

ANNEX I
Description of the Action

Annex 1: Description of the Action

Support to the Somalia Police Force - enhancing civilian security through stipends payment

Expected Outcome: The development of a transparent and efficient electronic payment process to administer stipends to police forces in Bannadir.

Expected Outputs: There are four specific outputs:

SO 1: 2015 stipends disbursed to police forces stationed in the Bannadir region.

SO2: Strengthened coordination, transparency and efficiency of stipend payments to the SPF.

SO3: Development of a fully electronic payment verification and funds transfer system based on the biometric registration system that captures biometric and biographic data on all SPF giving a higher level of transparency on all payments made.

SO4: Development of a modern Human Resources System that would enable the Somali Government to continue proper management of its security forces in an open, transparent and accountable manner ensuring accurate budgeting and force planning information.

Brief Description

The Somali Police Force has been receiving stipends since 2006 to supplement the intermittent salary paid by the Federal Government of Somalia. Stipends are being paid to the Somali Police Force Officers who have been trained and certified by UNDP/ UNSOM/ AMISOM, and verified by the Police Commissioner that they are on active duty for the Federal Government of Somalia.

South-Central Somalia, including the capital Mogadishu, has been in a state of open conflict between the Somali Federal Government and various Islamic militia groups, most notably with the Al Shabaab. Gradually, Somali Federal troops, supported by the African Union Mission in Somalia (AMISOM), have gained ground throughout South Central Somalia opening up areas that are in need of safety and security for their citizens. The expansion of such has led to a need to consolidate control and to effectively deploy police across the region.

Because of the growing autonomy of the SPF, there is now an increased need to monitor whether the police are being appropriately trained, equipped and receive their stipends regularly to ensure a trustworthy and professional policing organisation. This programme facilitates stipends payments to 4,406 trained and serving federal police officers throughout South Central Somalia.

Contextual Analysis

Somalia is beset by poverty, famine and violent conflict and in the past 20 years has been governed by a variety of political, security and administrative entities. South-Central Somalia, including the capital Mogadishu, has been in a state of open conflict between the Transitional Federal Government (TFG) (recognised by the international community) before and the Federal Government of Somalia (FGS) now, and various Islamic militia groups, most recently in the form of Al Shabaab. Government troops, supported by the African Union peace support mission AMISOM, have gained ground in Mogadishu and the Al Shabaab have been withdrawing their forces from the capital, allowing the Federal Government of Somalia to expand its area of control across Mogadishu to most of the districts encompassing the Banadir region. A critical and urgent element of consolidating this control is to immediately deploy police across the city and to ensure that the police are appropriately trained, equipped and being paid regularly.

Stipends Background

Strengthened security and police forces is a national priority. In the New Deal Compact (2014-2016) the Federal Government of Somalia, under PSG 2 set the strategic objective to establish unified, capable, accountable, and rights based federal security institutions able to provide safety and security for its citizens. Regular stipends payments, on top of salaries, are critical to ensure the loyalty, commitment, morale, performance and retention of skilled police officers at this critical time in Mogadishu.

Support for stipends payment has grown in the past 9 years taking into account the hiring of more officers leading to increased recruit training and subsequent deployment. The training is a requirement of the donor community and follows recognised human rights based curriculum proposed and approved in 2009 by the SPF and the International Community.

Within the payment organisational framework, the UN Civilian Police Project has successfully facilitated the stipend payments in Mogadishu and other areas in Somalia, including Federal Police instructors in the Armo Police Academy and the Federal police officers in the Bay region, according to the procedures agreed upon with the donors. UNOPS and the Somali Police Force (SPF) have devised an accountable stipends payment procedure, the management of which is under the overall supervision of the Ministry of Internal Security, the Ministry of Finance and the Somali Central Bank. This process is currently ongoing and has also been supported and enhanced by a Human Recognition System (see here-under for more details).

In 2009, the payment system was strengthened with the creation of a civilian Stipends Monitoring Committee, 'SMT'. The SMT has been approved by the donors and is tasked to monitor and manage the disbursement of stipends to the officers. Stipend payments are intricately linked to all aspects of project initiatives in South Central Somalia. This includes the development of mid and senior rank police personnel, effective police management systems, oversight and accountability to infrastructure. In addition, stipend payments are essential to ensure the loyalty,

commitment, morale and performance of skilled police officers at this most critical time in Mogadishu.

Whilst there have been no official studies or reviews on the effectiveness of stipends payments on the population in Somalia, best practices in other places tell us that without a minimum sustenance allowance, such as stipends payments, the police will find other ways to pay for their necessities that are not conducive to the protection of human rights. Also, a review of UNDSS security reports show few incidents of reported corruption in the areas of robberies and illegal checkpoints by the SPF, in comparison to other security entities. In the Rand Corporation study *'Developing Iraq's Security Sector: The Coalition Provisional Authority's Experience'*, it was found that a stipend set below the perceived standard was directly related to the security forces of Iraq assisting or joining rebel forces or seeking other, and often illegal means of supplementing their income.

