

**FEDERAL GOVERNMENT OF SOMALIA  
AND UNITED NATIONS JOINT PROGRAMME  
ON YOUTH EMPLOYMENT**

**24 May 2018**



# Amendment 1

## Executive Summary

Country: SOMALIA

Programme Title: Federal Government of Somalia and United Nations Joint Programme on Youth Employment.

Joint Programme Outcome(s): PSG 4 (Economic Foundations) – Somali economy revitalized and expanded with a focus on livelihoods enhancement, employment generation, and broad-based inclusive growth.

Joint Programme Sub-Outcomes:

- Sub-Outcome 1: Improved long-term potential for growth, productivity and inclusive employment through six value chains implementation plans;
- Sub-Outcome 2: Enhanced longer-term employability of youth in sectors with high growth and employment potential; and
- Sub-Outcome 3: Productive infrastructure rehabilitated through labour-intensive methods.

### Funding Details

<b>Programme Duration:</b> 42 Months
<b>Start Date:</b> 29 September 2015
<b>Original End Date:</b> 30 June 2018
<b>No Cost Extension End Date:</b> 31 December 2018
<b>Fund Management Options:</b> MPTF and a combination of parallel and pooled funds.
<b>Managing or Administrative Agent:</b> UNDP

<b>Total Multi-Year Targeted Budget:</b> \$54,514,582 USD
<b>Sources of Funded Budget</b>
<b>Sweden:</b> \$14,616,851 USD
<b>Denmark:</b> \$4,776,560 USD
<b>Italy:</b> \$5,658,915 USD
<b>Switzerland:</b> \$3,333,647 USD
<b>PBF:</b> \$2,213,697 USD
<b>UNDP:</b> \$1,099,739 USD

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## ACRONYMS

AfDB	African Development Bank
ALMP	Active labour market policies
AMISOM	AU Mission in Somalia
ASI	Adam Smith Institute
BDS	Business development services
BRA	Benadir Regional Administration
DfID	Department for international development
DTIS	Diagnostic Trade Integration Study
EIF	Enhanced Integrated Framework
ERP	Economic Recovery Plan
EU	European Union
FAO	Food and Agriculture Organization
FGS	Federal Government of Somalia
ILO	International Labour Organization
LDCs	Least Developed Countries
LFS	Labour Force Survey
M&E	Monitoring & Evaluation
MDG	Millennium Development Goal
NGO	Non-Governmental Organization
NSC	National Steering Committee
ODA	Official Development Assistance
OPM	Office of the Prime Minister
PMU	Project Management Unit
PSGs	Peace-building and State-building Goals
RIU	Regional Implementation Unit
SDRF	Somalia Development and Reconstruction Fund
SNA	Somali National Army
SSU	Stabilization Support Unit
TC	Technical Committee
TRTA	Trade-related Technical Assistance
TVET	Technical vocational education and training
UN	United Nations
UNDP	United Nations Development Program
UNEG	United Nations Evaluation Group
USAID	United States Agency for International Development
USD	United States Dollar
WB	World Bank

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## Executive Summary

**This Joint FGS-UN Programme aims to capitalise on recent security, governance and reconciliation achievements by expanding employment opportunities for young men and women in Somalia.** As highlighted in the Economic Recovery Plan for Somalia, youth unemployment is one of the greatest obstacles to the country's economic recovery. The plan states the aim of the government is to provide youth with employment opportunities so as to avoid the latter joining militia groups. This is to be achieved through vocational training, enterprise training and creation and rehabilitation of infrastructure through labour intensive employment methods. The programme recognizes the centrality of youth in fostering stability in the country and outlines specific interventions that can be taken within the next 18 months to begin to generate decent work opportunities for young people that will serve as positive alternatives to participation in violence and conflict. This will also contribute to the revitalization of the local economy. The employment generating interventions from this programme also aim to augment the credibility of the FGS and build trust and confidence in local governance and security sector institutions while providing immediate peace dividends to vulnerable sub-sections of the population.

As encouraged in the New Deal Compact, **this joint youth employment programme is a frontline intervention of the FGS to achieve rapid results under Peace and State-building Goal (PSG) 4 (Economic Foundations)**, which identifies youth employment through job creation and skills development as one of the most important priority projects over the next two years. The idea of a high-visibility, government-led campaign to mobilize young people in an effort to rebuild (or build anew) critical economic infrastructure remains highly attractive from the perspectives of economic recovery and state building.

The programme aims at creating sustainable job opportunities for youth by addressing the below challenges affecting the labour supply and demand factors.

