

Document of
The World Bank

Report No:

PROJECT RESTRUCTURING
OF
SOMALIA MULTI-PARTNER FUND GRANT
IN THE AMOUNT OF US\$16 MILLION EQUIVALENT
TO THE
FEDERAL REPUBLIC OF SOMALIA
FOR A
RECURRENT COSTS AND REFORM FINANCING PROJECT (P148428)

January 26, 2015

SOMALIA

RECURRENT COSTS AND REFORM FINANCING PROJECT (P098639)

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ABBREVIATIONS AND ACRONYMS

AF	Additional Financing
FGS	Federal Government of Somalia
FRS	Federal Republic of Somalia
ISDS	Integrated Safeguards Data Sheet
MDAs	Ministries, Departments and Agencies
MPF	Multi-Partner Trust Fund
MoF	Ministry of Finance
EAFS	External Affairs Fiduciary Section
PDO	Project Development Objective

Regional Vice President:	Makhtar Diop
Country Director:	Bella Bird
Sector Manager / Director:	Patricia Mc Kenzie
Task Team Leader:	Adenike Sherifat Oyeyiola

DATA SHEET

Somalia

Somalia Recurrent Cost & Reform Financing Facility (PI48428)

AFRICA

0000009063

Report No: RES17434

Basic Information			
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Project ID:	P148428	Lending Instrument:	Investment Project Financing
Regional Vice President:	Makhtar Diop	Original EA Category:	Not Required (C)
Country Director:	Bella Bird	Current EA Category:	Not Required (C)
Senior Global Practice Director:	Mario Marcel Cullell	Original Approval Date:	15-Aug-2014
Practice Manager/Manager:	Patricia Mc Kenzie	Current Closing Date:	27-Feb-2015
Team Leader(s):	Adenike Sherifat Oyeyiola		

Borrower:	Ministry of Finance
Responsible Agency:	Ministry of Finance

Restructuring Type

Form Type:	Full Restructuring Paper	Decision Authority:	Country Director Approval
Restructuring Level:	Level 2		

Financing (as of 23-Dec-2014)

Key Dates							
Project	Ln/Cr/TF	Status	Approval Date	Signing Date	Effectiveness Date	Original Closing Date	Revised Closing Date
P148428	TF-17917	Effective	19-Aug-2014	19-Aug-2014	19-Aug-2014	27-Feb-2015	30-Apr-2015

Disbursements (in Millions)									
Project	Ln/Cr/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P148428	TF-17917	Effective	USD	16.00	16.00	0.00	10.06	5.94	63

Policy Waivers

Does the project depart from the CAS in content or in other significant respects?	Yes []	No [X]
Does the project require any policy waiver(s)?	Yes []	No [X]

A. Summary of Proposed Changes

The proposed changes are: (i) the extension of the closing date from February 27, 2015 to April 30, 2015; (ii) reallocation of funds; (iii) update of the results framework (Annex 1); and (iv) dropping of some activities under component two of the project.

a. Closing date extension. An extension of the closing date from February, 28, 2015 to April 30, 2015. This is the first request for extension of closing date to April 30, 2015. With this extension, the Project will be eight months old at the time of the new closing date. The extension will enable financing of eligible civil service salaries in non-security sectors in Mogadishu; and salaries and allowances for Subject Matter Experts for January and February 2015. Additionally, it will facilitate the extension of contracts of consultants supporting the External Affairs Fiduciary Section (EAFS) for project implementation to April 2015.

b. Reallocation. A reallocation from component three and two to component one to finance the payments of civil service salaries in non-security sectors and payment of fees and allowances to Subject Matter Experts who are supporting the core government functions for the months of January to March. The project description in the amended Grant Agreement reflects this change.

c. Results/indicators. A revision of the Results Framework based on the findings of the mid-term review to be able to better measure the PDO indicators, baselines, progress data and targets for all indicators and adjust and/or add any indicators to show all the results that the project has been achieved. There are no changes in the PDO. This is reflected in Annex 1.