In South and Central Somalia, the UN Civilian Police Project (CPP) has been managing the current stipends payment system. There are currently approximately 5,200 registered officers in the SPF. This number includes 505 female police officers of all ranks. The SPF has envisaged a goal of hiring 25-30% female officers for the areas outside of Mogadishu. In conjunction with prevailing UN norms and principles, the CPP has encouraged the SPF and the Ministry of Internal Security, through various meetings and Police working groups to increase its complement of female officers. The CPP continues to monitor the number of female officers as more areas in South and Central Somalia open up and require formal policing structures.

If the current six million estimated civilian population of the South and Central areas of Somalia are correct, a conservative ratio set within the Rand Corporation book *'A Beginners Guide to Nation Building'* of one police officer per 1,000 population sets the count of needed police would be at 6,000. In other reports, such as by the International Association of Chiefs of Police, would say that there is a need in peaceful areas to have 1.5 police per 1,000 populations. This would put the number at a much higher 9,000 needed police officers.

SPF Expansion

The SPF has advised UNSOM that they have developed a hiring plan to add 2,300 officers over the next few years. Some of these new officers will be assigned to deployment into the newly recovered areas, mostly outside of Mogadishu as they open up. Discussions have been underway regarding the expansion of the police in both numbers and responsibilities. As soon as new areas are recovered, there will be additional police deployment and construction of police stations that are to be staffed by experienced senior officers and new recruits.

Presently, AMISOM and the SPF are currently training recruit officers who will be used to replace some of the officers lost within the Bannadir region over the last eighteen months, since these officers are being vetted and trained under the supervision of AMISOM, they should be added to the existing 4,406 officers who will receive stipends. This would bring the strength back to approximately 6,500 officers. The additional officers will be deployed throughout the greater Mogadishu area,

replacing deceased and retired officers as well as completing the various stations' manpower requirements. The SPF has also indicated that most stations are short of officers and the new officers will make up for the shortfall.

In early 2014, the SPF engaged a Strategic Planning Team to devise and develop a Deployment Plan that will explain the needs and eventually the deployments of officers in the South Central region. Once engaged, and trained in the UN and donor sanctioned Basic Police Training Course, the new officers will be eligible for stipends.

The proposed expansion of the SPF has been an important topic in the context of the FGS' desire to install and provide safety and security as it pushes Al Shabaab out of the country. Given that the rationale, historically, for stipends payment to the SPF is to ensure the continued engagement and presence of the police throughout South Central Somalia, the same rationale applies to this expansion. The reasons for the stipends payments to these new areas are the same as the original reasons: to ensure a police presence and to bolster the police's capacity to perform their duties.

Since the beginning of the Stipend Programme, the Civilian Police Project team has maintained oversight of the stipends process through the Stipends Monitoring Committee; whilst at the same time attempting to ensure that police officers are paid in a timely manner. Often, payments have taken place under conditions where direct monitoring by the UN has been extremely difficult as CPP personnel have routinely been unable to attend the actual payment sessions for security reasons. The Police Project Associate participates as an observer to the stipend payment rounds. The payment sessions have been handled by the SPF and the Stipends Monitoring Committee who provide timely reports on payment sessions and expenditures while maintaining and adhering to payment lists provided by the SPF. The CPP receives daily reports that show the number of officers paid and how much has been paid, a monitoring requirement that allows the CPP to release funds.

EU Audit Report

A previous EU audit revealed the need for greater accountability when administering stipends. The Audit's concerns and recommendations have been addressed in this project and will be implemented, through the use of the HR systems which contain safeguards against paying officers twice, and ensuring transparent accountability of the same.

After each stipend round, the Stipend Monitoring Committee purges all deceased and no longer serving police officers from the stipends list for the next stipend round.

The audit recommendations cited the need to secure and monitor the payment process towards accountability and transparency. The CPP was tasked to research and acquire a proven payment system. It was subsequently determined that a UK company, Human Recognition Systems, 'HRS', had a suitable, quality standard, biometric information recording system. Research indicated it has been adopted by

UN and other agencies. The system has been providing an accurate record of personal, payment and biographical information¹.

Two HRS have been purchased. The HR Systems, with each successive stipend payment round, will:

- compile and collect biographical information of every officer;
- record and provide a monitoring basis for the payment sessions;
- providing a database ensuring payments are not duplicated;
- deceased and departed officers are purged; and
- all Systems hardware and software are stored at a secure UN office until the next payment session.

The HRS has been in use since the 20th round of stipends payments and has allowed for the registration of 4,500 officers out of an estimated 5,205 currently paid stipends in the SPF. The initial registration process takes time as the HR Records now contain 31 biographical fields that include: i) fingerprints, ii) photograph, iii) iris capture, iv) face image, v) bio-data in regards to relatives, addresses, work history, deployment & career placement & blood type. This takes place at the same time the officers are paid, anywhere over a 3 to 6 weeks period. The 500 officers currently being trained will be registered upon completion of their course and positive vetting has been carried-out.

