, a HACT Micro Assessment was undertaken. The Implementing Partner is considered a low risk.</p> <p>The HACT assurance activities will be updated periodically. The current HACT micro assessment is valid for 5 years, until 2026. Further assessment will be considered according to the spot check results and relevant financial and audit reports.¹</p>
11) Please indicate the date of the most recent HACT/NIM audits have been conducted of	X		Last HACT Internal Control Report (Audit) for YBUL was released by KAP Kumalahadi, Kuncara, Sugeng Pamudji & Partners on 30 March 2021 for the Year

¹ <https://drive.google.com/file/d/1mvNTXmkOXLJx-O1wupdSzSGuxHj4NQSJ/view?usp=sharing>

<p>the selected Implementing Partner. What measures have been put in place to respond to the audit findings? When available, provide a link to the management response.</p>			<p>ended 31 December 2020². The overall level of internal control with respect to the Small Grant Programme operations is considered Satisfactory.³ Internal controls, governance and risk management processes were adequately established and functioning well.</p> <p>There are 2 findings indicated in the report. Both findings were considered low risk. The finding #1 required the IP to store financial and accounting data on PCs and laptops to avoid data loss or damaged. The Implementing Partner (IP) has addressed the finding. The finding #2 required the IP to update the appointment of Ms. Yani Witjaksono as the Executive Director. The IP has addressed this finding.</p> <p>All audit recommendations have been followed up. Measures have been put in place and periodic spot check put in place. A management response has been developed.⁴</p>
<p>12) Are there any outstanding HACT/NIM audit recommendations that haven't been addressed? What is the Net Financial Misstatement?</p>		X	<p>No, all recommendations have been addressed.</p>
<p>13) Please specify what capacities the office has in place to conduct periodic spot checks and monitoring of the IP's capacities</p>	X		<p>The CO HACT focal person will ensure oversight while the programme team will take the lead in ensuring that HACT guidelines are strictly followed by the IP for this Project.</p> <p>External parties will be engaged to conduct spot checks and IP capacity assessment as per established UNDP LTAs with qualified third-party providers. QARE and FRM Units will provide clearance of TOR for hiring independent third parties and will undertake review of the spot check reports. CO has assured the project has allocated required budget for these Spot Checks and Audits.</p> <p>Spot checks are also scheduled and carried-out per HACT Assurance Plan and the Implementing partner's risk rating.</p> <p>UNDP CO staff closely follow any modifications to</p>

² <https://drive.google.com/file/d/1mvNTXmkOXLjx-O1wupdSzSGuxHj4NQSJ/view?usp=sharing>

³ https://drive.google.com/file/d/1QaVzkDglwtStdX1Atot-2TlI6X8z_7Jl/view?usp=sharing

⁴ https://drive.google.com/file/d/1F_v_diR6axNyKOUg4BmnKdR5Ud4W3NjN/view?usp=sharing

			<p>UNDP and GEF policies.</p> <p>UNDP Indonesia CO will manage, monitor and schedule spot checks on an annual basis.</p> <p>The frequency of conduct of spot checks is guided by expenditure level (of the project). However, from a risk management perspective it can be more frequent. At least one spot check is conducted for IP/ RPs each year, and internal audits of IPs are conducted based on HACT framework guideline.</p>
14) Has the capacity assessment for implementing partners, including a strengthening of the focus within the capacity assessment tools of procurement capabilities, been done and documented in the ProDoc?	X		Yes, it has been included and documented in section VI of the ProDoc and in the Partners Capacity Assessment Tool ⁵ and the HACT Micro Assessment ⁶ .
Procurement			
15) Has the procurement plan been elaborated and validated in coordination with the operation team/procurement unit? Please include the minutes of the validation meeting.	X		<p>As this project will be implemented under the NGO execution modality, procurement will be carried out by the Implementing Partner. There will be oversight activities that will be implemented directly by UNDP CO related to auditing services, and consultants for the Mid-Term Review and Terminal Evaluation.</p> <p>A procurement plan for the first year of the project has been developed in coordination with the IP as part of project preparation (annex 11 of the ProDoc). Subsequent revisions of the Procurement Plan will be undertaken during the AWP planning process.</p> <p>The Procurement Plan will serve as a guide for managing procurement throughout the project, and any updates or changes regarding the procurement plan will be reviewed by UNDP CO and approved by the National Steering Committee (NSC).</p>
16) Does the UNDP office have an established protocol to identify and manage conflict of interest in general, and more specifically those arising in procurement decision-making processes at project level?	X		<p>Yes.</p> <p>Conflict of interest is managed through strict compliance with Internal Control Framework (ICF), segregation of duties, formation and approval of Evaluation Committee as guided by POPP, signing of</p>

⁵ https://drive.google.com/file/d/1vdMt5OpdMCxPRL0Td22BZxs_lxvbln3w/view?usp=sharing

⁶ <https://drive.google.com/file/d/1mvNTXmkOXLJx-O1wupdSzSGuxHj4NQSJ/view?usp=sharing>