d. Dropping Activity: Dropping of two activities under component two (Strengthening Systems for expanded operations and service delivery). The activities to be dropped are as follows:

i. TA for EAFS/Monitoring and Evaluation work – The activity was included with the understanding that the support by the government of Norway (GoN) for the services of the Monitoring Agent supporting the review of the salary payments will end by December 2014. However, GoN has extended the services of the MA up to March 2015. As a result, this activity is no longer required.

ii. HR/payroll support in CSC US\$300,000: The activity on strengthening reliability and integrity of payroll and engagement of Technical Assistance is already supported by another Development Partner. To avoid duplication of donor support, this activity would be dropped under the project.

Change in Implementing Agency	Yes [] No [X]
Change in Project's Development Objectives	Yes [] No [X]
Change in Results Framework	Yes [X] No []
Change in Safeguard Policies Triggered	Yes [] No [X]
Change of EA category	Yes [] No [X]
Other Changes to Safeguards	Yes [] No [X]
Change in Legal Covenants	Yes [] No [X]
Change in Loan Closing Date(s)	Yes [X] No []
Cancellations Proposed	Yes [] No [X]
Change to Financing Plan	Yes [] No [X]
Change in Disbursement Arrangements	Yes [] No [X]
Reallocation between Disbursement Categories	Yes [X] No []

Change in Disbursement Estimates	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]
Change to Components and Cost	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]
Change in Institutional Arrangements	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Financial Management	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Procurement	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Implementation Schedule	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Other Change(s)	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]
Appraisal Summary Change in Economic and Financial Analysis	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Appraisal Summary Change in Technical Analysis	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Appraisal Summary Change in Social Analysis	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Appraisal Summary Change in Environmental Analysis	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Appraisal Summary Change in Risk Assessment	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]

B. Project Status

The project objectives continue to be achievable. Based on the current Implementation Status Report and the implementation support in October 2014, the progress toward achieving the development objective and implementation progress are satisfactory. As of January 26, 2015, ten million dollars (sixty three percent) of project funds are disbursed. Seventy two percent of project funds are fully committed. With this restructuring, all project funds will be fully committed. The progress towards achieving the PDO and overall implementation progress are satisfactory. The performance of the project is rated satisfactory. Details of the project components and results achieved are as follows:

Component 1: Emergency Support to Core Government Functions in Ministries, Department and Agencies (MDAs) - US\$13.0 million. This involves financing of eligible civil service salaries in non-security sectors in Mogadishu; financing to subject matter experts and allowances; and financing of eligible non-salary recurrent cost expenses in four pilot agencies.

The project has financed the payments of civil service salaries in non-security sectors and payment of fees and allowances to Subject Matter Experts who are supporting the core government functions for the months of July to December 2014. The project is financing about ninety percent (about 3,600 staff in 34 MDAs) of civil service salaries in non-security sectors; an increase of eighty nine (89) percent from the baseline of 1,907 staff at project effectiveness. The initial plan in the Project Appraisal Document was to finance the salaries of the eligible civil servants and SMEs from July to December 2014. This was based on a projected total number of civil servants of 3,909 indicated in the government 2014 civil service projection. However the number of staff eligible for financing in each of these months was less than projected, resulting in a savings than is sufficient to pay salaries for the months of January and February, prior to the effectiveness of phase two of the project in April 2015.

The regularity of salary payments has improved. The December salaries were paid after twelve days of the statutory payment date. This is an improvement on the baseline time lag of fifty eight days in June 2014. Additionally, the Monitoring Agents (MA) has carried out regular payroll verifications for all the five months of salary payment from July to November 2014. The December verification is on-going.

The guidelines for payments of non-salary recurrent costs are being finalized by government. A draft has been circulated and will be finalized by January 31, 2015. The component is rated as satisfactory.