The HRS will be used to carry-out two functions: i) verification of the identity and eligibility of the SPF police officer; which will in turn allow for the verification of all aspects of the officers and payments available at each round of payments and data being retained in the HR Systems pertaining to all payment data; and ii) registering the remaining SPF officers so that the full SPF has been captured in the HRS.

The HRS is designed in such a way that payment verification and registration will take place on separate occasions, thereby, conforming to the ECA recommendations of using a system.

AMISOM has commenced a re-verification exercise in Bannadir of all SPF members supported by UNOPS using the HRS. All SPF members will be given the "on hold" status in their profile and as they are confirmed by the AMISOM a biometric search for the officer confirmed will find the officer in HRS and the profile will have the "on hold" status removed and then be deemed eligible to receive a stipend.

Ownership and Payment Process

Since the beginning of the stipends programme, the Stipends Monitoring Committee administered the physical payment of stipends and assisting the SPF in reviewing the stipend payment list regularly. UNOPS will retain approval and authority over each payment while the SPF Commissioner is responsible for purging the stipends list, assuring that it is correct and the Stipends Monitoring Committee is responsible for the physical payment of stipends and assuring that the person receiving the

¹ <http://www.hrsid.com/companyabout-us>: Human Recognition Systems (HRS) is a world leader in the deployment of premium biometric identification solutions. They deliver intelligent data collection solutions to governments using iris, fingerprint and facial recognition and hand geometry technologies. For over 10 years Human Recognition Systems has been providing intelligent packaged biometric-agnostic software platforms to aviation, military and border security.

stipend is the correct individual. HRS provides the CPP with a stipend payment list which is generated from the previous payment round and which is used to check the eligibility of officers receiving the stipends.

The purpose of the Stipends Monitoring Committee is to ensure that the payment system is transparent and accountable and that each officer collecting a payment is actually due a stipend. This is also verified through reports that are submitted daily. At the completion of a stipend round a report is generated accounting for the activities and statistics of stipends paid.

The Stipend Monitoring Committee is composed of the following services and ministries:

Central Bank
Office of the Prime Minister
Ministry of Finance & Planning
Ministry of National Security
Somali Police Force

Payment Methodology

In support of the verification and payment delivery UNOPS will maintain a stipend payment list of police officers generated from the previous payment round. This is one of the additional positive features provided by the HR System. The CPP and UN Police Sections compares the list with the payroll information received from the SPF Headquarters, thereby providing a current comparison of officers requiring a stipend in parallel to the HR list. The registration of all officers takes 3 or 4 rounds.

The following occurs at the beginning of each stipend round:

- A Stipend list per payment round is generated and the SPF Commissioner is responsible for purging any names that are no longer serving with the SPF,
- The Stipend list is then provided to the Stipend Monitoring Committee.
- Dated payment vouchers are prepared by the Stipends Monitoring Committee per officer.
- Only SPF Officers that have been inserted and bio-registered within the HR System are eligible to receive a stipend payment.

UNOPS will release funds to the Central Bank in Mogadishu, via Dahabshill, in instalments of \$350,000 USD. Its disbursement is monitored by UNOPS through daily reports and the final stipend report provided by the Stipend Monitoring Committee. One round of stipend payment can take up to 6 weeks, due to the high volume of officers and extenuating security circumstances. The CPP monitors by receiving daily reports on how much money was disbursed and how many officers were paid. This procedure continues through each release of the \$350,000 tranches. The tranches are not released until the payment and numbers are verified. This process continues until all the officers on the SPF list are paid. It is estimated that 3 payment rounds will be needed to cover the May 2015 – December 2015 period.

Out of five rotational payment locations, a payment location is decided upon and police officers are summoned to collect payments in cash. The Stipend Monitoring

committee members collect cash from the Central Bank and using the HR System the verifications are completed, in the following sequence: (Refer to Attachment 4: Police Stipends Flow Chart for assistance.)

- Payees are checked against the UNOPS payroll list and issued with their payment voucher.
- A check is made against the HR System which verifies each officer through photograph, fingerprint and signature on the dated voucher.
- After their identity is verified, the officer gets paid by members of the Stipends Monitoring Committee and the SPF payroll department as a cross check.
- After it has been signed the cashier releases the funds and the payment voucher remains with cashier.

The Stipends Monitoring Committee is responsible for the payments while members of the SPF are responsible for the security of the site and session. A daily report is generated by the Stipends Monitoring Committee and sent to UNOPS. A final report containing all the original vouchers is sent to UNDP who store the information at the CPP office. Limited random visits have sporadically been undertaken by UNOPS, due to the security situation.

Since the HRS implementation, it has become apparent that once the registration of all officers is complete, the prime benefit will be financial accountability. In addition, the time to conduct each payment session will be significantly reduced. A consistent drawback is the withdrawal of huge amounts of cash and the physical disbursement of funds. The HR system will be key in reducing the fraudulent identification of officers and allowing for proper payment disbursements as verifications are instant. The HR System has provided for a more secure and positive verification of identity that allows for secure accountability since the person collecting the money must, biometrically match a file within the database.