		<p>declaration of confidentiality by all non-UNDP Evaluation Committee members.</p> <p>In the ICF updated on 29 Jan 2021, there is a clear delegation of authority. There are several oversight committees for different procurement modalities (bids and low value grants) to invite staff from different units to ensure transparency, independence and minimize conflict of interest.</p> <p>The project's SOP on procurement and its procedures are strictly required to meet UNDP's POPP. It is reviewed periodically by the CO Team through audit/spot check process.</p> <p>In the case of the SGP, the primary area where conflict of interest situations can arise is in/during the grant making process at the country level. According to SGP Operational Guidelines, the National Steering Committee (NSC) serves as the primary and sole decision-making body at the national level providing guidance and oversight to the solicitation, review and approval of SGP grants.</p> <p>The National Coordinator (NC) is responsible for the operation of the SGP Country Programme on a day-to-day basis and in this function is guided by the NSC in all aspects of country programme operations and management.</p> <p>NSC members are required to fully disclose any potential conflict of interest by signing the NSC No-Conflict of Interest statement at the start of every NSC meeting. The template of NSC meeting minutes mandates the inclusion of such conflict-of-interest declarations. All SGP personnel are required to sign No-Conflict of Interest statement placed in their personnel file.</p>
Risk Management		
17) Has the CO conducted a proper risk analysis based on the project document? Does the risk register fully align with the risks outlined in the project document	X	The project risks and risk mitigation measures are reported in the Project Document in Annex 6 and registered in the project's Risk Register and in Annex 5 of the project document (SESP). The register is updated by the project manager as deemed necessary guided by the ATLAS system and QARE Unit. In the case of any changes in these risks or of additional risks identified, these will be presented to the Project Board (or National Steering Committee), recorded in

			the project risk register, and followed up, as necessary.
18) List the frequency the risks will be monitored, and by whom. Explain how risks are monitored by the CO.	X		<p>The registered risks will be regularly updated by the project team and reviewed by the UNDP CO, in its oversight role and also reviewed by UNDP's 2nd tier oversight at the regional level (RTA). The project team will implement the project and monitor the risk under the responsibility of the Project Manager.</p> <p>At the same time, the UNDP CO will monitor and work with the Responsible Party to ensure that risks are addressed semi-annually, in consultation with the implementing partner and relevant stakeholders. Risk Mitigation measures will be put into place to manage these risks via regular meetings and calls and reported on through the annual Project Implementation Review (PIR).</p> <p>In addition, the management response to the mid-term review and the final evaluation will also capture how the IP has successfully or not managed risks associated with the project. The risk log (or risk register) will also be reflected in project progress reports and it will be updated on a regular basis as deemed necessary guided by the ATLAS system and QARE Unit. When risks are identified as being high, they will be flagged with the UNDP CO management and with the Regional Office of UNDP (Bangkok Regional Hub) and, where required, with UNDP HQ.</p>
19) Has risk assessment and management been done with identified mitigating measures documented in the ProDoc?	X		<p>Section XI of the Project Document defines the principal risks in achieving the Project's objectives. These will be assessed and revised on an annual basis alongside the PIR process with a view to identifying any amendments or additions to the Project's activities that may be required to further reduce such risks. Such amendments or additions would be reviewed by the National Steering Committee (NSC) for approval.</p>
Co-finance			
20) Please indicate how the CO will monitor and report back on the realization of co-financing included in the UNDP GEF Project Document	X		<p>The Project Team will provide data on co-financing, which will be verified by the UNDP country office, as part of its oversight function. Co-financing partners will be requested to provide letters that indicate the amount of co-financing that has been realized, to ensure that accurate co-financing figures are obtained and reported for the project in each PIR, National Steering Committee meeting, as well as during mid-term and terminal evaluation of the project.</p>

			<p>The actual realization of SGP grantee co-financing figures (presented in Section VIII of the ProDoc) will be monitored by the UNDP Country Office and the Country Programme Management Unit in close collaboration with the respective grantees. Such figures will be validated by the NSC, before they are reflected in the PIRs.</p> <p>Relevant and existing templates, including those from PIRs, MTR and TE, will be used by UNDP CO and the IP to track co-financing on a six-month basis and to report in periodic progress reports. The data will be updated annually in the PIR.</p>
Time tracking			
21) Please specify if you currently have a system in place to trace time dedicated to providing oversight of this project and separately execution support.	X		UNDP BPPS/NCE has developed a timesheet feature in the PIMS+ and has been rolled out to COs for accurately accounting staff's time spent on providing oversight and execution support. This system has been operational from 31st March 2021.

DocuSigned by:

09-Dec-2021

Norimasa Shimomura

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Signature/Clearance: Mr. Norimasa Shimomura, UNDP Resident Representative

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10-Dec-2021

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Signature/Clearance: Mr. Christophe Bahuët, Deputy Regional Director for Asia and the Pacific and Director, Bangkok Regional Hub

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12-Dec-2021

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Signature/Clearance: Mr. Pradeep Kurukulasuriya, UNDP GEF Executive Coordinator