

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

China: Green Production and Sustainable Development in Secondary Aluminum, Lead, Zinc and Lithium Sectors in China

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 <i>(please include a page reference in the PRODOC and/or a link to supporting documents)</i>	
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.	YES		Date of ICF review by RBX: 15 November 2021 Future date of ICF review: 15 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?	YES		The country office has adequate technical capacities and human resources for quality assurance functions to ensure delivery and provide oversight management according to planned results. The UNDP Country Office has been working in China over the past 42 years and successfully providing project oversight on projects funded by multiple donors such as the GEF, Montreal Protocol, multilateral development partners, national and local governments, and the private sector. UNDP's support in China is closely aligned with China's national development strategy.	

		<p>UNDP is considered to be the leading GEF implementation agency in China. The Country Office is structured in a way that ensure proper project oversight, as described below:</p> <p>Programme: The Planet Team, headed by an Assistant Resident Representative is responsible for the implementation (oversight) of UNDP-GEF supported projects. The Planet Team also consists of dedicated professionals with technical and project management/oversight skills. In addition, the Strategic Planning, Risk Management and Monitoring & Evaluation Unit, Partnerships, Economist Network and Communications & Innovation Unit, and Gender Specialist can provide additional oversight support in cross-cutting areas for the GEF supported projects.</p> <p>Operations: Operational oversight is carried out by dedicated teams under the Operations Manager (Assistant Resident Representative), who is supported by Head of Finance, Head of Human Resources, and the Head of Procurement.</p> <p>Financial Management: The Country Office HACT focal point oversees HACT compliance of project implementing and responsible partners (Executing Partners). On an annual basis, regular spot checks and project visits are conducted for projects implemented through UNDP’s national implementation modality (NIM), in line with the Assurance Plan approved by the CO’s Resident Representative. The Country Office is also bound to comply with UNDP’s Programme and Project Management (PPM) Policies and the UNDP’s Financial Regulation 16.02 and Financial Rule 116.02</p> <p>Project Implementation Capacities: Although this project will be NIM implemented, it is relevant to mention that the UNDP China Office has successfully implemented a variety of projects funded by different donors. During the period of 2016-2020, US\$211.8 million of program funds were delivered. In 2020, 91 projects achieved delivery of US\$ 37.47 million versus the annual EG target of US\$ 35.15 million. In 2021, the UNDP China CO has an overall portfolio of 75 projects (ongoing implementation and under development) with a delivery target of US\$ 31 million.</p> <p>GEF Portfolio Implementation Oversight: In 2021, there are 24 ongoing GEF projects implemented by</p>
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		<p>UNDP in China. Among them, four projects with total amount of funding USD 15,180,000 are for the chemicals and waste management and two of them are in the PPG phase (PIMS6279 has been submitted to GEF on 16 June, which is within the required time) During project implementation, the UNDP China Office strictly complies with the requirements of the International Public Sector Accounting Standards (IPSAS) and follow the established UNDP Programme and Operations Policies and Procedures (POPP) rules and regulations in the processing of project transactions. Based on the monthly Atlas Financial Reports, the rate of finance dashboard for China office is satisfactory.</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)	YES	<p>The following are the CO management, programme and operations staff funded from general management services fee accrued to UNDP from multiple donor resources, including GEF resources:</p> <ol style="list-style-type: none"> 1. Ms. Beate Trankmann, Resident Representative; 2. Mr. James George Chacko, Deputy Resident Representative (Designate); 3. Mr. Ma Chaode, Assistant Resident Representative; 4. Ms. Ge Yunyan, Operations Manager; 5. Ms. Zhang Rongfang, Finance Analyst; 6. Ms. Fan Lu, Human Resources Analyst; 7. Ms. Xiao Yi, Procurement Officer; 8. Mr. Hong Yun, Programme Manager <p>There is no member assigned to as the project will be implemented under UNDP's National Implementation Modality (NIM).</p>
4) Has the CO put in place the necessary protocols to conduct annual field missions (monitoring visits) for project oversight support?	X	<p>POPP's Programme and Project Management (PPM) stipulates the proper oversight mechanisms that ensure UNDP's accountability. The Oversight Mechanisms requested under PPM are included in the GEF Supported Project Document (ProDoc) that include:</p> <p>(a) Project field visit is to be generally carried out at least once per year and documented for the project. Back to Office Reports (BTOR) of site visits and country missions are prepared and filled at PIMS+ for auditing purposes. BTORs are shared with UNDP's BPPS/NCE Staff responsible for Project Oversight at regional level, with copy to Country Office Quality Assurance Teams (RBAP) responsible for Country Office (corporate) oversight.</p>