It is expected that this payment process will be transferred to and superseded by an electronic payments platform as follows:

An electronic, biometrically verified payment system has been mooted for all of Somali Security Services, however, whilst the hardware and software will be essentially the same for armed forces, police and custodial services, the strategies for implementation are quite different.

Firstly, the type of Money Transfer Payment Service Provider (MTPSP) used for issuing payments by the main two security organisations, police and armed forces, will have different requirements; for example, most Somali Police Force (SPF) payments will be both authorised and delivered to the police that are located within a population centre. Whilst military payments will be made to troops who are stationed in remote and inaccessible locations, often with significant security concerns and not within population centres.

Secondly, it is most likely that the delivery point of cash to the police will be in a city with banks and mobile phone coverage. This means that, while the SPF personnel may have access to actual electronically operated bank accounts and mobile

telephone, mobile money systems, such as M-Pesa (Kenya), Emaal and Zaad (Somalia), there will need to be provisions made for the armed forces personnel separately.

Neither Somalia, nor its donors, can afford multiple and different stipend payments systems for the various security forces; so from this point of view, a nation-wide, portable, handheld, rugged terrain skin computer system, almost identical to the biometric registration kit system has been chosen. This kit is smaller, the size of a briefcase, and includes a laptop, fingerprint reader and cables which can be easily transported to all locations both urban and rural to conduct pay- parades for both military and police alike.

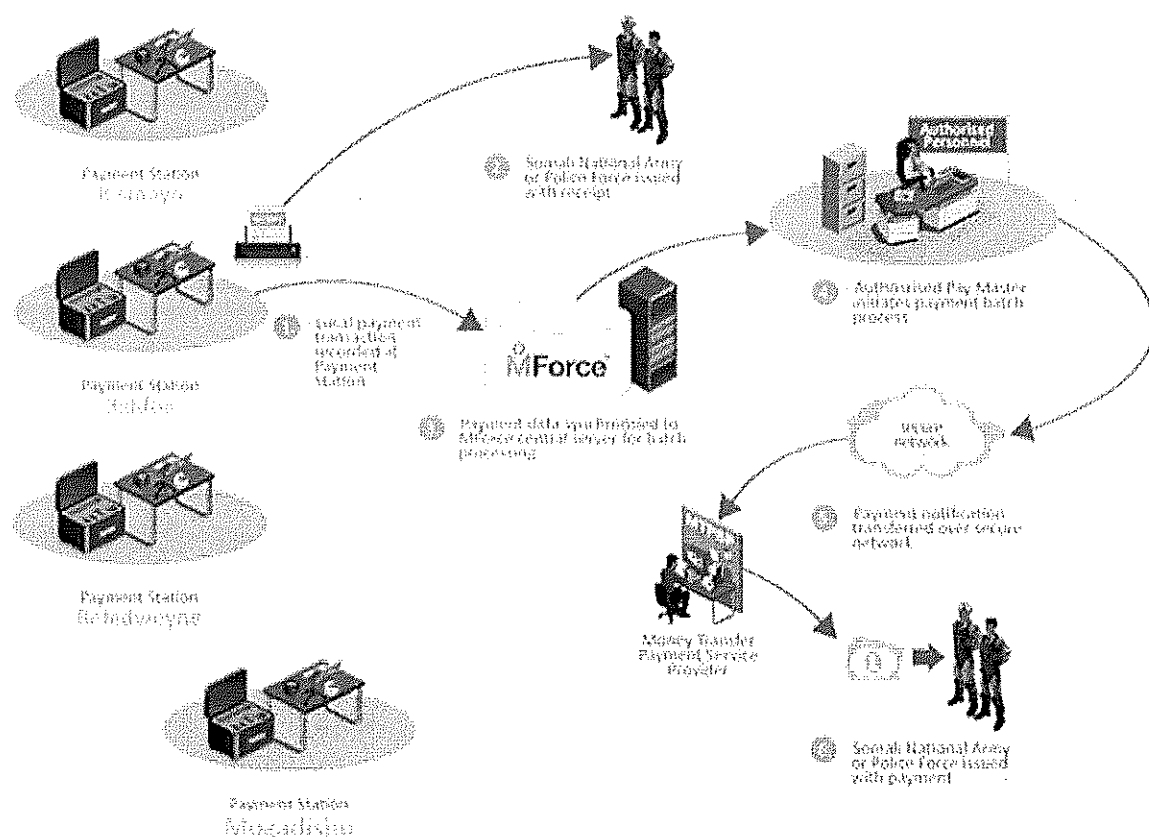
A standardised system will enable economies of scale and agility, and a fully self-contained and portable system ensures that each unit can be evacuated if any pay parade is compromised by an attack. The units are able to withstand very harsh conditions and explosive exposure, whilst the database software and access is encrypted to a very high level thus ensuring the security of both pay and personal information.

This portable kit is wholly based upon and uses the HRS database and is, therefore, fully compatible with and efficiently utilises the biometric and biographical data already available. The hardware has a minimum guaranteed lifespan of 5 years and can easily provide a system that lasts until technology infrastructure in Somalia develops to a much more advanced level. This system can also be expanded and more kits acquired which can immediately interface with and use the HRS system. This is a much more efficient approach for a country with limited infrastructure and poor security like Somalia and a lot less likely to fail than the complex and expensive systems based on a wide area LAN.