Component 2: Strengthening Systems for Expanded Operations and Service Delivery (US\$1.0 million): This involves expanding support for recurrent cost expenditures to Puntland and the Interim Jubbaland Administration; support to

strengthen the reliability and integrity of payroll; support to strengthen the social sectors and strengthening the external affairs fiduciary section (EAFS). Regional reviews are on-going in Puntland and Jubbaland Administration in respect of subsequent plans for support in recurrent costs expenditures. Additionally, the contract to support the strengthening of the social sector is being finalized. The support to strengthening the reliability and integrity of the payroll has not progressed because similar activity is currently being supported by another development partner and it is proposed to be dropped under this project. Additionally, the contract for the Monitoring Agent was extended by the Government of Norway from December 2014 to end of March 2015. As a result, the project allocation under this component for monitoring agent support from January 2015 to the project closure would not be required and the restructuring proposes the dropping of this activity. The component is rated as moderately satisfactory.

Component 3: Project Management and Coordination (US\$ 2.0 million) including audit, training and operational costs. An unallocated amount of US\$1 million is also included under this component.

C. Proposed Changes

Development Objectives/Results

Project Development Objectives

Original PDO

The Development Objective for the Series of Projects is to enable the Somali Government to achieve reliable and transparent financing of critical civil service operations to help strengthen the legitimacy of the state. The Development Objective of this first project in the Series is to finance and support an operational payroll and payment system for the non-security sectors. This aligns with the MPF objective is to foster socio-economic recovery and stabilization by supporting the payment of civil service salaries, and the running costs of government institutions; financing technical assistance and supporting the building blocks of larger public investment programs across a range of sectors.

Change in Project's Development Objectives No change

Change in Results Framework

Explanation:

Indicator 1: Number of civil servants in non-security sectors paid - A revision downwards of the end target from the initial projection of 3,909 staff (based on the expected FGS payroll number in the 2014) to 3,600 staff. The mid-term review revealed that while the total number of civil servants on the government payroll as of October 2014 was 4,012 (above the government 2014 projection), only 88% are currently authorized and eligible for payments under the RCRF project. The projection for the end of project is that about 90 percent (3,600) will be eligible and paid.

Indicator 2: Reduction in days of delay in payments of Civil servants salaries in non-security sector. The indicator name is amended and rephrased from 'percentage of registered civil servants salaries paid on time'; and the unit of measured changed from percentages to days. This reflects a robust indicator based on the lag between the statutory and actual pay date of the salaries to eligible civil servants and a more definite measurement in days rather than percentages.

Indicator 3: Number of Payroll verifications undertaken by independent agent: With the new closing date extension by two months, the end target value for this indicator is also increased to six.

The intermediate results indicators have also been amended to reflect the changes in the PDO indicators.

Financing						
Change in Loan Closing Date(s)						
Explanation:						
The restructuring involves the extension of project closing date by two months from February 28, 2015 to April 30, 2015. This will enable the financing of eligible civil servants' salaries in non-security sectors in Mogadishu and financing of subject matter experts for January to February 2015, prior to the preparation of phase two of the project. This is the first request for extension.						
Ln/Cr/TF	Status	Original Closing Date	Current Closing Date	Proposed Closing Date	Previous Closing Date(s)	
TF-17917	Effective	27-Feb-2015	27-Feb-2015	30-Apr-2015	27-Feb-2015	
Reallocations						
Explanation:						
A reallocation of US\$1 million from category two to one. This involves reallocating the unallocated amount of US\$1 million to category one for financing of eligible civil service salaries in non-security sectors in Mogadishu and for financing of Subject Matter Experts for the period of January and February 2015.						
Ln/Cr/TF	Currency	Current Category of Expenditure	Allocation		Disbursement % (Type Total)	
			Current	Proposed	Current	Proposed
TF-17917	USD	Salaries for Eligible Civil Servants and Subject Matter Experts, goods, non-consulting services, consultants' services, Training and Operating Costs under Part A of the Project	14,000,000.00	15,000,000.00	100.00	100.00
		Goods, non-consulting services, consultants' services, Training and Operating Costs under the Project (except under Part A)	2,000,000.00	1,000,000.00	100.00	100.00
		Designated Account	0.00	0.00	0.00	0.00
		Total:	16,000,000.00	16,000,000.00		
Disbursement Estimates						
Change in Disbursement Estimates						
Explanation:						
With the restructure, the undisbursed balance of US\$6 million will be fully disbursed in year 2015.						
Fiscal Year	Current (USD)		Proposed (USD)			
2015			0.00		6,000,000.00	
2016			0.00		0.00	
2017			0.00		0.00	
2018			0.00		0.00	
2019			0.00		0.00	
	Total		0.00		6,000,000.00	

Components

Change to Components and Cost

Explanation:

A reallocation of the unallocated amount of US\$1 million and unused amount of US\$250,000 under component three to component one.

A reallocation of unused amount of US\$750,000 under component two to component one.

This will enable the financing of eligible civil service salaries in non-security sectors in Mogadishu and subject matter experts for the period of January and February 2015.

Current Component Name	Proposed Component Name	Current Cost (US\$M)	Proposed Cost (US\$M)	Action
Emergency Support to core government functions in MDAs		13.00	15.00	Revised
Strengthening Systems of Expanded Operations and Service Delivery		1.00	0.25	Revised
Project Management and Coordination		1.00	0.75	Revised
Unallocated		1.00	0.00	Revised
	Total:	16.00	16.00	

Other Change(s)

Other Change(s)

Explanation:

The restructuring includes the dropping of the activity related to the strengthening of reliability and integrity of payroll and engagement of Technical Assistance for monitoring and evaluation for the External Affairs Fiduciary Section under component two of the project as this is already supported by another Development Partner.

The restructuring also involves a revision of the Results Framework based on the findings of the mid-term review to better measure the PDO indicators, baselines, progress data and targets for all indicators and adjust and/or add indicators to show all the results that the project has been achieving. This is reflected in Annex 1.

Change(s) in Appraisal Summary

Appraisal Summary Change in Risk Assessment

Explanation:

With the change in the risk assessment tool from ORAF to SORT, this is the first update of the SORT in the system. Apart from technical design of the project which is now rated moderate because of the implementation progress, all other risk ratings are same as during the project preparation and effectiveness.

The overall risk rating is high. Somalia is a high-risk environment and careful management of risks is required. Major country risks include the overall security situation, with incessant instability and a volatile security situation due to an active insurgency being led by Al-Shabab. This could have a number of direct and indirect impacts on the program, ranging from periodic travel restrictions to a direct attack on the CBS – the primary pay point for civil servants – by Al-Shabaab. The program will mitigate these risks by taking account of the regular security advice issued by the World Bank and UN, and by relying heavily on the more flexible security arrangements and access arrangements used by the Monitoring Agent to ensure that Phase I project implementation can continue when staff travel is restricted. The project will also rely on the security measures that the FGS has taken to protect the CBS and other core PFM institutions from attack.

Country risks also include overall insecurity and political instability, and more specific risks related to macro-governance challenges such as poor FGS policy choices. The project seeks, to the extent possible, to mitigate against overall insecurity and political instability by adopting a phased approach under the Series of Projects, whereby Phase I is relatively small, and future allocations are flexibly negotiated on an annual basis as part of the budget process, thereby making the project responsive to a highly uncertain and rapidly changing country risk environment. The project will mitigate against more specific macro-governance challenges through strong policy dialogue with the authorities, focusing on their macro-fiscal and economic governance track record.

Sector and Multi-Sector risks include the risk of poor macro-fiscal management by the FGS. Specifically, poor revenue forecasting, under-collection of revenues, insecurity, and weak cash management could result in liquidity constraints leading to non-payment of salaries and accumulation of arrears. The program seeks to mitigate these risks by, under the Phase I project, providing an advance equivalent to three months of salaries with a revolving fund structure. This should ensure that civil servants' salaries continue to be paid irrespective of revenue performance in the second half of 2014. In addition to using the revolving fund model, Phase II will also help to mitigate this risk by including an incentive-based allocation to promote domestic revenue mobilization.

There are also multi-sector risks relating to the integrity of payroll system data resulting from multiple payroll lists being managed by different institutions (NCSC, CBS, MoF, MDAs). This risk is currently being mitigated by multiple manual checks, and by use of biometric data and ID cards at the point of payment (CBS). A more comprehensive mitigation will be achieved through the a more 'scalable' payroll system, which is being developed in coordination with other projects, including: i) the SFF, which is supporting the rapid development of an interim HR information database tool to consolidate payroll information in a single place, and; ii) by the PFM Strengthening project, which is developing an SFMIS HR and payroll module to ultimately perform this function under NCSC.

There is also a risk that the number of civil servants eligible for reimbursement under the RCRF program is significantly lower than the number budgeted for. As explained, this gap arises because some posts have not been filled, and because some FGS institutions prefer to remain 'off-SFF' and hence 'off-RCRF'. This risk will be mitigated by ensuring that reimbursements are solely based on eligible expenditures and reallocating unspent funds within the MPF. In addition, lack of policy on the award of allowances and uncollected salaries (arrears and liabilities) is a potential risk. This will be mitigated by supporting the Government and coordination with other Bank supported projects to develop the requisite policy guidelines. The Phase II project will also, through dialogue, seek

to ensure that more ministries and departments come onto the RCRF program, thereby increasing the transparency and accountability of the FGS payroll.

Implementing agency capacity constraints are severe, particularly in procurement and financial management, representing a risk to implementation. Specifically, there is also a short-term capacity risk during the Phase I project that transitioning from the FMU (used by SFF) to the EAFS could disrupt the timely preparation of accurate withdrawal applications. This is being mitigated by the leadership of the FMU/EAFS change management and merger process by the Ministry of Finance, by the retention of FMU consultants within the EAFS, by additional advisory support to be provided by three PFM Strengthening project advisors within the EAFS, and by additional support and backstopping from the monitoring agent.

Governance risks, including the risks of corruption are high. There is a reputational risk to the World Bank if RCRF program funds are found to have been diverted to other purposes, either directly or as a result of the freeing up of domestic resources which would otherwise have been spent on civil servants' salaries (i.e. a 'fungibility' risk). These risks are being mitigated through: i) the adoption of controls around payroll introduced under the SFF, and the retention of the SFF Monitoring Agent to provide quality assurance and due diligence on the salary payments and non-salary recurrent expenditures, and; ii) the relatively small size of the Phase I project, coupled with budgetary dialogue and flexible annual allocations under the Phase II project.

The primary Delivery Monitoring and Sustainability risk relates to the role of the monitoring agent and the banking and payments arrangements. On the monitoring function, the Phase I project is heavily reliant on the role of the Monitoring Agent (MA) to provide quality assurance and due diligence on the salary payments and non-salary recurrent expenditures. An MOU will be agreed with Norway on the use of the consultant currently engaged under the SFF program, an agreement which runs until December 31 2014. The primary risk here is therefore that the monitoring agent role will need to be covered for the final two months of the Phase I project period (January – February 2015), and development of a new monitoring function for the Phase II project will need to begin well in advance given the lead times typically involved. This risk will be mitigated by the development and implementation of a plan for the monitoring agent function after December 31 2014.

As regards risk pertaining to banking and payments, there is a risk that the established banking and payments channel may prove fragile. This is due to perceived AML/CFT risk in the banking sector, as well as concern that the ultimate beneficiaries of transactions may be sanctioned individuals. This was a major lesson from the experience with the SFF, under which there was a delay after the project effectiveness date in finding a private bank willing to act as a financial intermediary between the Government of Norway and the FGS. This risk is being mitigated by: i) the successful transfer of funds from the World Bank to the CBS under the recipient executed PFM Strengthening project (albeit smaller amounts than under the Phase I project); ii) the rapid development of a banking and payments contingency plan for MPF projects and programs; iii) the World Bank and IMF financial sector work, including support for the licensing of financial institutions in Somalia (both transfer and banking licensing), and to support the development of new correspondent banking relationships iv) migration of the payroll function to the Financial Management Information Systems (FMIS) payroll module to take advantage of the embedded ex-ante and post ante payroll controls. The World Bank can also draw on extensive experience of managing banking and payments arrangements in fragile and conflict affected contexts, including situations where electronic funds transfer was not possible. Finally, the appraisal mission found that the risk that civil servant salaries might benefit sanctioned individuals is low, with the Monitoring Agent to perform a check against consolidated lists of total civil servants upon entry to the RCRF program. The risk that non-salary recurrent expenditures may benefit sanctioned individuals was adjudged low to moderate, with all vendors to be checked against targeted and global sanctions lists, and adopting a risk-based approach to detect abnormal transaction patterns.

A likely risk is the possibility of delay in payments of civil servants salaries in subsequent months after period covered under this restructure. This could arise if there are delays in effectiveness of the phase two of the RCRF

program. The Bank team will work closely with government to ensure a timely preparation and effectively of the RCRF phase two.

Risk Category	Rating
1. Political and Governance	High
2. Macroeconomic	Substantial
3. Sector Strategies and Policies	Substantial
4. Technical Design of Project or Program	Moderate
5. Institutional Capacity for Implementation and Sustainability	Substantial
6. Fiduciary	Substantial
7. Environment and Social	Low
8. Stakeholders	Moderate
9. Other	Substantial
OVERALL	Substantial

ANNEX 1:
Results Framework and Monitoring
SOMALIA: RECURRENT COSTS AND REFORM FINANCING PROJECT (P098639)

Project Development Objectives							
Original Project Development Objective:							
The Development Objective for the Series of Projects is to enable the Somali Government to achieve reliable and transparent financing of critical civil service operations to help strengthen the legitimacy of the state. The Development Objective of this first project in the Series is to finance and support an operational payroll and payment system for the non-security sectors. This aligns with the MPF objective; to foster socio-economic recovery and stabilization by supporting the payment of civil service salaries, and the running costs of government institutions; financing technical assistance and supporting the building blocks of larger public investment programs across a range of sectors.							
Results							
Core sector indicators are considered: Yes				Results reporting level: Project Level			
Project Development Objective Indicators							
Status	Indicator Name	Core	Unit of Measure		Baseline	Actual(Current)	End Target
Revised	Number of civil servants in non-security sectors paid	<input type="checkbox"/>	Number	Value	1970.00	3517.00	3600.00
				Date	01-Jul-2014	19-Dec-2014	30-Apr-2015
				Comment	Based on the Monitoring Agent Report for the SFF	Based on October 2014 salary payments Advisory report forwarded by the Monitoring Agent	This is revised downwards from the initial projection of 3,909 which was based on the expected FGS payroll number in the 2014. The mid-term review revealed that while the total number of civil servants on the government payroll as of October 2014 was 4,012 (above the government 2014 budget projection), only 88% are authorized and eligible for payments under the RCRF project. The projection for the end of project is revised downwards to take this into consideration.
		<input type="checkbox"/>	Number	Value	1970.00	2908.00	3909.00
				Date	01-Jul-2014	25-Oct-2014	31-Dec-2014
				Comment	Based on the Monitoring Agent Report for the SFF	Based on September 2014 salary payments forwarded to the CBS	Expected FGS payroll number in 2014
Revised	Reduction in days of delay in payments of	<input type="checkbox"/>	Days	Value	58.00	27.00	12.00
				Date	01-Jul-2014	19-Dec-2014	30-Apr-2015

	Civil servants salaries in non-security sector			Comment	Statutory salary pay date of government is 27th of the month. The baseline is based on the salary payment for June 2014.	Based on October 2014 salary payments Advisory report forwarded by the Monitoring Agent. This indicator is revised to	The revision takes into consideration a more robust indicator based on the lag between the statutory and actual pay date of the salaries to eligible civil servants and a more definite measurement in days rather than percentages.
		<input type="checkbox"/>	Percentage	Value	0.00	0.00	80.00
				Date	01-Jul-2014	25-Oct-2014	31-Dec-2014
				Comment		The delay in salary payment has been reduced significantly; however, the target is to pay salaries between 25th to 31st of each month.	
Revised	Number of payroll verifications undertaken by independent agent	<input type="checkbox"/>	Number	Value	0.00	4.00	6.00
				Date	01-Jul-2014	19-Dec-2014	30-Apr-2015
				Comment		Four payroll verification in respect of July to October salaries has been carried out and indicated in the advisory reports. The report for November salary payment is in progress and will give update on the payroll verification.	Payroll verification is done every month from January to December by the MA prior to sending the Advisory Report to the Bank.
		<input type="checkbox"/>	Number	Value	0.00	1.00	3.00
				Date	01-Jul-2014	25-Oct-2014	31-Dec-2014
				Comment		Only one advisory report has been prepared in respect of July salaries. The report for August salary payment is in progress	
Intermediate Results Indicators							
Status	Indicator Name	Core	Unit of Measure		Baseline	Actual(Current)	End Target
Revised	Verified reimbursements of	<input type="checkbox"/>	Percentage	Value	0.00	0.00	25.00
				Date	01-Jul-2014	17-Dec-2014	30-Apr-2015

	non-salary recurrent cost expenditures			Comment		Activity has not commenced because Payment System Reform Task Force tasked to set up systems for approval of non-salary recurrent costs and lay out criteria for eligible expenditure has just prepared a draft guideline.	Due to delays in preparing a draft guideline, the reimbursement will commence from January 2015. As a result, the initial target of 50% is not realistic and is revised downwards to 25%.
		<input type="checkbox"/>	Percentage	Value	0.00	0.00	50.00
				Date	01-Jul-2014	25-Oct-2014	27-Feb-2015
				Comment		Activity has not commenced because Payment System Reform Task Force tasked to set up systems for approval of non-salary recurrent costs and lay out criteria for eligible expenditure is yet to come up with the guideline.	
Revised	Withdrawal applications reviewed and approved by independent monitoring agent	<input type="checkbox"/>	Number	Value	0.00	4.00	8.00
				Date	01-Jul-2014	17-Dec-2014	30-Apr-2015
				Comment		This is in respect of four WAs for July to October salaries. Review of WA for November salaries is in progress.	With the extension, we expect that the number of WA will also increase and the end target is revised upwards.
		<input type="checkbox"/>	Number	Value	0.00	1.00	6.00
				Date	01-Jul-2014	13-Oct-2014	31-Dec-2014
				Comment		This is in respect of July salaries for WA2. Review of WA3 is in progress.	
Revised	Number of monthly updates of the personnel and payroll databases in line with agreed eligibility criteria undertaken	<input type="checkbox"/>	Number	Value	0.00	4.00	8.00
				Date	01-Jul-2014	17-Dec-2014	30-Apr-2015
				Comment		Personnel and payroll databases are updated every month prior to salary payments. This is also verified by the MA prior to approving the WA for payment by the Bank.	With the extension, we expect that the number of WA will also increase and the end target is revised upwards.

		<input type="checkbox"/>	Number	Value	0.00		6.00
				Date	01-Jul-2014		31-Dec-2014
				Comment			
Revised	Number of monthly payroll report published in MoF website	<input type="checkbox"/>	Number	Value	0.00	1.00	5.00
				Date	01-Jul-2014	17-Dec-2014	31-Mar-2015
				Comment		The October payroll was published on MoF website. Publication of November and December 2014 is in progress. Website is www.MoF.gov.so. It is published under the PFM section.	The payroll report is expected to be published for five months salary payments from October 2014 to February 2015.
No Change	Operations manual for external affairs fiduciary section updated and approved	<input type="checkbox"/>	Yes/No	Value	No	No	Yes
				Date	01-Jul-2014	17-Dec-2014	27-Feb-2015
				Comment		In progress	
No Change	Accountant General Office equipped and upgraded for payroll monitoring	<input type="checkbox"/>	Yes/No	Value	No	No	Yes
				Date	01-Jul-2014	25-Oct-2014	27-Feb-2015
				Comment		In progress	