		<p>(b) In addition to field visits, Programme Officers and Regional Technical Advisors conduct regular discussions to jointly review progress with project implementation units to ensure the project activities are on track.</p> <p>(c) Project Review Meeting will take place, at least once per year, to review, among other, the findings of the project oversight meetings.</p> <p>In addition to field visits, programming officers conduct regular virtual discussions (via Skype/Zoom) to jointly review progress with project implementation units to ensure the project activities are on track, normally at quarterly basis.</p> <p>As additional risk management plan, to cope with potential implications of the COVID-19 pandemic that could eventually be extended in the coming years and in the event that field missions are restricted or halted completely:</p> <p>(d) Project Executing Partner(s), suppliers and contributors are expected to inform the Project Board (PSC).</p> <p>(e) Online oversight “missions” composed by UNDP Staff (Programme Officers and RTAs) will be carried out, at least twice per year.</p> <p>(f) Additional quarterly discussions (Skype/Zoom) may take place to jointly review progress with project implementation units housed by the Executing Partners in order to continue manage the risks potentially arising from extended COVID-19 pandemic.</p> <p>Back to Office reports (BTOR) of site visits and country mission reports will be submitted to BPPS and copies will be retained in the UNDP CO for auditing purposes.</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>	YES	<p>Date last OAI Country Office audit: 24 December 2020</p> <p>Qualification: Satisfactory, with no outstanding recommendation.</p>

6) Has Prodoc clearly outlined roles and responsibilities of UNDP Country Offices and implementing partners for the oversight of this project	YES		See Section VII of the ProDoc “Governance and Management Arrangements” for details.
7) Has Prodoc clearly outlined roles and responsibilities of the project boards?	YES		See Section VII of the ProDoc “Governance and Management Arrangements” for details.
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.	N/A		Execution support services are not being requested for this project.