- **The employment situation is bleak for Somali youth**, as young people (15-24) struggle to find work, especially in the formal sector. Young Somalis cannot afford unemployment because of the absence of social protection and therefore face underemployed and are occupied in survival activities such as self-employment or as unpaid family workers. They often engage in low-productive and poor quality jobs mostly in the informal economy.
- **Somalia's private sector has a serious competitiveness problem**, which translates among others into important youth unemployment and a weak export performance. In fact, the main cause of youth unemployment in Somalia appears to be a result of "demand side" factors, i.e. low demand for jobs by companies.

**The Joint UN – Federal Government of Somalia Youth Employment Programme recognizes the potential of Somalia's youth as agents of change for economic growth and social development and will focus on them to build Somalia's future.** In order to address the above challenges linked to the labour demand and supply in a holistic way, it combines a range of interventions aimed at addressing the demand for labour by tackling the constraints in sectors/value chains with potential for growth and employment; rehabilitate productive infrastructure through labour-intensive methods thereby generating significant short-term employment opportunities for youth; and enhancing the employability of the youth through market-driven vocational training.

Taking into account the above lessons, **the proposed Government and UN Joint Programme will address both demand and supply side measures of the labour market.** It has three specific outcomes and aims to produce immediate results in accessible areas while helping build foundations for longerterm economic recovery and employment growth.

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- **Component 1:** Improve the long-term potential for growth, productivity and employment by tackling the key constraints of six value chains in various sectors, including agriculture, fisheries and livestock, leading to 5,000 sustainable jobs.
- **Component 2:** Enhance the longer-term employability of 20,000 youth (13,000 urban and 7,000 rural) through basic literacy, numeracy and life-skills and vocational and business training in sectors with high growth and employment potential.
- **Component 3:** Rehabilitate productive infrastructure through short-term jobs for 30,000 youth (16,000 rural and 14,000 urban).

The Joint Programme on Youth Employment was formulated through a process of intensive consultation between Federal Government Ministries, UN partners and other key stakeholders. The full programme budget is USD 54 million. The Donors committed an initial allocation of USD 8.9 million for the initial roll-out phase of the Programme. During the First Steering Committee Meeting of the programme, the government representatives assigned to the committee, together with the Donors and UN agencies involved in the programme, decided on the prioritization for implementation of the funds and selection of the interventions as per the following:

- **Geographic coverage:** Seven States/administrations will be reached by the programme: Benadir Region, Jubaland, Puntland, South West, Galmudug, Hiran & Middle Shabelle. Each of those states will select a district and guide the prioritization of value chains, infrastructure, etc.
- **Number of components:** in order to respect the integrity of the programme, the steering committee decided to keep all three components in each of the chosen districts and keep a budget proportional in the reduced allocation.

Before the funds are received, the following needs to take place over the next months:

- **Selection of districts.** The next step is to identify one district in each of the seven administrations where activities will be implemented. The UN agencies will need to support each of the administrations in the prioritization of districts to be finalized by the end of May.
- **Endorsement of value chains.** The selection of the value chains will influence the interventions in all three components. The Technical Committee recommended three value chains: poultry, sesame, and fish from the sea. While the Steering Committee did not endorse the value chains, it suggested considering two additional value chains: maize and dairy.

## 1. Situation analysis

**In terms of human development, despite the lack of reliable statistics, Somalia appears as one of the poorest, least developed, and least resilient countries on earth, and is currently not on track towards achieving any of the Millennium Development Goals (MDGs).** Growth and human development have been hampered by the political instability, in particular in the south and central part of the country. Statistics are notoriously outdated and/or unreliable, and even for a seemingly simple indicator such as ‘total population’, estimates for Somalia have ranged from 6 to 12 million (until recent estimates from UNFPA suggested the population to be 12.6 million). As a result, any available indicators should be treated with circumspection.

- **Somalia topped the ‘Fragile State Index’ for six years in a row (2008-2013),** and was only overtaken by South Sudan in 2014 –by a small margin. The index compares social, economic, political and military indicators for more than 170 countries (<http://ffp.statesindex.org>).