Lastly, payment kits used for SNA biometric pay verification will be spread out across SNA units in remote locations and will not be available for SPF biometric payment verifications due to a remote and disbursed SNA force across the fighting front and country, therefore, a number of police kits will be required to cover all of the SPF in at least 4 major centres, including Mogadishu. As police expand further into the "liberated areas" so will the need for kits to be sent to these locations, thus, a strategic appreciation of required equipment has been taken into consideration.

The existing police biometric registration kits will be available to complement payment kits in Bannadir/Mogadishu. As stated above, the use of portable payment kits obviates the need for multiple expensive data connections that may go offline and provide many errors and inability of SNA or Police to transfer sensitive payment information over open lines from varied and many locations that would dramatically increase the costs of a fully electronic payment system going live country-wide.

Flowchart for planned electronic payments



The electronic biometric payment kits proposed will immediately provide unequivocal identification of the SPF member who must pass biometric identification and verification on the system before any payment made. This will also provide an accurate and complete record of all payments made that will in turn create a complete pay list report at the end of each pay cycle. The information on verification and payment will be transferred to the main HRS database and will be maintained in perpetuity as a record of pay history. UN Human Rights Due Diligence Policy (HRDDP) intervention may be taken electronically by electronic flags on any member whose stipend is suspended for HRDDP actions that will prohibit the biometric payment authorisation at the pay point at identification verification stage.

The public funding pipeline that is developed is equally applicable to Somali Security Services salary payments, indeed the two pipelines can co-exist, in parallel thus allowing a single system that gives very detailed accountability through biometric verification of the intended recipient of any funds being dispersed. The funds that are transmitted through the stipends pipeline may undergo a drawdown as funding that is put through the salaries pipeline is increased and ultimately the gross funding of stipends may dwindle to zero and the public funding through the salaries pipeline represent a full and sustainable support to the Somali Security Services.

While donors require the integrity of the HRS biometric database to remain under the control of the UN and especially during the transit of any donor funding, there is no reason why the Somali Security Institutions may not be given read-only access, indeed, the Somali Government may be given the opportunity to use the developed funding pipelines for any other government payments as it is a simple effective system that maintains a high-level of integrity. The unambiguous identification of an intended payee and the resulting records of payment can give the Government the needed assurances that public funding payments can only be sent to the designated recipient and not siphoned off to non-existent identities.

The Government and the Somalia Security Institutions can be assured that no ghost payees, no duplications of payments will occur and that a designated beneficiary will be in receipt of an intended and authorised payment.


UNOPS has embedded a Public Finance Management Specialist in the Ministry of Finance and the Central Bank of Somalia. This specialist is critical to the alignment of the Electronic Payment Systems with Somali Public Finance Systems and also in its compliance with Somali banking policy and law. It is envisaged that these electronic public finance payment pipelines that are developed will transition to the Somali Government, along with the biometric registration, verification and authorisation mechanisms. This will form part of a comprehensive exit strategy that has yet to be fully outlined by the FGS, SPF and UN.

Exit Strategy and Future Payments

The Federal Government of Somalia, the SPF and the UN do not currently have an exit strategy for stipends payments. The sustainability issue of stipends payments for the SPF should ultimately be considered. The SPF forecasts that the number of police officers will grow to 10,000 by 2016 when the elections are to be held.

As part of this action, and within five weeks of signing the contractual arrangement between the EU and the UN MPTF, UNOPS will provide a Concept Paper outlining a proposal on how to transition from the current payment methodology to one that sees the Federal Government having a greater role and ownership. The basis of this concept note will be the methodology employed by the World Bank for their "Recurrent Cost Recovery Programme". The overall aim is to see an increased ownership of the stipends payments by the Central Bank and Ministry of Finance, with an increased 'on and through budget' support taking place. This would allow for future stipend programmes beyond 2015 to take place through a more government owned structure and system.

Payment Slip Example with SNA Logo (to be changed to SPF logo)



Payment Receipt

ID: a427f86a-d2e2-414e-b555-43f1790e0942

Location: n/a
GPS: n/a

User: HFORCE-PR05VHForce
Authorised by: Super Admin

TCN: 000000000-20111207111238-HRS-0003-627
4

Name: maxamed maxamud jimcale isxaaq

Pay Mode: NameSearch

Amount: \$1.00

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The Project Board will comprise the representative of the EU as the Senior Supplier in its capacity of project financier, representatives from the Ministry of Internal Security and the Somali Police Force, and UNOPS as the Executive responsible for project assurance. Role of Senior Supplier is to observe the alignment of the boards' decisions to the project objectives and ensure that the funds are used effectively towards the achievement of agreed results.

The Project Board will meet at least once during the project implementation period. The first meeting of the Project Board will be held at the project inception phase to ensure that a detailed work plan is endorsed by all the implementing partners. The second meeting of the Project Board will take place once the project activities have been completed. UNOPS in its Executive role may call any additional meetings of the Project Board to discuss issues that require the consent of all the project partners.