<p>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?</p>	<p>YES</p>	<p>UNDP’s POPP prescribes project oversight requirements. POPP’s Programme and Project Management (PPM) stipulates the proper oversight mechanisms that ensure UNDP’s accountability, and these were fully incorporated in the Project Document of this project.</p> <p>The POPP, PPM, and SOPs to be applied in the project are in line with the GEF guideline on project and program cycle policy and the Rules and Guidelines.</p> <p>UNDP provides a three-tier oversight and monitoring services, which are:</p> <ul style="list-style-type: none"> i. UNDP China Country Office (RR, DRR/ARR; Programme Officer); ii. UNDP Regional Bureau, to ensure compliance with UNDP Regulations and Rules; iii. BPPS Nature, Climate and Energy Unit, which will provide technical oversight and ensure compliance with GEF policies and procedures. BPPS-NCE operates through a network of region-based technical advisors (RTAs), regional team leads (RTL), global principal technical advisors (PTA) and a directorate function at HQ. <p>The following structures will also support proper project oversight:</p> <p>(a) Project Execution Structure This project will be implemented following UNDP’s National Implementation Modality (“full” NIM), according to the Standard Basic Assistance Agreement between UNDP and the Government of China, and based on the United Nations Development Assistance Framework (UNDAF 2021-2025).</p> <p>The Implementing Partner (IP, or GEF Executing Partner) for this project is the Foreign Environmental Cooperation Center, Ministry of Ecology and Environment (FECO/MEE). The IP will also have responsibility for coordinating the management of the project budget, in close consultation with the Project Steering Committee (Project Board) that review of annual progress reports for necessary guidance and approve the annual work plan and resources</p>
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		<p>allocated, as well as make key decisions on a yearly basis.</p> <p>(b) Project Governance and Oversight A Project Steering Committee (Project Board) will be established and composed of the representatives of FECO/MEE, MOF, UNDP-China, and the representatives of other partner government agencies. At the Project Board, UNDP will be represented as a Development Partner. Other Board members include the beneficiary representatives and project executive (FECO/MEE). To ensure UNDP's ultimate accountability, Project Board decisions will be made in accordance with standards that shall ensure management for development results, best value money, fairness, integrity, transparency, and effective international competition. In case consensus cannot be reached within the Board, the UNDP Resident Representative (or their designate) will mediate to find consensus and, if this cannot be found, will take the final decision to ensure project implementation is not unduly delayed.</p> <p>c) Project Reporting Structure The IP will report to the Project Steering Committee and under the guidance of the Committee will ensure that the project planning, review, monitoring, evaluation, and all other reports are completed in a timely manner, that coordination among the various partners is effective and project activities are completed as per agreed schedule. The Project Document includes the Project Organizational Structure along with detailed descriptions of roles and responsibilities of the project's key players.</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.	YES	<p>PCAT: the PCAT for IP, FECO/MEE was undertaken in 2021 with a low risk rating.</p> <p>Will the PCAT be updated at mid-term review of this project? YES</p> <p>HACT: Micro Assessment was completed in September 2021, resulting in a low-risk rating.</p>

<p>11) Please indicate the date of the most recent HACT/NIM audits have been conducted of 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>The NIM audit of the implementing partner was conducted in August 2020 for the GEF project “China Phase-out of Endosulfan” (Atlas award ID: 00095048, project ID: 00099101).</p> <p>The audit was conducted in according with International Standards on Auditing (ISAs), the report states that the expenses of US\$ 415,180.64 incurred by the project from 1 January 2019 to 31 December 2019 are in accordance with agreed upon accounting policies.</p> <p>No NIM audit issues were raised, which could be attested by p. 21 of the report: <i>“Project implementing partner is Foreign Economic Cooperation Office of the Ministry of Ecology and Environment. The project’s internal control system was generally effective in providing useful and timely information for project management and was generally effective in protecting the assets and resources of the project”</i>.</p>
<p>12) Are there any outstanding HACT/NIM audit recommendations that haven’t been addressed? What is the Net Financial Misstatement?</p>		NO	<p>There was no outstanding HACT/NIM recommendation that has not yet 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>	YES		<p>As per the UNDP and GEF policy, an independent audit firm is recruited to conduct spot checks. The CO will provide clearance to TOR for hiring independent third parties. UNDP China has capacity to conduct programme monitoring.</p> <p>The UNDP China Country Office regularly conducts programme monitoring visit by programme officers and M&E team. Head of Finance will call for information to confirm with each project team annually for audit, spot check and micro-assessment exercise (if needed for new IP) during implementation period.</p>
<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?</p>	YES		<p>Yes, capacity assessment is included in the ProDoc annexes and as part of Governance and Management Arrangements, including:</p> <ul style="list-style-type: none"> i. The micro-HACT assessment ii. PCAT <p>As practiced in all UNDP-GEF supported projects, UNDP always endeavors to seek adaptive management approach in the implementation of projects. Based on the partnerships defined and firmed up during the project development, the</p>

