



THE UNITED REPUBLIC OF TANZANIA

LOCAL GOVERNMENT CAPITAL DEVELOPMENT GRANT SYSTEM

MANUAL FOR THE ASSESSMENT OF COUNCILS AGAINST MINIMUM ACCESS CONDITIONS AND PERFORMANCE MEASUREMENT CRITERIA

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August 2006

LOCAL GOVERNMENT CAPITAL DEVELOPMENT GRANT SYSTEM

ASSESSMENT MANUAL

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PART I: ASSESSMENT PROCESS, ORGANISATION AND MANAGEMENT

1. Introduction

This manual has been produced to facilitate the efficient and effective operation of the Local Government Capital Development Grant (LGCDG) system assessment process and to ensure that all councils are aware in advance of the process and are able to maximise their grants from the system.

The targeted users of the manual are:

- The management and staff of the councils, so that they are fully informed as to the assessment process and the criteria against which they will be judged.
- The Councillors, so that they are aware of the assessment process and criteria and can ensure that management actively works to maximise grants received from the system.
- Councillors and officers at the Ward, Village and Mtaa level so that they may carry out their roles effectively.
- The citizens, so that they may hold their Councillors and Council Management Teams accountable for failure to meet assessment criteria.
- Officers from Prime Minister's Office - Regional Administration and Local Government (PMO-RALG) so that they can manage the assessment process effectively.
- Officers in Sector Ministries, so that they may understand the system and see where their programme conditions fit within the whole system or, where not integrated, how they can be brought into the assessment process.
- Those carrying out the assessment, so that a uniform approach is carried out across the local government authorities.

The Assessment Manual will be continually refined during the life of the programme, to reflect experience and the increasing integration of sectoral programmes and funding sources.

1.1 Background to the Assessment

The Government of Tanzania (GoT), through PMO-RALG, has implemented the LGCDG System which provides discretionary development funds to local authorities, and will over time become the mechanism through which all development funds will be transferred to Local Government Authorities (LGAs). The overall objectives of the LGCDG system are:

- (i) to improve the access of communities especially the poor, to local services through expanding the physical stock of new and rehabilitated infrastructure;
- (ii) to enhance the delivery and management capabilities, productive efficiencies and financial sustainability of local governments; and

(iii) to provide a national system for the delivery of development grants to LGAs.

The funds will flow to local authorities through Capital Development Grants (CDGs) and Capacity Building Grants (CBGs), as well as sector specific grants integrated into the system.

The government wishes to establish a link between the financing of local government and their performance in key areas of financial management, participatory planning, pro-poor budgeting, budget execution and the broader areas of local governance such as transparency and accountability, council functional processes and the involvement of Lower Local Governments (LLGs) and communities.

The link first and foremost, seeks to promote compliance with national policies, and legal and regulatory frameworks. Secondly it introduces an incentive system that allows for adjustment of the annual grant allocations to each LGA, upwards or downwards depending on their performance against a set of performance indicators designed to encourage LGAs to comply with policy guidelines and regulations aimed at improving the quality of services and promoting good governance.

Currently, the LGCDG system is financed by the World Bank, GoT, and the development partners through basket funding arrangements. All funds will, however, flow to LGAs through the Consolidated Fund in the Ministry of Finance. In time however the system will be completely absorbed into the Government Budget.

The funds are distributed to the participating LGAs on formula-based criteria.

1.2 Objectives of the Minimum Conditions and Performance Measures

Before the LGAs access the LGCDG system funds, they have to meet a set of minimum requirements that ensure that funds transferred to them are properly used and in compliance with the laid down GoT statutory and administrative requirements. The Minimum Conditions (MC) are derived from laws, regulations and guidelines, including among others the Local Governments Acts 1982, Local Authority Financial Memorandum, 1997, and the Public Procurement Regulations 2005. The MC, while seeking to ensure sufficient safeguards for the utilisation of the grant funds, are also designed to promote compliance with the basic statutory and regulatory requirements for local government operations. These conditions are mainly quantitative (usually in the form of Yes/No questions) and are simple to evaluate during an assessment. This is in order to ensure that the funds are used effectively, efficiently, sustainably and with integrity.

In addition to the MC, a set of performance indicators has been elaborated as a means of introducing incentives for performance improvement by providing for adjustment in the yearly size of the grants received as a reward for good performance and sanction for poor performance. Unlike the MC, the Performance Measures (PM) are more qualitative and seek to evaluate the performance of the LGA in key functional areas such as financial management, development planning, procurement, project implementation, human resource development etc.

Additionally the PM indicators are used to evaluate LGAs' compliance with broad policy guidelines on governance issues such as transparency and accountability, participatory planning, and pro-poor budgeting, which are critical for improved service delivery. Thirdly, the performance measures aim to provide incentives for improved local government performance and to stimulate the demand for capacity building support.

1.3 Access to CDG/CBG under the LGCDG system

The determination of the LGAs that will access CDG and CBG under the LGCDG system follows a two-step process as follows:

1) An on site review of the LGAs' capacity in the key areas that have been formulated into Minimum Conditions that must be met in order to provide safeguards for the utilisation of the grant funds and to ensure compliance with statutory and regulatory prescriptions for LGA operations. This determines which LGAs will qualify to receive CBG alone or both the CDG and CBG. Those LGAs that meet the minimum access conditions will receive both CDG and CBG. Those that fail to meet the minimum access conditions for the CDG, will receive only the CBG provided they have a capacity building plan and have properly accounted for previous disbursements.

2) The second step is an on-site review of the performance improvements using indicators to measure their performance against pre-determined performance indicators. This Performance Assessment system is linked to an incentive structure so that good performance is rewarded and poor performance sanctioned. This determines the adjustment of the annual grant size available to the council in the coming year.

1.4 Assessments Carried Out to Date

The initial assessment was undertaken in 47 Councils in August/September 2004, for funds to be disbursed in 2004/05. Following that initial assessment this Manual was revised to embrace the lessons learnt. In July /August 2005 the assessment for 2005/06 was completed for all the councils. During these assessments, both MC and PM were assessed, but the scoring on the PM was not used to adjust the size of the grant allocation for 2005/06 but informed the councils as to the shortfalls that needed to be addressed.

The second assessment for all LGAs took place in March/May 2006 and this assessment included specific MCs and PMs for the Agriculture Sector Development Programme. The results of the CDG PM assessment were also applied for the first time in the allocations arising from the assessment.

1.5 Objectives of the Annual Assessment System

The objectives of the assessment of Minimum Conditions and Performance Measures are to:

- Verify compliance of the Local Governments with the provisions of the laws and national guidelines especially the Local Government Acts 1982, the Local Government Finances Act 1982, the Local Authorities Financial Memorandum 1997, the Local Government Accounting Manual, the Public Procurement Regulations 2005;

- Determine the LGAs that have the capacity to manage discretionary development funds and therefore eligible to access the CDG under the LGCDG system;
- Identify those LGAs that qualify for capacity building funds under the CBG;
- Identify those LGAs that qualify for earmarked sectoral funding through the LGCDG system;
- Provide incentives/disincentives for LGA's performance through rewarding good and sanctioning poor performance by local authorities;
- Assist LGAs to identify functional capacity gaps and needs. The results of the assessment are a major input in the development of an appropriate capacity building plan;
- Improve downward accountability as citizens become more aware of the performance of their LGA; and
- Review LGAs' use of prior years' CDGs and CBGs.