UNOPS standard procedures will be applied for project assurance and tracking the implementation of the project in accordance with the activities, indicators and targets. The Project Manager supported by the Mogadishu Area Project Manager and Programme Officers will provide oversight for project assurance.

UNOPS and UNSOM Rule of Law and Security Institutions Group will closely monitor the project implementation as the enhanced team of professionals will fully strengthen oversight and will provide briefing on progress of the project to the EU. UNOPS will submit the final report (both narrative report and provisional financial report) upon completion of the project, and final financial report later, to the EU, through the MPTF Trust Fund Manager.

For any fund balances at the end of the project, the country office shall consult with the EU on its use. The interest income should be treated in accordance with new and existing agreements. In the event of change of scope of work and budget utilisation, UNOPS will consult with the EU prior to such change.

Monitoring Framework And Evaluation

On a designated basis, a quality assessment shall record progress towards the completion of key results. An Issue Log shall be activated in UNOPS Management Workspace, Project "Blue File" and updated by the Project Manager to facilitate tracking and resolution of potential problems or requests for change. A risk log shall be activated in UNOPS Management Workspace, Project "Blue File" and regularly updated by reviewing the external environment that may affect the project implementation. Based on the above information recorded in UNOPS Management Workspace, Project "Blue File", a Project Progress Reports (PPR) shall be submitted by the Project Manager to the Project Board through Project Assurance, using the standard report format available in the Executive Snapshot. A project Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organisation, and to facilitate the preparation of the Lessons-learned Report at the end of the project a Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events. Third Party Monitoring of Project Outputs In addition to audits the project will explore engaging independent third party monitors from the civil society and other community based mechanisms.

Annex I - Risk Analysis

Description	Category	Impact & Probability
Risk of abuse of human rights by police	Reputational risk for UN and international donors Political Organisational	Somalis disenfranchised with justice and security providers; UN associated with violations of human rights and programme discredited. Mitigated by electronic HRDDP intervention on electronic pay-kits Probability = 3 Impact = 6
Risk of police used as a paramilitary force in combat situations	Reputational risk for UN Reputational risk for donors Use of ODA for military purposes	Impact of police use in combat roles results in collateral damage to communities and undermines the relationship that needs to be developed between police and communities. P = 5 I = 3
Risk of police used as a political tool for repressing opposition	Reputational risk for UN Reputational risk for donors	Police perceived as a political tool rather than as a positive security provider and partner to communities. P = 5 I = 3
Risk of the FGS, federal member states and interim authorities fail to meet their obligation to make payments so that UN and international donors can withdraw from making stipend payments.	Contributing funds to stipends payments disincentivises the payment of salaries from state coffers. Sustainability of police salary payments in brought into question and results in donor fatigue Political	The FGS, federal member states and interim authorities fail to meet their obligations with loyalty and morale of the SPF collapsed. International political will is negatively and seriously affected International donors lose confidence and cease payments Probability = 6

	Financial for FGS	Impact = 5
Risk of senior police officers being engaged in fraudulent activities and theft of cash against UN administered stipend funds	<p>Reputational risk for UN and international donors</p> <p>Credibility issues for FGS and SPF Commissioner</p> <p>Political</p> <p>Organisational</p> <p>Financial</p>	<p>International donors lose confidence and cease payments</p> <p>Biometric payment kit reduces risk of diversion to almost zero</p> <p>Impact = 6</p> <p>Probability = 1</p>
The clan distribution of personnel to be paid stipends through the UN is skewed towards particular clan(s)	<p>Reputational risk for UN and international donors</p> <p>Reputational and political risk for FGS</p>	<p>International donors lose confidence and cease payments</p> <p>Impact = 4</p> <p>Probability = 3</p>
Police inflation	<p>Security risks if the FGS cannot afford to pay the increased number of police</p> <p>Sustainability risk and heavy drain on state resources</p>	<p>The number of police officers exceeds the number that can be sustained by the state – or that is needed by the state.</p> <p>Only those registered in the HRS can received electronic biometrically verified payments.</p> <p>Probability = 3</p> <p>Impact = 2</p>
Phantom police on the payroll, and police officers not performing a policing function	<p>Financial risk as large proportion of resources is going to waste</p> <p>Security risk as large number of police officers are not performing a policing function</p>	<p>High numbers salaries paid to phantom police officers leads to mistrust in the police and reduces support to actual police officers</p> <p>Probability = 1 Biometric registration mitigates</p> <p>Impact = 4</p>
Donors withdraw from the stipends payments process	Security risk as unpaid police officers refuse to work, or turn on the state and / or	Police officers don't receive payment and stop performing policing function. Government can take over payments through

	<p>communities to demand payment.</p> <p>Reduction in morale amongst police officers</p>	<p>public funding pipeline and immediately pay salaries through biometric payments system</p> <p>Probability = 4</p> <p>Impact = 6</p>
Delays and erratic disbursements of the stipends payment	<p>Security risk as unpaid police officers refuse to work, or turn on the state and / or communities to demand payment.</p> <p>Reduction in morale amongst police officers</p>	<p>Large gaps in payments reduces police morale and mistrust develops between police officers, HQ and donors. Electronic payments can be authorised monthly by biometric verification reducing gaps</p> <p>Probability = 5</p> <p>Impact = 4</p>

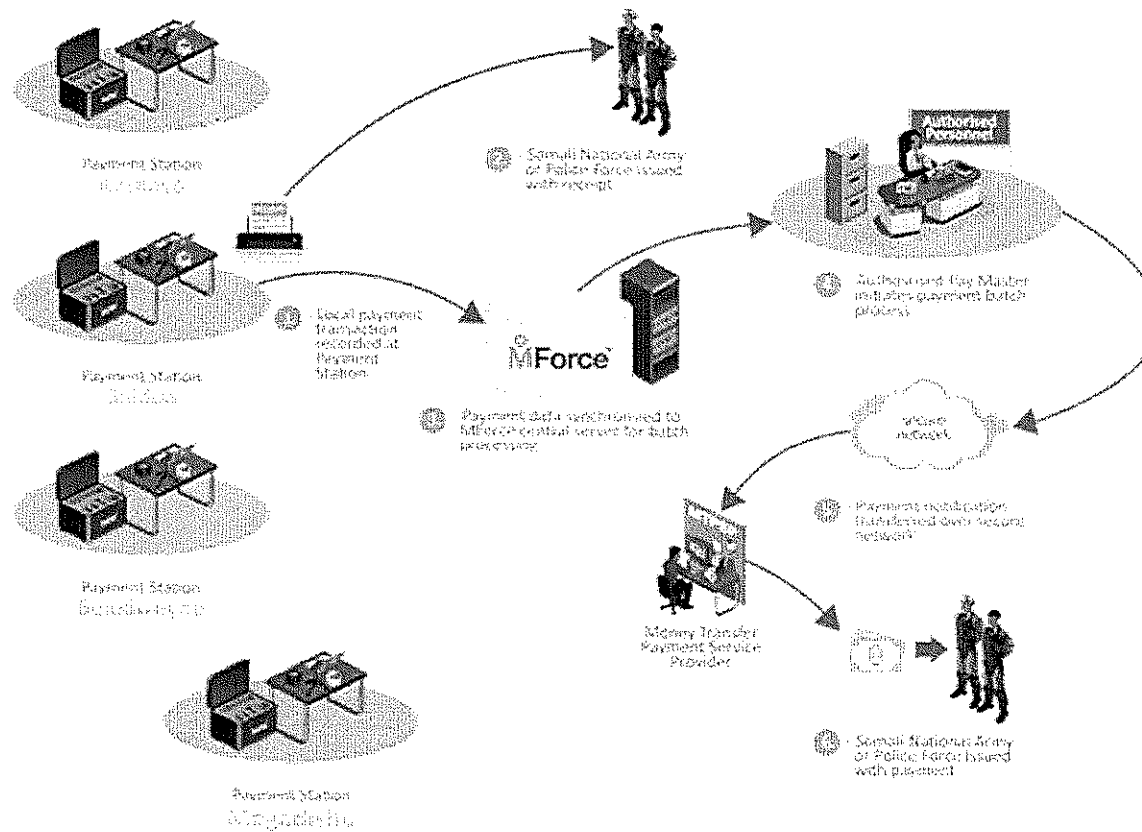
Annex - II: EU STIPEND AUDIT AND RESOLUTIONS

Auditor's Concerns and Recommendations	Remedy to Recommendation	Additional Improvements to be Implemented
<ol style="list-style-type: none"> 1. Payment Forms were not dated 2. Difficult to link payment to a particular Stipends round 3. Illiteracy of Officers 	<ol style="list-style-type: none"> 1. Payment Forms are now dated and 2. Linked assisted electronically by the HR System 3. Literacy addressed and monitored by SMT. 	<p>Records now retained in HR System.</p> <p>Only method to make any stipend payment is through biometric verification triggering transfer to nominated account of payee.</p>
<p>Payments to non-serving and deceased officers</p>	<p>SPF informs SMT on non—serving and deceased officers; payments denied</p>	<p>Records are now retained in HR System.</p> <p>Death Certificates recorded</p> <p>Human Resource System can only pay through a live individual presenting and authorizing a biometrically searched identity.</p>
<p>Data of SPF Personnel –HR information collection not comprehensive</p>	<p>Addressed to contain all information necessary</p>	<p>HR Records now contain 31 biographical fields that include:</p> <ol style="list-style-type: none"> 1. Fingerprints 2. Photograph 3. Iris capture 4. Face Image 5. Bio-data re: relatives, addresses, work history, deployment & career placement & blood type. 6. Proposed enhancement to HRS to

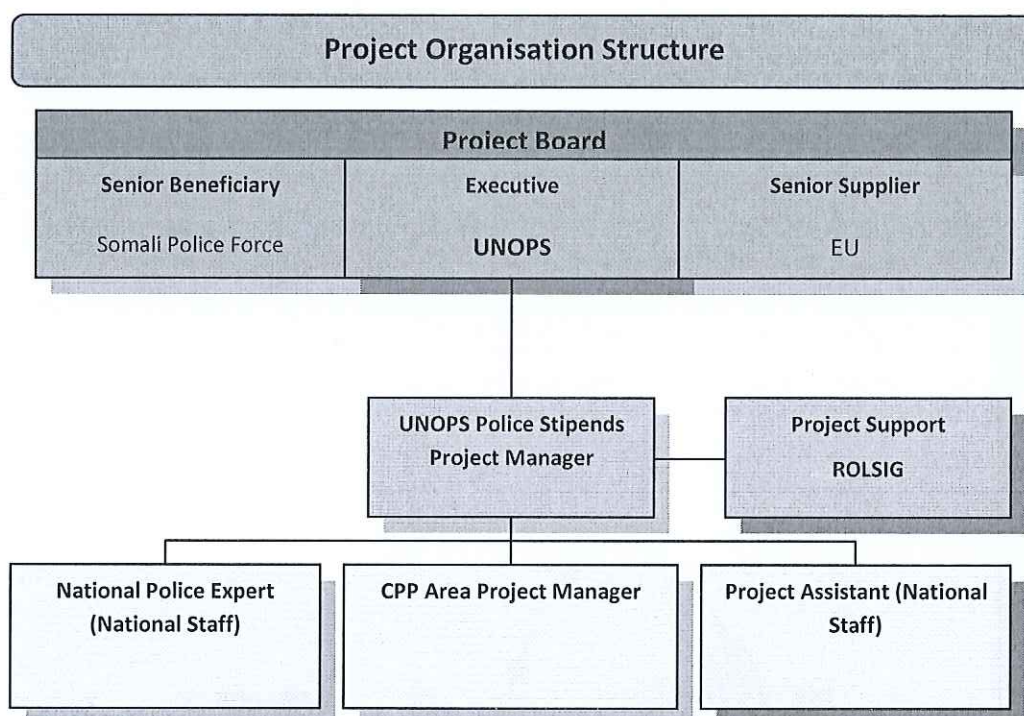
		<p>include:</p> <ul style="list-style-type: none"> a. Training records; b. Payment records (Implemented already); c. Posting Records; d. Medical records; <p>This is yet to be confirmed in a Human Resource System Steering Committee.</p>
Design and development of a registration form-supporting document/form to capture information in hard copy.	A UNDP form created to capture necessary bio and employment information, supported by a fingerprint and signature	<p>Scanned into the HR Database, hard copy also available.</p> <p>AMISOM undertaking a re-verification of all HRS database profiles, all put "on hold" status and as re-verified by AMISOM Police candidate is searched biometrically and "on hold" status is removed. Process may be monitored by Third Party Monitors.</p>
Need for an archiving system	HR System & database researched, assessed, procured and installed	<p>In use since January 2014.</p> <p>HRS database now includes 5,232 biometric profiles and all will be given "on hold" status which will be removed during AMISOM Police re-verification process, supported by HRS data operators.</p>
Need for greater accountability		<p>FOUR HRS Biometric systems fully engaged; 12 SPF Operators trained; ALL SPF Officers entered into the system,</p>

		additional Human resource capabilities available. Only SPF officers who are in Biometric Database will be able to receive payments through verification and electronic transfer and only to specific, nominated account owned by payee.
Confirmation and recording of payments, amounts, dates and officers commensurate with international payment systems		HR Systems retaining all payment data. Full accountability from payment record in HRS Database and from Money Transfer Payment Service Provider.
Deceased officers payments control by SPF	Advised and engaged SPF	SPF devising a Deceased Officer control system in support of the parallel HR system. Electronic systems allows for "deceased" status that prohibits electronic payment.

Annex III - POLICE STIPENDS DIAGRAM/FLOW CHART FOR ENTIRE SOMALI POLICE FORCE



Annex – IV - Management and Reporting Arrangements



The project board will comprise the representative of the EU as the Senior Supplier in its capacity of project financier, representatives from the Ministry of Internal Security and the Somali Police Force, and UNOPS as the Executive responsible for project assurance. Role of Senior Supplier is to observe the alignment of the boards' decisions to the project objectives and ensure that the funds are used effectively towards the achievement of agreed results.

The project board will meet at least once during the project implementation period. First meeting of the project board will be held at the project inception to ensure that detailed work plan is endorsed by all the implementing partners. Second meeting of the project board will take place once the project activities have been completed. UNOPS and/or the EU may call any additional meetings of the project board to discuss issues that require the consent of all partners.

UNOPS standard procedures will be applied for project assurance and tracking the implementation of the project in accordance with the activities, indicators and targets. The Police Stipends Project Manager will provide oversight for project assurance.

UNOPS and UNSOM's Rule of Law and Security Institutions Group (ROLSIG) will closely monitor the project implementation.

The UN's Multi Partner Trust Fund, as Administrative Agent, will submit a narrative report after each stipends payment round has been carried-out and, upon completion

of the project, the final narrative and financial report as per the relevant Articles of the Special and General Conditions.