			management arrangements have always been anchored on co-operation and mutual sharing of benefits where accountability and responsibility for implementing the project and achieving the project outputs.
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.	YES		<p>Under the NIM modality, the procurement will be conducted by the implementing partner, in accordance with the "Ministry of Finance Order No. 102 Administrative Measures for Government Purchasing Services".</p> <p>The HACT Micro Assessment of the IP conducted yielded an overall 'low' risk ranking. The seven subject areas that were assessed, including procurement and financial reporting and monitoring, all yielded low risk rankings.</p> <p>A procurement plan for Year 1 (<i>please see ProDoc annex 12</i>) of project implementation was developed by the PPG team in coordination with the UNDP China procurement team and was validated by the IP. The project procurement plan for Year 1 will serve as a guide for the procurement plans to be developed for the remainder of the project cycle.</p> <p>The Procurement Plan will serve as an overall 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 Project Steering Committee.</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?	YES		<p>This project will be implemented through NIM Modality, and the IP is requested to apply Procurement Regulations that are aligned with "Ministry of Finance Order No. 102 Administrative Measures for Government Purchasing Services". Micro Assessment conducted in Sept. 2021, the IP met the policies on the procurement process requirements set by UNDP.</p> <p>Using existing UNDP policies and procedures, all staff and contractors are hired specifically must declare any conflicts of interest prior to being hired in compliance with UNDP rules and regulations. Conflict of interest are ultimately referenced through UNDP's POPP on Procurement, as well UNDP's Code of Procurement Ethics, Fraud and Corruption.</p>

		<p>Conflict of interest are avoided through execution of corporate and UNDP China specific checks and controls assured through (though not limited) the Internal Control Framework, composition of procurement committee, declaration of confidentiality, CAP/RCAP/ACP review, and relevant oversight mechanisms.</p> <p>During the project implementation, the national regulatory requirements on procurement process and managing conflict of interest will be incorporated in the project operating procedures. The project team members will be informed of these requirements by CO and the IP prior to engaging in any procurement process.</p> <p>During project lifetime, procurement processes will be undertaken as per UNDP rules and regulations. In line with the UNDP China's SOP, more detailed and specific procurements plan will be prepared in line with multi-year work plan and budget is approved by the project manager with support of project team. As part of UNDP's oversight responsibilities, procurement processes are to be properly documented by the IP, filed for auditing purposed and submitted to UNDP's monitoring as part of Progress Reports and delivery performance through the FACE Forms.</p>
Risk Management		
<p>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</p>	<p>YES</p>	<p>In response to the CO audit in 2020 and pursuant to the UNDP latest cooperate ERM policy back in 2019, the CO has invested considerable efforts in the routine risk monitoring and management.</p> <p>In this regards, Risk Assessment for this project was carried out in two levels:</p> <p>(a) Administrative/Execution Risks A detailed Risk Register is integral part of the project document (ProDoc), which fully aligns with the risks identified and described in the project document, in terms of implementation and execution risks. Risk register and risk mitigation plan is consistently updated, on the basis of the information emerging from project monitoring, oversight and assurance activities.</p> <p>(b) Social and Environmental Risks In line with the 2021 updated Social and Environmental Safeguards (SES) Policy, a detailed SES</p>

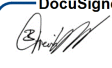
		<p>Procedure Review (SESP) was successfully completed in order to identify and establish management mechanisms for unintended repercussion that project may generated. The SESP is attached to the ProDoc and carry additional follow up actions to manage moderate to high risks identified during project implementation. Follow up, detailed assessments will be carried out during project implementation and the emerging risks, integrated in the risk register and closely managed.</p>
<p>18) List the frequency the risks will be monitored, and by whom. Explain how risks are monitored by the CO.</p>	<p>YES</p>	<p>Administrative/Execution Risks will be updated on a semi-annual basis for this project, in time with the preparation of the Project Progress Report (PPR) and further complemented by programme visits and assurance activities.</p> <p>This PPR was a recent effort of the CO to strengthen its risk management. The CO has reviewed and updated the PPR template incorporating inputs from BRH, CO colleagues, and key government counterparts. The new PPR template has an enhanced risk section that requires prudent review of all risks identified at the project design stage. The improved PPR template came into effect in April 2020.</p> <p>Social and Environmental Risks will be monitored following the SESP Procedure, that include carrying out further impact studies and management plans for each risk identified.</p> <p>The CO monitors the projects' risks via the following approaches:</p> <ul style="list-style-type: none"> - The PMO takes the responsibility to maintain and update the offline risk register. The Project Coordinator inform the Board regarding any new risks, changes to existing risks, or escalation of risks - Then the Project Board convenes regular meetings. During the meeting, updated risks information will be reviewed. - Following the PB meeting, the Programme Director ensures that details of identified risks are regularly updated in Atlas and properly reflected as part of the Project Progress Report (PPR). - Besides, the PMO/IP takes the responsibility to continually scan for emerging risks. The PB advise on how the potential risks will be addressed or

			<p>endorses whatever mitigation actions are identified/proposed by the PMO/IP.</p> <ul style="list-style-type: none"> - The management response to the Mid-Term Review and the Terminal Evaluation will also describe how FECO has successfully or not, managed risks associated with the project. <p>A new NOA post focused on risks and financial management/quality assurance will be created</p> <ul style="list-style-type: none"> - exclusively for the Planet pillar. CO will make the necessary investments for this to further strengthen risk management. - The CO will also recruit a “Safeguards Consultant” for the overall Planet portfolio to manage SESP risks. This will be in addition to the mandatory SESP related safeguards
19) Has risk assessment and management been done with identified mitigating measures documented in the Prodoc?	YES		<p>Yes, the ProDoc contains the Risk Management and SESP mitigation measures. These will be assessed and revised on a quarterly basis and annually, 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 Project Board for approval. Risks will be continuously monitored and acted up.</p> <p>In addition, CO will setup a NOA Safeguard Officer post for oversight safeguard issues and engage an international safeguards consultant on LTA for the overall Planet portfolio to ensure compliance with UNDP SESP in the whole CO VF portfolios. The above mentioned documents are annexed to the ProDoc. Each document includes mitigating measures targeting the risks identified in SESP.</p> <p>The risks 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 Project Board 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	YES		Project Manager, assisted by the Project Management Office (PMO) is in the frontline of tracking and monitoring of the realization of committed co-financing for the Project on an annual basis

		<p>As part of their reporting tasks, Project Manager shall inform the Project Board about the risks associated with the realization of project co-finance in the Annual Review Meetings and Project Progress Reports.</p> <p>Annually, the PIR report will also be a critical instrument to monitor the realization of co-finance from the project partners</p> <p>UNDP will commission the mid-term and terminal evaluations in which the co-finance status is evaluated.</p> <ul style="list-style-type: none"> a) In the MTR the preliminary conditions of realization of co-finance is evaluated, and the evaluation team will provide their conclusions on the status alongside recommendations about the risks associated with those. b) The TE will verify/confirm the delivery of the co-finance by, but not limited to, verifying files, confirming existence of co-finance letters and interviewing partners on the actual amount of co-financing that has been realized to ensure that accurate co-financing figures are obtained and reported. <p>UNDP office in China, in its oversight role function, takes the lead under Project Board/PSC meetings on assessing the co-finance associated risks and their risk management plan.</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.	YES	UNDP China conducts workload analysis on an annual basis. UNDP BPPS/NCE and CO staff are required to report on the time spent on the oversight of GEF projects through the Tracking Time Sheets filled in PIMS+ by CO staff, RTA and PTAs responsible for the project oversight, in order to trace time dedicated to the project on oversight.

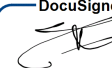
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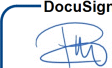
Christophe Bahuët

Signature/Clearance: Regional Bureau Deputy Director

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Pradeep Kurukulasuriya

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