1.6 Assessment of Minimum Conditions and Performance Measures

Assessment of the Minimum Conditions and Performance Measures takes place every year at the beginning of the second quarter of the Financial Year (Sept/Oct) in order to fit within the planning and budgeting cycle of the LGAs. This will also ensure that most data required verifying compliance with various requirements, is available. These include among others, final accounts, approved plans and budgets, co-funding arrangements, announcement of indicative planning figures (IPF) for LLG, allocation of funds for Operations and Maintenance (O&M) etc.

The Performance Assessments are based on functional areas used for definition of minimum conditions, but are much more qualitative to allow for a more specific performance measurement.

There should be a clear link between the Performance Assessment and the use of the CBG. The Performance Assessment defines performance gaps that LGAs will have to address with the help of the CBG to improve their performance in order to access the CDG, if they failed to do so in the first round and thereby attract additional funds (performance bonus) in subsequent periods.

2. The Annual Assessment

2.1 Organisation of Annual Assessments

As the assessment will have serious consequences for the LGAs, it is vital to ensure full impartiality of the assessment in order to preserve the integrity of the assessment process, and to this end PMO-RALG contracts a consulting firm with demonstrated capacity to provide personnel with relevant expertise and experience to assist in co-ordinating the assessment exercise and compiling the assessment reports.

The Consultants are responsible for the organisation and management of the assessment exercise including the constitution of Assessment Teams (ATs), training and orientation of the

teams, travel and other logistics. After the fieldwork, the consultant compiles the final report to present the assessment results and submits it to PMO-RALG for approval.

In the coming years the role of the consultants within the assessment process will be increasingly transferred to PMO-RALG.

Every effort will be made to ensure that the updated assessment manual is provided to LGAs at least one month prior to the assessment.

2.2 The Assessment Team

For the reasons stated above, an external party, a consulting firm, currently manages the assessment exercise. The objective of the assessment is to establish the capacities and capabilities of the LGAs in the specified functional areas that have been formulated into minimum conditions and performance measures. The functional areas include financial management, procurement, planning and budgeting, human resource management, project implementation, and monitoring and evaluation. The AT is therefore composed of persons with relevant expertise and experience in these areas.

The number of team members is currently four, initially two consultants and two resource persons drawn from the resource pool provided by PMO-RALG. The size of these teams may require expansion to address the conditions and measures specific to sector programmes integrated into the LGCDG system.

The selection and composition of the ATs ensure that members of the teams are impartial and independent when conducting the assessment. This independence and impartiality could be in terms of geographical and service delivery inclinations. For example no member of the AT should be allowed to assess an LGA located in her/his area of service delivery and no member of the AT should assess an LGA of her/his place of permanent residence.

2.3 The Assessment Process

2.3.1 Training/orientation of the Assessment Team

The assessment process begins with a two-day orientation /induction of the AT to expose them to the assessment manual, methodology and reporting guidelines. During the training, the facilitators explain the minimum conditions and performance measures emphasising the difference between the two sets of indicators. They discuss the sources of information to verify each indicator, and outline the assessment procedures and the scoring system and the report format. This is done to ensure a standardised approach in carrying out the assessment interpreting the manual, using the scoring system and reporting the results. The facilitators also take this opportunity to alert the AT members on problems/challenges inherent in the assessment process.

2.3.2 Fieldwork

The fieldwork in each LGA starts with an introductory meeting with the Council Management Team (CMT), who have been notified in advance of the date of the assessment. The purpose of

the meeting is to present the programme for the visit and agree on the list of people to be interviewed and confirm appointments and present the list of documents that the team is going to review so that they are assembled on time and to give the Council team an overview of the assessment, purpose, procedures and outputs.

The AT should prepare a checklist from the manual to be used at the introductory meeting, of all the documents that would be needed for the exercise and people to be met to facilitate the availability of the documents and officers required.

In conducting the assessment the AT is required to review various documents, reports and conduct interviews with key informants. The teams spend about 3 days in each LGA conducting interviews and reviewing documentation. The team gives feed back on initial findings to the council management, for transparency and to check factual accuracy, before leaving the council.

2.3.3 The scoring system

The Minimum Conditions

In order for a LGA to access the CDG and CBG it must meet all the minimum conditions for each of these grants.

The MCs are however also split between primary and secondary conditions. Failure to meet primary conditions disqualifies LGAs automatically. LGAs can however receive “provisional passes” where they have failed two secondary conditions. The passes are provisional on them having provided documentary evidence of having rectified the omission within 2 months of the notification of Steering Committee approval of the assessment.

Examples of primary and secondary conditions are adverse audit report (primary) and failure to submit audit reports to Finance Committee (secondary). In Part II the level is noted against each condition.

It is recognised that the appointment of the Director and Treasurer are not totally in the control of the LGAs but they cannot abdicate the responsibility for having filled senior staff positions and must pressurise PMO-RALG and the other involved institutions to provide the staff.

Performance Measurement

The performance of the LGA on key functional areas is assessed using the Performance Measurement (PM) indicators elaborated here in Part III of the manual. Unlike the MC, the PM indicators are assessed using a scoring system that feeds into an incentive system for rewarding good performance and sanctioning poor performance based on assessment of the LGAs performance on key functional areas. The performance measures assessment applies to only those LGAs that have met the MC to receive the CDG.

The table below contains the relative weights and scoring and the eligibility criteria to be applied for the performance based incentive scheme.

Functional Area	Total Score	Minimum score below which a penalty applies	Minimum score to receive Performance bonus
A. Financial Management	25	12	18
B. Fiscal Capacity	15	7	12
C. Development Planning	27	12	22
D. Transparency and Accountability	15	6	12
E. Interaction with LLG.	10	4	7
F. Human Resource Development	13	5	9
G. Procurement	14	6	10
H. Project Implementation	26	10	18
I. Council Functional Processes	5	2	3

The marks are derived from the performance indicators within functional areas as set out in Part III of this manual. For each functional area, there are two levels, a minimum score that must be attained for the LGA to attract a performance bonus and the minimum score below which, a LGA attracts a penalty for poor performance. Failure to provide the necessary information is interpreted as failure to comply and will score a zero.

It should be noted that qualification for bonus is not overall but by functional area. To qualify for a bonus a council must score higher than the minimum mark for a performance bonus in all functional areas. Therefore a score of 4 in Functional Area A will mean a penalty is applied even though the other areas have scored for basic or bonus. The table below summarises the scheme applied in the assessment to determine the size of the grant to be received in the ensuing financial year.

Performance “rating”	Reward/Sanction
Acceptable performance (Complied with Minimum Conditions and attained minimum score in all functional areas to receive basic)	Receives basic CDG allocation for next FY
Very good performance (Complied with Minimum Conditions and attained scores in all functional areas above the stated minimum for a bonus)	+ 20% CDG allocation for next FY
Poor Performance (Complied with Minimum Conditions but in one or more functional area scored below the minimum to receive basic)	- 20% CDG allocation for next FY
Non-compliance with Minimum Conditions for access to CDG	No CDG
Compliance with Minimum Conditions to access CBG	Receives CBG
Non - Compliance with Minimum Conditions to access CBG	No CBG

2.3.4 Analysis and Report Production

The analysis of the data on the MC and the PMs and the compilation of the assessment report is done through field visits and follows the following guidelines:

1. Information verifying each indicator for MC or PM is obtained either through document review or interview with informants and is recorded in the outline in section I or II of this manual.
2. At the end of each working day the team holds an internal wrap up meeting to reconcile the various pieces of information received from different sources into a consolidated finding in respect of each of the indicators.
3. The team also discusses and records any key issues or observations that need to be highlighted in the LGA's final report.
4. At the end of the assessment at each LGA, the team holds a debriefing session with the CMT and council chairman or representative(s) to present its initial findings for transparency and to check the factual accuracy of information received. The team will not however indicate what the overall assessment result is likely to be.
5. On completing the cluster of LGAs assigned to the team, the team leader compiles a council specific report, and agrees on its accuracy and completeness with the team members. All team members should initial the draft report before it is submitted to the overall Team Leader for review and onward transmission to PMO-RALG.
6. The council specific report should include an analysis of the progress made by the council in addressing the weaknesses identified in the previous assessment.
7. On receipt of all council reports from the sub-team leaders, the overall AT Leader reviews the reports and compiles a synthesis report that covers the results for all the LGAs assessed and submits it to PMO-RALG together with the council specific reports.

2.3.5 Dissemination of results

Each assessed LGA is provided with a copy of their council specific report, as well a copy of the synthesis report which they should table before the council for discussion and adoption. Failure to provide evidence that this has been done will result in delayed release of the CDG.

PMO-RALG also publishes a summary of the assessment results in a daily newspaper for wide dissemination and awareness creation, as well as publishing them on the ministry's website, through radio and television. Councils will be required to publish the assessment results on their notice boards.

In addition to the above a stakeholders workshop will be held, the output of which is a report summarising the lessons to be learnt for future assessment exercises. The workshop which is organised by PMO-RALG is attended by representatives from the LGAs, sector ministries, RS, MOF, ALAT, and development partners.

2.3.6 Appeal system

If an LGA is not satisfied with the results of the assessment on the basis of material omissions or inaccuracies, it should address its complaint, through the Regional Secretariat to the Permanent Secretary, PMO-RALG, enclosing any relevant documentary evidence in support of their case. If the LGA is not satisfied with her/his response then it may appeal to the LGCDG System Steering Committee, through the Technical Committee.

2.3.7 Quality Assurance

It is vitally important to ensure that the Assessment system is in accordance with international practises and that the system is prudently applied. In order to ensure this, the system and the application of the assessment will regularly undergo a quality check by an independent party appointed by the Government.

2.3.8 Detailed Guidelines

Part II and Part III of this manual set out in detail the minimum conditions and the Performance Measures together with the steps required to assess them and the scoring system.

3. Sector Specific Grants

Under the LGCDG system space has been made for sector specific grants to be brought into the system but with ring fenced funding to ensure that planning and budgeting processes incorporate the sector needs. While it is anticipated that all sectors will come into this process the need for sector specific grants will fall away over time as the sectoral programmes are increasingly institutionalised into one discretionary grant system.

Currently two sectoral programmes are being implemented through the LGCDG system, the Agricultural Sector Development Programme (ASDP), and the National Framework for Urban Development and Environmental Management (UDEM). The grants provided under each of these are described in the following paragraphs and the additional assessment criteria described in Parts II and III. The National Rural Water Supply and Sanitation Programme (NRWSSP) is expected to become effective in 2006/07.

Agricultural Sector Development Programme (ASDP)

The Objective: The Government has adopted an Agricultural Sector Development Strategy (ASDS), which sets the framework for achieving the sector's objectives and targets through the ASDP, developed jointly by the four Agriculture Sector Lead Ministries. Development activities at Council level are to be implemented by LGAs, based on District Agricultural Development Plans (DADP). The DADPs are part of the broader Council Development Plan (DDP).

The majority of ASDP expenditures will be at LGA level and will be provided through three fiscal grant transfers:

- District Agricultural Development Grant (DADG);
- Extension Block Grant (EBG); and
- Agricultural Capacity Building Grant (A-CBG).

Each grant will have two elements: a standard or basic grant and an enhanced or top-up grant. The enhanced grants will be released based on LGAs meeting a set of minimum conditions and thereafter adjusted based on annually assessed performance improvement.

LGAs will need to fulfil a set of predetermined minimum conditions, relating to the quality of the DADP planning and its implementation, including extension reform, in addition to those set for the LGCDG system.

- DADG: Public investments will be funded through an earmarked top-up to the CDG. A base level DADG will be provided to LGAs on an unconditional basis. An enhanced DADG will be available to those LGAs that meet the DADG minimum conditions and increments given thereafter as their performance improves. Consistent with the CDG, and dependant on performance, LGAs will either get a 25 percent increase, reduction, or no change in the level of resource transfers. The DADG will support implementation of DADPs on a cost-sharing basis, with beneficiaries contributing additional labour and materials in varying proportions, depending on the nature of the investment.

Investments will be identified in accordance with local needs, as determined through local participatory planning and budget processes, and in line with the LGCDG system. Types of investments which could qualify for financing include: environmental investments; public infrastructure, such as rural roads; small-scale irrigation schemes; group or community investments of a small scale productive nature; group or community investments in risk bearing (locally) innovative equipment. Agricultural inputs (seeds, fertilizers, agro-chemicals) would ordinarily not be eligible for cost-sharing, unless they are part of participatory technology development activities.

- District Irrigation Development Fund (DIDF): The DIDF will be a separate fund to complement the DADG to finance public elements of larger scale irrigation schemes. Similar to the DADGs, the DIDF funds will flow directly from the exchequer account to qualifying councils. However, only those councils with appropriate river basin areas may access these funds, which are not distributed by formula. While councils must meet the minimum conditions to qualify for the funds the DIDF is not totally harmonised with the LGCDG system at present as the funds are not distributed according to a formula.
- Agricultural Extension Block Grant (EBG): This sub-component will support the shift to contracting of services with greater control over resource allocation decisions by farmers. It will be financed through the existing discretionary, formula-based Agricultural Extension Block Grant. This sub-component will provide funding for both

public extension services, as a Government contribution, and for private service providers. The latter will be engaged through agreements and contracts directly between farmer groups or through local government outsourcing.

- Discretionary Capacity Building Grant (A-CBG): All Councils will receive a capacity building grant irrespective of whether they meet the minimum conditions to access the DADG and EBG top-ups. The capacity building grant funds will be used to improve functional areas to meet the minimum conditions and to improve on the performance criteria in subsequent years to access higher resource transfers. The initial focal areas of the capacity building grant, consistent with the minimum conditions, will likely be on improving Council agricultural planning, agricultural investment appraisal and review, agricultural services reform, and enhancing stakeholder engagement. The LGA's will need to develop a capacity building plan prior to accessing the grant.
- In addition an Earmarked Capacity Building Grant (ECBG) will be used to strengthen farmer empowerment, public sector reorientation, and capacity strengthening of private service providers.

The DADG, the A-CBG and the Recurrent element of the ASDP will be allocated according to the same formula as the Agriculture Recurrent Block Grant:

Number of Villages	80%
Rural Population	10%
Rainfall Index	10%

National Framework for Urban Development and Environmental Management

The main objective of the UDEM at council level is to provide mechanisms for guaranteed and increased funding flows to LGAs for urban management and environmental improvements through the creation of an Urban Development and Environmental Management Grant (UDEM) on the same principles as the LGCDG system.

LGAs that are eligible for the UDEM grant will also be eligible for a discretionary capacity building funds along the same lines as the LGCDG CBG.

Disbursements will go directly to the LGA using the same principles as for the LGCDG system and it is expected that the average level of funding for the UDEM in the LGAs will be 1 USD per capita per annum and the formula for distribution of the UDEM Grant among the eligible LGAs is based on:-

Population: Weight 70 %,

Poverty, based on officially available statistics on the number of people below the basic poverty line: Weight: 30 %,

It is also intended to use the same approach as used under the LGCDG system whereby at least 50% of the grant will be further distributed notionally to LLGs (Wards, Villages and Mtaa) in the form of indicative planning figures.

Investments should fulfill the following minimum criteria aimed at complying with national policy provisions vis-à-vis community participation, poverty reduction and sustainable socio-economic development:-

- They should originate from the use of the participatory EPM process in the LGA

- The aggregate community and LGA financial contribution should be as high as possible.

- The investments should promote gender sensitive participation for men, women and youths in planning, decision making, implementation and management.

- Sustainability must be demonstrated through proper operation and maintenance (O&M) planning and budgeting

- They should enhance opportunities for employment creation/income generation, PPP's and local economic development

- They should promote conservation of natural resources, protection of the environment and pollution abatement

- They should streamline cross-cutting issues such as HIV/AIDS, gender, youth and poverty reduction

The proposed ring fencing of the UDEMG for the above clusters of investments and activities will ensure that LGAs venture into planning for these possible but more difficult areas of urban and environment related development planning rather than the traditional social sector capital expenditures currently emphasized by LGAs using the LGCDG system funds,

The access conditions and performance measures which will form the basis for additional assessment criteria on the LGCDG system for the UDEM will focus on fulfilling the 'sector' objectives of the framework. These are set out in Parts II and III of this manual.

PART II: GUIDELINES FOR ASSESSING MINIMUM CONDITIONS

1.1 Discretionary Capital Development Grant

Functional Area	Indicators of Minimum Conditions	Information Source and Assessment Procedures	Level
A) Financial Management	1) Position of Council Director, Treasurer substantively filled	<ul style="list-style-type: none"> Review the staff establishment and the budget to confirm that the positions have been filled by persons with the relevant qualifications. 	Secondary
	2) Final Accounts for the previous FY produced as per section 45 (4) LGA 1982 submitted for audit on time	<ul style="list-style-type: none"> From the Treasurer, obtain a copy of the draft final accounts of the previous FY. Note the date of submission of the accounts to the NAO. 	Primary
	3) The Council did not receive an adverse audit report for their last audited accounts	<ul style="list-style-type: none"> From the Treasurer obtain and review the most recent audited accounts to establish the auditor’s opinion on the accounts. 	Primary
	4) No confirmed financial management irregularities have been reported either by the internal or external Auditors in the past 12 months.	<ul style="list-style-type: none"> From the Treasurer obtain and review inspection reports (by PMO-RALG or the CAG) to determine whether there have been any incidents of major financial irregularities leading to suspension of CD, CT or Councillors. Establish, through consultation with people within and outside the Council, whether there have been any irregularities not included in the reports. Before finalisation of the report PMO-RALG must be consulted as to whether there have been any major financial irregularities in the past 12 months which would indicate poor controls and financial management capacity. 	Primary

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Functional Area	Indicators of Minimum Conditions	Information Source and Assessment Procedures	Level
	<p>5) Bank reconciliation statements for all accounts prepared within 15 days of the previous month end</p>	<ul style="list-style-type: none"> • From the Treasurer obtain and review bank reconciliation statements to establish whether all bank reconciliation statements are prepared up to date. These must be dated and signed as approved by the CD. • To be regarded as up to date bank reconciliations must: <ul style="list-style-type: none"> • Have detailed list of reconciling items attached; • Be clear of all unpresented cheques more than 6 months old; • Have no other reconciling items more than three months old. 	<p>Secondary</p>
	<p>6) Internal audit in place and functional as provided under section 45(1) of the LG Act 1982 and the LAFM 1997 orders 12-16. (at least 4 internal audit reports prepared during the previous 12 months)</p>	<ul style="list-style-type: none"> • Obtain a copy of the annual audit programme from the Internal Auditor or the Council Director. • Ensure that it includes audit of the procurement function • Review the quarterly internal audit reports and the minutes of the Finance and Planning Committee for the past 12 months to verify that: <ul style="list-style-type: none"> • Quarterly reports are produced in line with the internal audit plan; • These reports are presented to the Finance Committee 	<p>Having a functioning IA department is a Primary Condition, including preparation of reports.</p> <p>Submission to FPC is Secondary for 2007/08 if above has been met. Thereafter it will be Primary.</p>

PART II: GUIDELINES FOR ASSESSING MINIMUM CONDITIONS

Functional Area	Indicators of Minimum Conditions	Information Source and Assessment Procedures	Level
	7) Regular production of financial reports. All quarterly reports during the previous 12 months presented to council and copies to PMO-RALG through RS	<ul style="list-style-type: none"> • From the Treasurer, obtain and review copies of the monthly and quarterly financial reports and from the minutes ensure that they are presented to the Finance committee with explanatory notes • Check correspondence that they are submitted to RS • Ensure quarterly income and expenditure returns are submitted to PMO-RALG before the 15th day of month following the quarter end. 	Primary
B) Fiscal Capacity	1) Sufficient funds available to meet the co-funding obligation. (minimum 5% of the amount of the Capital Development Grant)	<ul style="list-style-type: none"> • Obtain from the Treasurer and review bank account statements to establish whether the council has the ability to meet co-funding obligation. • Review budgets for the current FY to establish that the current year budget includes allocation for co-funding. • Review financial reports, draft final accounts to confirm that all co-funding requirements were complied with previous FY • From the bank statements, establish if co-funding contributions for the next quarter are available at the time of the annual Assessment. 	Secondary
C) Planning and Budgeting	1) Development plan approved by the council on time	<ul style="list-style-type: none"> • Obtain a copy of the MTEF Development Plan for the current FY and confirm that it was reviewed by the Regional Consultative Committee and approved by the council on time. • Obtain copies of the council minutes from the council Director to confirm the Council resolution that approved the Development Plan, and note the dates. 	Primary Though OK if approved by time of the Assessment

PART II: GUIDELINES FOR ASSESSING MINIMUM CONDITIONS

Functional Area	Indicators of Minimum Conditions	Information Source and Assessment Procedures	Level
	2) Budget process adhered to the provisions of the LG Act and Planning and budgeting guidelines	<ul style="list-style-type: none"> • Obtain and review the budget for the current FY to establish whether: <ul style="list-style-type: none"> • The budget was approved by the council two months before start of FY. Take note of extenuating circumstances such as late issuing of budget guidelines and ceilings; • The budget was prepared as per the guidelines and LGFM regarding estimation of revenue and allocation expenditure; • The budget is presented in the stipulated format 	Primary Though OK if approved by time of the Assessment
D) Procurement	1) Legally constituted Tender Board 2) National Procurement guidelines and manuals available	<ul style="list-style-type: none"> • From the Council Director obtain and review the minutes of the Tender Board and note the membership. Interview some councillors, staff and suppliers to verify the position. • From the Supplies Officer obtain copies of the Procurement Regulations and the LGA Procurement Manual. 	Primary
E) Council's Functional Processes	1) Regular meetings of the council – at least one meeting held every 3 months 2) Minutes of the council meetings recorded on a permanent record	<ul style="list-style-type: none"> • From the Council Director obtain the minutes of the full council meetings and verify the number of meeting held during the FY. • Minutes of council meetings should be made available to the public on request. A notice should be placed on the notice board stating this. 	Primary
F) Project Implementation, Monitoring and Evaluation Capacity	1) Annual and quarterly work plans available 2) Progress reports on project implementation available	<ul style="list-style-type: none"> • Obtain and review copies of implementation progress reports and confirm that they were prepared in accordance to the planning guidelines or project specific guidelines and they were submitted to PMO-RALG on schedule. 	Primary

PART II: GUIDELINES FOR ASSESSING MINIMUM CONDITIONS

1.2 Discretionary Capacity Building Grant

Functional area	Indicators of Minimum Conditions	Information Source and Assessment Procedures	
A) Capacity Building	1) Capacity Building plan in Place	From the MMO obtain and review the capacity building plan to ensure that it is consistent with the requirements of the format in the Restructuring Manual.	Secondary
	2) Reports on the utilisation of CBG submitted on a timely basis (to apply from year two of receipt of CBG)	From the Treasurer obtain and review funds utilisation reports for the previous FY, note the dates of submission of the reports to PMO-RALG.	Primary

PART II: GUIDELINES FOR ASSESSING MINIMUM CONDITIONS

2 District Agriculture Development Grant

CRITERIA FOR THE ANNUAL ASSESSMENT AGAINST MINIMUM CONDITIONS FOR THE ADDITIONAL FUNDS FROM THE ENHANCED ASDP: (A) THE DADG (CAPITAL GRANT), (B) THE DAEG AND (C) A-CBG

Functional Area	Indicators of Minimum Conditions	Information Source, Assessment Procedures and Scoring Procedure	Level
A) Council Management	1) Council qualifies for Capital Development Grant	PMO-RALG annual assessment report	Primary
	2) Position of DALDO filled	Establishment	Secondary
B) Council Agricultural Development Plan Status	Council has a DADP	DADP	Primary
C) Agricultural Services Reform	Evidence of a commitment to reform of agricultural extension services.	Obtain council minutes of resolution on reform	Secondary

PART II: GUIDELINES FOR ASSESSING MINIMUM CONDITIONS

3.1 Urban Development and Environmental Management (UDEM) Grant

Functional Area	Indicators For Minimum Conditions	Source of Information & Assessment Procedures	Level
A) Qualification for LGCDG System	Meeting Minimum Conditions for Discretionary Grant	Outcome of assessment	Primary
B) UDEM Co-ordinator	Availability of officer responsible for coordination of urban environmental management issues	Review documentation from Council to confirm that an appropriately qualified officer has been designated as co-ordinator of UDEM	Secondary
C) Council Plan and Budget for UDEM	Availability of Council Plan and Budget lines covering all the UDEM activities.	Review Council Plan and Budget for current year for physical evidence of required activities and funding approved by Council, including: <ul style="list-style-type: none"> • participatory preparation/updating of LGA’s Environmental Profile (EP) • Projects identified for implementation under UDEM in the year 	Primary

3.2 Urban Development and Environmental Management (UDEM) Capacity Building Grant

Functional Area	Indicators For Minimum Conditions	Source of Information & Assessment Procedures	Level
A) Capacity Building	Council Capacity Building Plan includes activities and funding for specific skills, short-term consultancies, workshops, tooling and re-tooling, travelling and other expenses relevant for accomplishment of the essential steps of the EPM process	Obtain the documents from Council with TNA, hardware & software needs and corresponding budgets	Secondary

PART II: GUIDELINES FOR ASSESSING MINIMUM CONDITIONS

PART III: GUIDELINES FOR ASSESSING PERFORMANCE MEASURES

1. Capital Development Grants

Functional Areas	Indicators of Performance Measures	Information Source, Assessment and Scoring Procedure
<p>A. Financial Management</p> <p><i>Maximum possible score = 25</i></p> <ul style="list-style-type: none"> - <i>Minimum score below which a penalty is applicable 12</i> - <i>Minimum score to receive performance bonus 18</i> 	<ol style="list-style-type: none"> 1. Clean Audit Report 2. Evidence that queries raised in the external audit report have been acted upon. 3. Evidence that queries raised in the internal audit reports have been acted upon. 4. Evidence that the Epicor IFMS is being or has been implemented properly 	<p>From the Treasurer obtain and review the most recent audited accounts. What is the auditor’s opinion on the accounts of the previous year? If the audit report is</p> <ul style="list-style-type: none"> • <i>Clean, score 3</i> • <i>Adverse or Qualified, score 0</i> <p>Review the external audit report and documentation to verify whether issues raised and recommendations made have been acted upon. If:</p> <ul style="list-style-type: none"> • <i>>70% of the matters have been acted upon, score 6</i> • <i>50 to 69% of the matters have been acted upon, score 4</i> • <i>40 to 49% of the matters have acted upon, score 2</i> • <i><40% of the matters have acted upon, score 0</i> <p>Review the internal audit reports and the minutes of the Finance committee to verify whether issues raised and recommendations made have been acted upon. Have sanctions been imposed? If:</p> <ul style="list-style-type: none"> • <i>>70% of the matters have been acted upon, score 6</i> • <i>50 to 69% of the matters have been acted upon, score 4</i> • <i>40 to 49% of the matters have acted upon, score 2</i> • <i><40% of the matters have acted upon, score 0</i> <p>Review the status of Epicor implementation. If the council is supposed to have completed implementation then:</p> <ul style="list-style-type: none"> • <i>If parallel system discarded - score 5</i> • <i>If all financial reports are produced from the system – score 2</i> • <i>If the council is implementing or has not started implementing – score 3</i>

PART III: GUIDELINES FOR ASSESSING PERFORMANCE MEASURES

Functional Areas	Indicators of Performance Measures	Information Source, Assessment and Scoring Procedure
	5. Evidence that Cash Management is being effectively carried out	<p>As part of the review of the bank reconciliations in the MCs identify how many have overdrawn book balances:</p> <ul style="list-style-type: none"> • <i>If none are overdrawn – score 5</i> • <i>If General Fund is not overdrawn but others are – score 2</i> • <i>If GF is overdrawn– score 0</i>
<p>B) Fiscal Capacity <i>Maximum possible score = 15</i> <ul style="list-style-type: none"> - <i>Minimum score below which a penalty is applicable 7</i> - <i>Minimum score to receive performance bonus 12</i> </p>	<p>1. Liabilities as a proportion of Revenue measured in number of months</p> <p>2. Local revenue performance as evidenced by:</p> <ul style="list-style-type: none"> • Percentage of revenue collected against planned for the previous FY. • Increase in collected revenue in the previous FY. 	<p>Using the latest quarterly report (in the absence of a quarterly balance sheet, using latest audited accounts) compute total liabilities as a proportion of total own revenue stated in number of months.</p> <p>If the liabilities represent,</p> <ul style="list-style-type: none"> - <i>less than one month’s revenue, score 5</i> - <i>between 1- 3 months, score 3</i> - <i>between 3-6 months score 1</i> - <i>More than 6 months score 0</i> <p>From the Treasurer, obtain and review the Budget for the previous FY, compare the budget with actual revenue collected during the period to determine the percentage of the budget realised. Take into consideration the effect of the abolishment of revenue sources from one year to another. If the average collection is:</p> <ul style="list-style-type: none"> • <i>80% or more of the budget amount, score 5</i> • <i>between 50% - 80%, score 2</i> • <i>below 50 %, score 0</i> <p>Review the draft final accounts for the previous FY to determine the revenue collection performance. If increase in collected revenue against the year before is:</p> <ul style="list-style-type: none"> • <i>30% and above, score 5</i> • <i>between 10-29%, score 2</i> • <i>below 10%, score 0</i>

PART III: GUIDELINES FOR ASSESSING PERFORMANCE MEASURES

Functional Areas	Indicators of Performance Measures	Information Source, Assessment and Scoring Procedure
<p>C) Planning and Budgeting</p> <p><i>Maximum possible score = 27</i></p> <ul style="list-style-type: none"> - <i>Minimum score below which a penalty is applicable 12</i> - <i>Minimum score to receive performance bonus 22</i> 	<p>Evidence that there is in the planning process:</p> <ol style="list-style-type: none"> 1. Clear guidance that conforms to the planning guidelines, including M&E requirements, and; 2. Adherence to participatory planning procedures; 3. An analysis of opportunities and obstacles to development including an analysis of resource availability and a poverty and a socio-economic profile; 4. Share of development budget applied to the MKUKUTA Clusters 1 and 2 conforms to the LGCDG stipulated minimum (80%) 5. Operational costs of investments are captured in the plans; 6. There is a clear link between the plan and the annual budget; 	<ul style="list-style-type: none"> • From the Council Director obtain and review minutes of the Council Management Team (CMT) meetings of the previous FY and first quarter of the current FY to establish whether the CMT discussed and integrated development plans from lower local governments. • Review the approved plan to establish if it includes proposals from lower local governments. • From the Treasurer obtain draft final accounts or financial reporting to determine the allocation of the development expenditure in order to assess the proportion applied to the pro-poor sectors – education, health, water, agriculture and roads. • From the planning officer, obtain and review copies of annual and quarterly work plans to establish whether they have integrated the planned activities for all sectors and lower local governments. • From the Planning Officer obtain the minutes of the CMT for evidence on the involvement of LLGs, discussion on lower level plans, strategy/plans to facilitate lower level planning etc. • Review minutes from lower levels for evidence of their interaction with the HLG in the process of planning and implementation of development programmes.

PART III: GUIDELINES FOR ASSESSING PERFORMANCE MEASURES

Functional Areas	Indicators of Performance Measures	Information Source, Assessment and Scoring Procedure
	<p>7. Lower local governments are involved in participatory planning and that the Council plan integrates their plans;</p> <p>8. The plan follows the MTEF guidelines and is presented in the recommended format.</p> <p>9. Gender, environmental issues and HIV/AIDS are integrated.</p> <p>10. O&M costings are adequately budgeted in the council's comprehensive development plan and annual budget.</p> <p>11. Procedures and checklists for appraisal of investment proposals are an integral part of the planning cycle</p> <p>12. Carried forward cash balances are rebudgeted.</p>	<p>Review a sample (minimum 3) of the O&OD or other similar participatory planning processes to ensure that the process was inclusive and that the voices of traditionally marginalised people and groups was included.</p> <ul style="list-style-type: none"> • Review a sample of LLG projects (minimum 3) to ensure that the required Environmental and Social impact Assessment has been carried out as set out in the Planning and Budgeting Guidelines for Villages and Mitaa. • Review a sample of HLG projects to ensure appropriate ESIA has been carried out. • Review the plan to establish whether it is in conformity with the MTEF guidelines, and integrates gender/HIV/AIDS and environmental issues. • Review the village and central level planning processes to ensure O and M costs of projects have been identified and carried into the council budget process. <p><i>If evidence is available for each of 1-11 score 2 for each, if no evidence is available score 0</i></p> <p>Review the plan and budget for the current year to see whether cash balances brought forward have been brought into the budget with uncompleted projects.</p> <ul style="list-style-type: none"> • <i>If brought into current year budget – score 5</i> • <i>If not – score 0</i>

PART III: GUIDELINES FOR ASSESSING PERFORMANCE MEASURES

Functional Areas	Indicators of Performance Measures	Information Source, Assessment and Scoring Procedure
<p>D) Transparency and Accountability</p> <p><i>Maximum possible score = 15</i></p> <ul style="list-style-type: none"> - <i>Minimum score below which a penalty is applicable=8</i> - <i>Minimum score to receive performance bonus=12</i> 	<p>Free flow of information both downward and upward. as evidenced by:</p> <ol style="list-style-type: none"> 1. Posting of IPFs for LLGs for the current FY at the respective H LG headquarters and in at least two other public places; 2. Posting of approved projects for the current FY at the HLG offices, LLG offices and other public places; 3. Written communication to LLGs of information on all projects to be implemented in their areas in the current FY; 4. Posting of summary annual budgets, plans and audited accounts on public notice board at the LGA offices; 5. Posting of MC and PM scores on public notice boards at HLG and LLG offices and other public places outlining the overall result and the implications of the result; 6. Timely submission of Quarterly financial and physical progress reports for the previous FY. 7. Reports posted at LLG level are written in Kiswahili and in a format appropriate to the readership. 	<p>Check notice boards at both the HLG and LLG offices and other public places. Interview members of the community, Village council members, WDC members to gauge the extent to which information on local government operations is normally widely available and whether its format and language is appropriate. Ascertain whether the information has only been posted because the assessment was due.</p> <p>At each LLG information on each project should be provided by the LLG broken down into major budget lines. The contribution of GoT, the community and other funding sources should be clearly stated as should the objective, target group and time frame for the project and the contractor. At HLG a compiled list of projects, their costs, timeframes and funding sources should be provided.</p> <p>From the Treasurer obtain and review copies of quarterly reports and note the submission dates.</p> <p><i>If there is evidence for each of the indicators 1-6 score 2, if no evidence is available score 0 for each indicator.</i></p> <p><i>If there is evidence for indicator 7 score 3, if no evidence is available score 0.</i></p>

PART III: GUIDELINES FOR ASSESSING PERFORMANCE MEASURES

Functional Areas	Indicators of Performance Measures	Information Source, Assessment and Scoring Procedure
<p>E) Interaction Between HLG and LLG</p> <p><i>Maximum possible score = 15</i></p> <ul style="list-style-type: none"> - <i>Minimum score below which a penalty is applicable - 6</i> - <i>Minimum score to receive performance bonus -12</i> 	<ol style="list-style-type: none"> 1. Adherence to guidelines on revenue sharing between the district and the village council for revenue collected from the village and sharing of General Purpose Grant from the Government. 2. Timely communication of IPFs 3. Evidence of HLG providing policy and project implementation guidance to LLG 	<p>From the Treasurer, obtain copies of monthly revenue summaries to establish the amounts collected and the percentage remitted back to the village councils and confirm that this is in compliance with the Budget Guidelines. Ascertain and confirm how General Purpose Grant is distributed among villages and Mitaa. If the revenue sharing is:</p> <ul style="list-style-type: none"> • <i>Equal to or more than recommended % score 5</i> • <i>Less than recommended %, score 2</i> • <i>If no amounts are remitted back, score 0</i> <p>From the Treasurer confirm the dates when the CDG allocations were announced and when IPFs were communicated to Wards.</p> <ul style="list-style-type: none"> • <i>If there is evidence that latest IPFs were communicated to Wards not more than one month after notification of allocation to the IGAs score 5</i> • <i>If later than one month but less than three months score 2</i> • <i>If more than three months score 0</i> <p>Evidence of policy documents from central level have been shared with LLG (maximum Score 5):</p> <ul style="list-style-type: none"> • <i>Copies of the ASDP, sector policies etc seen at Ward level score 2</i> • <i>Evidence seen of meetings held to discuss sector policies at LLG Level score 3</i>

PART III: GUIDELINES FOR ASSESSING PERFORMANCE MEASURES

Functional Areas	Indicators of Performance Measures	Information Source, Assessment and Scoring Procedure
<p>F) Human Resource Development</p> <p><i>Maximum possible score = 13</i></p> <ul style="list-style-type: none"> - <i>Minimum score below which a penalty is applicable 5</i> - <i>Minimum score to receive performance bonus 9</i> 	<p>1. Percentage of vacancies in key staff positions</p> <p>2.A fully funded capacity building plan in place</p> <p>3. Staff Audit initiated</p> <p>4. Staff Appraisal done</p>	<p>From the Manpower Management Officer (MMO), obtain and review the staff list and compare it with the establishment to establish whether all the positions of heads of departments are substantively filled. Observe the quality of maintenance of personnel records.</p> <p>From the staff list and schedule of establishment, compute the percentage of vacant positions and persons occupying positions for which professional qualifications are specified. If the vacancies are:</p> <ul style="list-style-type: none"> • <i>20% or more, score 0</i> • <i>between 5-19% score 2</i> • <i>less than 5% score 4</i> <p>From the MMO, obtain and review the capacity building plan and ensure that the training plan is based on a needs assessment and addresses the weaknesses identified in the MC and PM. Review the current FY budget to establish the adequacy of the training budget allocation, in relation to the activities on the training plan.</p> <ul style="list-style-type: none"> • <i>If fully funded score 5</i> • <i>If needs based score 2</i> • <i>If not score 0.</i> <p>Interview the MMO and the Council Director to check if a system of staff audit is used and get staff audit reports</p> <ul style="list-style-type: none"> • <i>Staff audit initiated for all or part of staff, score 2</i> • <i>No staff audit: 0</i> <p>Interview the MMO and check if a system of staff appraisal has been initiated and is in use.</p> <ul style="list-style-type: none"> • <i>System of staff appraisal initiated, score 2</i> • <i>- No staff appraisal, score 0</i>

PART III: GUIDELINES FOR ASSESSING PERFORMANCE MEASURES

Functional Areas	Indicators of Performance Measures	Information Source, Assessment and Scoring Procedure
<p>G) Procurement</p> <p><i>Maximum possible score = 14</i></p> <ul style="list-style-type: none"> - <i>Minimum score below which a penalty is applicable 6</i> - <i>Minimum score to receive performance bonus 10</i> 	<p>Evidence that procurement procedures are adhered to:</p> <ol style="list-style-type: none"> 1. Procurement plan in place and approved by Finance Committee 2. Procurement plan based on budget 3. Quarterly procurement reports by CTB/PMU to Finance Committee 4. Appropriately trained PMU in place 5. Procurement thresholds for goods and services throughout the previous FY were observed. 6. Technical Evaluation Committees (TEC) properly appointed and CTB awards based on the recommendations of the TEC 7. Tender awards are posted on public notice boards for public information. 8. Adequate, relevant auditable records on the procurement process maintained 9. Outsourced collection agents properly procured 	<p>Review internal audit reports to determine whether there have been incidents where the regulation on threshold has not been adhered to and a common practice is multiple ordering/purchases in which several orders are issued in amounts that are below the threshold but the total is above the threshold.</p> <p>Establish whether there is an annual procurement plan and request a copy to verify. Review Finance Committee minutes to ensure procurement plan approved and reported on.</p> <p>From reports of the TEC and minutes of CTB establish whether contract award followed the recommendations of the TEC.</p> <p><i>If there is evidence for each of the indicators 1-9 score 1, if no evidence score 0</i></p> <p>Obtain and review a sample of contractors/suppliers payment vouchers to establish whether procurement regulations have been adhered to:</p> <ul style="list-style-type: none"> - Approval of the procurement process to be used - Tender document - Public notice for the contract Tender - Tenders received - Record of the Tender opening & attendees - Reports of the TEC - Notification of the Tender award - Approval of the Draft Contract by lawyer - Copies of the signed Contract <p><i>If all the above records are available score 5, if only some are available score 2 if none is available score 0.</i></p>

PART III: GUIDELINES FOR ASSESSING PERFORMANCE MEASURES

Functional Areas	Indicators of Performance Measures	Information Source, Assessment and Scoring Procedure
<p>H) Project Implementation</p> <p><i>Maximum possible score = 26</i></p> <ul style="list-style-type: none"> - <i>Minimum score below which a penalty is applicable - 10</i> - <i>Minimum score to receive performance bonus - 18</i> 	<ol style="list-style-type: none"> 1. Progress reports regularly prepared and discussed 2. Percentage of projects implemented against the plan 3. All projects implemented from the planned funding source 4. Quarterly M&E report available and evidence of discussion by the CMT and the finance and planning committee. 	<p>Obtain from the planning officer progress reports on project implementation and review them to establish whether, progress reports are regularly prepared and are discussed by both the CMT and the finance committee.</p> <ul style="list-style-type: none"> - <i>reports prepared at least quarterly score 2</i> - <i>presented to CMT score 2</i> - <i>presented to Finance Committee score 2 (Max 6)</i> <p>Determine the percentage of projects implemented against the plan. If the percentage of the planned projects implemented is:</p> <ul style="list-style-type: none"> - <i>80% or more score 10</i> - <i>between 60-79%, score 5</i> - <i>between 40-59%, score 2</i> - <i>less than 60% score 0</i> <p>From progress reports identify projects that have been funded from different funding sources than that in plan. Review Finance Committee minutes for approval to change:</p> <ul style="list-style-type: none"> - <i>No changes score 5</i> - <i>Changes made with FPC approval score 5</i> - <i>No approval score 0</i> <p>Ascertain if M&E reports are prepared and presented for discussion. If the M&E reports,</p> <ul style="list-style-type: none"> - <i>were prepared and discussed, score 5</i> - <i>were prepared but not discussed, score 2</i> - <i>were not prepared, score 0</i>

PART III: GUIDELINES FOR ASSESSING PERFORMANCE MEASURES

Functional Areas	Indicators of Performance Measures	Information Source, Assessment and Scoring Procedure
<p>D) Council Functional Processes</p> <p><i>Maximum possible score = 5</i></p> <ul style="list-style-type: none"> - <i>Minimum score below which a penalty is applicable 2</i> - <i>Minimum score to receive performance bonus 3</i> 	<p>Finance and planning Committee Functional and meeting as scheduled.</p> <ol style="list-style-type: none"> 1. evidence of discussions on audit reports 2. Evidence of discussions and actions taken on financial and physical progress reports 	<p>From the Council Director obtain and review the minutes of the finance committee to establish whether it has been meeting regularly and the matters discussed and actions recommended</p> <p><i>If there is evidence of discussion of the audit reports, score 3, if not score 0</i></p> <p>Observe the quality of recording the proceedings and the preservation of the documents</p> <p><i>If there is evidence to confirm that financial and physical progress reports are discussed by the finance and planning committee, score 2 if not score 0</i></p>

PART III: GUIDELINES FOR ASSESSING PERFORMANCE MEASURES

2 District Agriculture Development Grant

CRITERIA FOR THE ANNUAL ASSESSMENT AGAINST PERFORMANCE MEASURES FOR ADDITIONAL ANNUAL FUNDS FROM ENHANCED ASDP: (A) THE DADG (CAPITAL GRANT), (B) THE DAEG AND (C) A-CBG

Functional Area	Indicators of Performance Measures	Information Source, Assessment Procedures and Scoring Procedure
<p>A) District Agricultural Development Plan prepared and implemented according to guidelines and as part of DDP.</p> <p><i>Maximum possible score =35</i></p> <ul style="list-style-type: none"> - <i>Minimum score below which a penalty is applicable 14</i> - <i>Minimum score to receive performance bonus 24</i> 	<ol style="list-style-type: none"> 1. The DADP contains an analysis of the Council’s agricultural potential, opportunities and obstacles to development. A Diagnostic Assessment and Agricultural Strategy is available, with private sector role & opportunities identified. 2. DADP assessed for level of implementation as per activities and budget 	<p>Review DADP to ensure the Council Strategic Plan includes the following.</p> <ul style="list-style-type: none"> • <i>An analysis of the Council’s agricultural potential, opportunities and obstacles to development: 10</i> • <i>A diagnostic assessment: 5</i> • <i>Private sector roles and opportunities identified: 2</i> <p>Assess together with DPO, DALDO and relevant Council Management Team members the status of implementation of the DADP:</p> <ul style="list-style-type: none"> • <i>90-100% implementation of DADP: 25</i> • <i>50-90% implementation of DADP: 12</i> • <i>25-50% implementation of DADP: 6</i> • <i>0-25% implementation of DADP: 0</i> <p>* Higher scores reflect improved planning under defined budget ceilings with greater integration into the DDP.</p>

PART III: GUIDELINES FOR ASSESSING PERFORMANCE MEASURES

3. Urban Development and Environmental Management (UDEM) Grant

Functional Area	Indicators For Performance Measures	Source of Information & Assessment Procedures
<p>A) Environmental Profile</p> <p><i>Maximum possible score =30</i></p> <ul style="list-style-type: none"> - <i>Minimum score below which a penalty is applicable 10</i> - <i>Minimum score to receive performance bonus 20</i> 	<p>Existence of Environmental Profile prepared according to the guidelines provided by PMO-RALG</p>	<p>Inspection of LGA records and documents for physical evidence of both the process and outputs:</p> <ul style="list-style-type: none"> • <i>All relevant information prepared for the Profile: 5</i> • <i>Information < 2 years old: 5</i> • <i>Information > 2 years old: 2</i> • <i>Profile complete: 10</i> • <i>In line with PMO-RALG Guidelines: 6</i> • <i>Presented to Council: 4</i>
<p>B) Participatory Implementation of UDEM</p> <p><i>Maximum possible score =40</i></p> <ul style="list-style-type: none"> - <i>Minimum score below which a penalty is applicable 16</i> - <i>Minimum score to receive performance bonus 28</i> 	<p>Evidence of UDEM activities implemented with stakeholder participation through the EPM process</p>	<p>Physical inspection of LGA records for minutes, reports, budgets and other documents; interviews with key personnel in LGA area, PMO-RALG, etc and evidence of activities in the previous Financial Year:</p> <ul style="list-style-type: none"> • <i>2 Annual/mini Consultations: 6</i> • <i>> 2 Annual/mini Consultations: 10</i> • <i>2 Working Groups Operational: 6</i> • <i>>2 Working Groups Operational:10</i> • <i><50% of investments in Action plan for last financial year implemented: 0</i> • <i>50% of investments implemented: 10</i> • <i>51 to 75% of investments implemented: 15</i> • <i>>75% of investments implemented: 20</i>

PART III: GUIDELINES FOR ASSESSING PERFORMANCE MEASURES

Functional Area	Indicators For Performance Measures	Source of Information & Assessment Procedures
<p>C) Establishment of EMIS <i>Maximum possible score =30</i> - <i>Minimum score below which a penalty is applicable 15</i> - <i>Minimum score to receive performance bonus 26</i></p>	<p>Existence of an operational Environmental Management Information System supporting the implementation of UDEM established and operated according to guidelines provided by PMO-RALG</p>	<p>Check LGA for WG & Council activities supported by the EMIS, Look for physical evidence of operational EMIS hard/software infrastructure, interviews with stakeholders & PMO-RALG.</p> <ul style="list-style-type: none"> • <i>EMIS Strategy prepared: 10</i> • <i>Raw data gathered: 5</i> • <i>Data entered in the system: 5</i> • <i>System Operational: 5</i> • <i>Information generated from system is used in in Council Planning and Management: 5</i>
<p>D) Strategic Urban Development Plan (SUDP) <i>Maximum possible score =30</i> - <i>Minimum score below which a penalty is applicable 15</i> - <i>Minimum score to receive performance bonus 26</i></p>	<p>Number of steps accomplished of the SUDP preparation process in compliance with national guidelines provided through PMO-RALG.</p>	<p>Inspection of LGA records to review reports, proceedings, minutes, products, maps, documents Interviews with key stakeholders, technocrats, relevant GoT institutions.</p> <ul style="list-style-type: none"> • <i>SUDP Working Group established: 10</i> • <i>50% of thematic maps required in place: 5</i> • <i>100% of thematic maps required in place: 10</i> • <i>SUDP Complete: 5</i> • <i>SUDP integrated into the Council Strategic Plan: 5</i>