- **Somalia is among the poorest countries in the world**, with an estimated average income of around USD 300 per capita. Poverty is endemic, with several studies citing the same numbers: 73% of the population lives with less than USD 2 per day, and 43% with less than USD 1 per day. Income inequality and disparities are very pronounced, with poverty being much more pronounced in rural than in urban areas.
- **Somalia has some of the worst social indicators in the world.** These include for example very low rates of immunization; access to safe drinking water; access to adequate sanitation; and primary school enrolment. They also include very high rates of maternal, infant and under-five mortality. Perhaps one third or more of the population lacks secure access to food, with women-headed households being particularly affected. There are also grave protection concerns and violations of human rights, including high rates of abuse and exploitation, child recruitment, female genital mutilation and sexual and gender-based violence, early/forced marriage, and children maimed or killed by conflict.
- **Agriculture, livestock and fisheries constitute the backbone of the Somali economy** and provide employment to more than two thirds of the workforce.<sup>1</sup> Remittances from the diaspora abroad and international development assistance are also a major source of income. Remittances are estimated at around USD 1 billion per year. Official Development Assistance (ODA) to Somalia almost quadrupled in recent years, from about USD 270 million in 2005 to USD 1 billion in 2012.<sup>2</sup>
- **Construction and hospitality sector are key economic sectors in urban areas with potential for high economic growth and employment.** Both sectors are continuously growing in Mogadishu due to the improved security situation. Rehabilitation and reconstruction constitutes a major source of income and employment for both unskilled and skilled labour, including youth. Strengthening the construction and hospitality sectors through skills development and local production of materials not only contributes to the physical development of Somalia but will also serve to reduce dependency on imported - and expensive - goods, services and labour.
- Government capacities for policy development related to youth, as well as the mainstreaming of youth issues throughout line ministries and regional authorities, are somewhat limited. These capacity building needs must be addressed if youth employment and engagement are to become central components to Somalia's development.

In terms of trade, **Somalia is running a huge trade deficit** – imports (including of khat) largely outweigh exports (especially livestock) – which has to be largely financed by remittances of the Somali diaspora abroad. **Somalia's current export base is extremely narrow** – both in terms of sectors and markets – **and concerns mainly commodities with very little value addition**, mainly to Gulf countries, so there is a dire need for export diversification and upgrading. Somalia seems to have great potential for expanding its exports in sectors such as livestock, leather products, fisheries, frankincense and fruits. Somalia has also abundant natural resources that could be exploited, oil in particular.

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<sup>1</sup> UNDP, MDG Review for Somalia 2007.

<sup>2</sup> OECD, *Development Aid at a Glance*, 2010, and [www.oecd.org/dac/stats/recipientcharts.htm](http://www.oecd.org/dac/stats/recipientcharts.htm).



• **The employment situation remains bleak for Somali youth**, as young people (15-24) struggle to find work, especially in the formal sector:

- The International Labour Organization’s labour force survey<sup>3</sup> estimates, for selected districts in Southern Somalia, the youth unemployment rate at 22%. However, for most African countries, including Somalia, measures of youth *not in employment* are less relevant than measures of youth *in employment*. Among the poor, few can afford not to be employed, as typically there is no social protection for unemployed persons. Focusing on the unemployment rate thus fails to take into account this reality. As a result, *vulnerable employment* and *working poverty* are widespread, with *underemployment* estimated at 25% by ILO.
- Another reason to be sceptical of the unemployment rate as the main measure of negative labour market outcomes is that it excludes many young people who are not in employment, even though they would be ready to work, but have given up looking for a job. These *discouraged* young people are often worse off than the unemployed and should be in the forefront of policy makers’ minds. Unsurprisingly, disillusionment and low social cohesion often accompany this demographic reality.

**There is an overall skills deficit in Somalia:**

- The **overall adult literacy rate** of 61.6% and **youth literacy rate** of 71.4% is lower than the world adult and youth literacy average of 84.1% and 89.6% respectively. Youth aged 15-24 have a higher literacy rate than all other age groups, at 76.2%.
- For those aged 15 and over, only 16% have completed university education as their **highest grade completed** and only 0.6% have completed vocational training. 34% have completed secondary education and 28% upper primary education.
- **There is minimal formal vocational training** among the population and most of the training is concentrated in urban area and dominated by males. Only 3% of males and 2% of females have received, or are engaged in, any formal vocational training.

**Table 1. Employment by sector (% of total employment)**

Sector	Persons aged 15 and above (%)
Agriculture crops	25.2
Agriculture herding	9.4
Agriculture other activities	7.2
Fishing	4.0
Building and Construction	9.3
Transportation and storage	3.2
Electricity gas, steam and air conditioning supply	0.9
Water supply sewerage and waste management	0.6

<sup>3</sup> The Labour Force Survey for Somalia has been conducted in all districts of Benadir and the districts of Jowhar, Balcad, