Accelerated Peer-Support Partnership Programme

Cooperation Agreement

2018-2020

An agreement between the office of the Auditor General of Eritrea, AFROSAI-E, and IDI for a joint effort to strengthen the OAG's strategic management cycle and improve coordination of external capacity development support

Contents

Acronyms

AFROSAI-E	African Organisation of English-speaking Supreme Audit Institutions
CREFIAF	African Organisation of French-speaking Supreme Audit Institutions (Regional Council of Training for Supreme Audit Institutions of Sub-Saharan Francophone Africa)
CSO	Civil Society Organisation
GCP	Global Call for Proposals
IDI	INTOSAI Development Initiative
INTOSAI	International Organisation of Supreme Audit Institutions
ISSAI	International Standards for Supreme Audit Institutions
MoU	Memorandum of Understanding
NGO	Non-Governmental Organisation
PAC	Public Accounts Committee
OAG	Office of the Auditor General, Eritrea
PFM	Public Financial Management
PAP-APP	Partenariat Accéléré pour l'Appui des Pairs (PAP) / Accelerated Peer-Support Partnership (APP)
SAI	Supreme Audit Institution
SAI PMF	Performance Management Framework for SAIs
SDGs	Sustainable Development Goals
SSMF	SAI Strategic Management Framework

1 Background

The Office of the Auditor General (OAG) of the State of Eritrea was established in May 1992 by Proclamation No.23/1992 which was later repealed and replaced by Proclamation No. 37/1993. The mandate of the OAG was also spelled out in Legal Notice 14/1993 Article 2.25. This was further strengthened by the Constitution, which states that an Audit Legislation be prepared.

Since its inception, the OAG has been endeavouring to build and strengthen its capacity to fulfil its mission and vision as stated below;

Mission Statement

"To provide reasonable assurance in the management of public resources by our independent and objective public sector audit services."

Vision Statement

"To be an independent, efficient, and effective audit institution that promotes public accountability and transparency."

The OAG has been getting immense support from the Government of the State of Eritrea and its development partners. The OAG recognises the value of such support and thus requested to be a part of the 2nd Tier of the Global Call for Proposals (GCP), and this was approved by the INTOSAI Donor Corporation. The GCP is a mechanism seeking to match SAI capacity development proposals with donors and providers of support. It aims to empower SAIs in developing countries to drive forward their capacity and performance by ensuring proposals for capacity development are *SAI-led* and *aligned with the SAI's strategic plans*. The 2nd Tier of the GCP involves intensive support to a small group of SAIs in urgent need of support and development.

The INTOSAI community organizations, the IDI, AFROSAI-E and CREFIAF, have established a programme to support SAIs being a part of the GCP Tier 2. Funding for the programme is provided by the Austrian Development Association (ADA), MFA Iceland, IDI basket funds and in-kind support of CREFIAF, AFROSAI-E and selected SAIs.

Against this backdrop, OAG, AFROSAI-E and IDI have decided to establish a cooperation as a part of the Accelerated Peer-Support Partnership (PAP-APP). This Cooperation agreement outlines the planned results and how the parties will work together.

2 Expected outcomes and outputs

The result framework for the Cooperation is shown in the table below.

SAI outcome	Indicator	Key expected outputs

1. Strengthened strategic management	SAI-PMF SAI-3 *Strategic Planning Cycle* indicator
	
	Baseline by Aug 2018: Score 2
		a. Final Strategic plan –
		   i. containing core elements for effective performance of the SAI
		   ii. based on a needs assessment which considers the institutional framework such as country governance, political

SAI outcome	Indicator	Key expected outputs

	Target: Score 3 by the end of 2019.
	
	Measurement: SAI PMF methodology for indicator SAI-3
		economy and public financial management systems.
		  iii. stakeholder engagement plan – may be embedded in the SP or as an addendum
		
		b. Operational plan
		   i. that is linked to a detailed budget
		   ii. with a clear performance and results orientation, especially an indication of the number of audits to be carried out annually in relation with the SAI mandate and capacities
		
		c. An improved SAI Annual performance report

2. Effective and coordinated external support for capacity development established	The SAI has established capacity development support agreements enabling implementation of the strategic plan. Target: End of 2019 Measurement: qualitative assessment	a. A comprehensive plan showing required external financial and technical support to strategic plan implementation, including priority projects and project proposals b. SAI has dedicated staff and responsibility for coordination of external support c. Applications for external support
3. The SAI leads by example in the areas of gender, inclusion and diversity	The SAI's strategic management plans contain effective strategies related to gender, inclusion and diversity. Target: End of 2019 Measurement: qualitative assessment	a. Strategies for gender, inclusion and/or diversity in the strategic and operational plans

3 Responsibilities and project management

3.1 OAG Eritrea (OAG)

OAG is expected to be involved in the project as an institution, meaning through the involvement of all managers and staff. Commitment of the SAI's top management in the project is seen as a key success factor.

The daily management of the project is to be handled by a dedicated SAI team. This team will be responsible to coordinate the support activities provided through the Cooperation. The leader of the SAI team is expected to be the main contact person for the Peer-team. The contact person of the SAI team and the Peer-team leader are expected to maintain a close and regular dialogue.

Responsibilities of OAG include:

- Lead the Steering committee and call for the annual meeting.
- Be in the driving seat in the implementation of activities.
- Integrate the project-related activities with the rest of the plans and activities of the office.
- Actively monitor and follow-up on the execution of activities, milestones and expected outputs in the project.
- Nominate a SAI Project team responsible for the coordination of the project activities.
- Ensure the availability of adequate staff and their continuity in the areas covered through the project.
- Prepare annually a summary of progress of agreed activities and performance compare to intended outputs and indicators. This information should be provided as an integrated part of the SAI performance report, if possible.
- Invite for the annual meeting in due time.
- Contribute to ToRs for specific project activities.
- Contribute to reports of main project activities.

Current membership of the SAI Team is listed in Appendix 2.

3.2 Peer team

A Peer team will be formed to manage the support to the SAI. AFROSAI-E and IDI will as partners mainly operate through its representatives in the Peer team. INTOSAI providers interested in supporting the SAIs will be invited to be a part of the Peer team.

The following is expected from the Peer team:
- Coordinate and deliver the support activities in a close dialogue with the SAI and interested country-level development partners.
- Develop draft ToRs for main project activities.
- Ensure a report is written in close cooperation with the SAI participants of all main project activities.
- Ensure all interested parties are well informed about plans and activities.
- Coach and retain qualified peers for the project activities.
- Coordinate with the Programme management team.

Current membership of the SAI Team is listed in Appendix 3.

3.3 PAP-APP Programme team

The Cooperation is a project within the Accelerated Peer-Support Partnership programme. The programme team serves the project and is responsible for the following:

- Cover and manage costs of the project activities.
- Initiate and ensure coordination of events of several SAIs. The regional organization may have the main responsibility for coordination if such events are done as a part of events organized by the regional organizations.
- Continuous coordination of activities, to inform involved parties and adjust plans.
- Ensure a programme and project teams in total have the necessary competencies, including in the areas of gender, diversity and inclusion
- Provide templates for agreements, reports, etc.
- Mobilize and retain qualified peers for the project activities.
- Handle arising and unexpected issues due to the challenging situation in SAI level cooperation.
- Summarize SAI level plans and reports into programme level plans and reports, to ensure coordination and lessons learned shared across projects.

4 Steering and reporting

A steering committee is established where each of the Cooperation partners are represented. The committee will be led by the Auditor General. It is responsible for approving the annual report and annual plans for the project. The steering committee shall meet in Q2 of 2019 and 2020, preferably in connection with the AFROSAI-E Governing Board. The steering committee can also meet ad-hoc to discuss the support project and be consulted on arising issues.

The annual report of the Cooperation should as much as possible be integrated in the SAI Performance report. The annual report should contain information showing the status of the expected outcomes and outputs as set in the result framework.

At the end of the Cooperation period, an external evaluation of the project will be carried out where all parties will make sure project related documents and informants are made available.

5 Budget and finances

IDI will bear all direct costs for agreed in-country events and for other project-related costs such as the printing of materials and the strengthening of communication facilities necessary for smooth coordination between the Peer Team and SAI Team.

IDI will also cover travel, visas, accommodation, breakfast, and lunch related to the SAI Team's participation in activities outside the country.

Costs for the SAI Team members' dinners and eventual other allowances will not be covered by IDI and must to be covered by the OAG.

The OAG is expected to ensure participants have travel insurance. However, IDI can reimburse such costs.

IDI will be responsible for financial management of the project, including ensuring activities are planned and executed within the budget for the PAP-APP programme. The other partners commit to provide IDI with key information required for reporting to the donors.

6 Management of risks

Risk management is expected to be done systematically for the project. The table below list risks identified by the SAI and actions to deal with them. The status of these risks is expected to be regularly assessed and followed-up jointly by the SAI team and the Peer-team.

Risk	Description	Control measures by the SAI	Control measures by the Peer-team	Risk level taking control measures into account (low, medium or high)
New government decisions and policies due to shifting political environment	Implementation could be delayed due to unforeseen Govt. decision and Policy (such recent change in relations with Ethiopia)	Lobbying and convincing the authorities concerned	None	High
Resource scarcity	Resource scarcity in terms of financial, human and material could be encountered	Meeting with the Office of the President, MoF and Development Partners	Plan to mitigate this risk in the development of project proposals	Medium
Resistance to Change	Resistance could be faced from internal and external stakeholders	Internal: Continuous meeting and discussions through Change Champions and other means. External: Continuous meeting and seminar by the OAG and Media regarding the change required.	None	Low
Ineffective internal and external training	The training packages planned may not go as required due to fund constraints. Training in Specialized audits such as	Internal: The OAG to periodically conduct assessments and evaluations of training provided.	External: Plan to mitigate this risk in the development of project proposals	Medium

Risk	Description	Control measures by the SAI	Control measures by the Peer-team	Risk level taking control measures into account (low, medium or high)
	Performance, IT Audits are beyond OAG's capacity. This may require resident training consultant.	Identify training needs. External: The OAG would need to work for securing budget for workshop and trainings from the Government and donors.		

7 Principles for cooperation

The primary principles that will govern the Cooperation are the following:

(i) The partners recognize and respect the governance structures and internal processes of each other.

(ii) The partners will be transparent regarding planned activities that might potentially impact on the work of the other party and will seek ways to complement each other in the performance of their functions.

(iii) The partners will cooperate with honesty, integrity and professionalism, and will respect the work, findings and representations made by each other.

(iv) Communication between the partners will be responded to with the necessary promptness and will be considered in the context of seeking ways to cooperate and complement each other's functions.

(v) The partners commit to maintaining open and effective internal and external communication on all matters pertaining to the collaboration. The partners will strive to share information on relevant activities and partnerships generated as a supplement to or a consequence of the Cooperation.

(vi) The partners will separately or jointly give appropriate visibility to the Cooperation and its activities, and work to improve awareness of the priorities and activities of the partners.

(vii) The partners shall maintain complete confidentiality regarding each other's confidential information that might be shared during the project unless prior written permission is obtained from the party.

8 Agreement

As partners we commit to work together to achieve the outcomes and outputs.

We agree to seek to allocate the required resources and staff for participation in the project.

We agree that any changes to the project outcomes and outputs will be mutually discussed and agreed upon.

We commit to the cooperation principles and requirements as stated in the donor agreement for the project.

Date: 21 September 2018

OAG Eritrea	AFROSAI-E	INTOSAI Development Initiative (IDI)
Gherezgiher G. Medh		

Appendix 1: Milestones and time chart

Key Project Milestones

Milestones	Date Expected
Project functions are established	Sep-18
Needs assessment report is approved by the AG	Sep-18
Stakeholder event held to launch strategic plan	Nov-18
Strategic plan and disseminated internally and externally to key stakeholders	Nov-18
The operational plan is approved by the AG and communicated internally	Dec-19
Improved SAI annual report signed off by the AG	Dec-20
Project proposals have been approved by the AG and submitted	July -19
Final report of the Project approved by the Steering Committee	Jun-20

A detailed version of the project's activity plan, including the associated budget, is to be shared with all partners to the agreement. The activity plan will be treated as a living document and iterated as the project progresses.

Project Time Chart

Focus Area	Start	End	2018						2019												2020		
			7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3
Project Functions	Jul-18	Sep-18	▓	▓	▓																		
Needs Assessment	Jul-18	Sep-18	▓	▓	▓																		
Stakeholder Engagement	Sep-18	Nov-18			▓	▓	▓																
Strategic Planning	Sep-18	Nov-18				▓	▓	▓															
Operational Planning	Sep-19	Dec-19															▓	▓	▓	▓			
Monitoring, Evaluation and Reporting	Aug-18	Jan-20		▓	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓	▓		

	Sep-18	July -19
External Support Coordination		
Project Management	Jul-18	Jun-20

Appendix 2: Key existing SAI resources and overview of external support

SAI team

Role	Name	Position
Member	Gherezgiher Ghebremedhin	Auditor General
Member	Menghis Dagnew	Deputy Director General
Member	Zere Haddish	Deputy Director General
Member	Tirhas Andemariam	Admin Director
Member	Ghirmatsion Tewelde	Auditor and Team Leader
Focal point/ contact person	Amanuel Isaac	IT Director and Communication Officer

Strategic management documents

Document type	SAI document title if existing	Comment
Strategic plan	The State of Eritrea, Office of The Auditor General - Strategic Plan For 2018-2022 - draft	
Operational plan	Annual Operational Plan 2018 - draft	
Other important SAI documents	A Project Proposal on The Capacity Building of The Office of the Auditor General (OAG), the Audit Services Corporation (ASC): Project Period: 2016-2018. Funding by UNDP.	
Needs assessment (SAI PMF, QA review or other)	AFROSAI – E Quality Assurance report 2015	Due for a QA review

Appendix 3: Peer team

Peer team

Role	Name	Position	SAI or organization
Leader and main contact person	Cynthia Mangaba	Programme Manager	AFROSAI-E
Member	Dana Wilkins	Capacity Development Manager	IDI
Member	Evans Agyin	Assistant Auditor General	SAI Ghana
Member	Kevi Xarages	Audit Manager	SAI Namibia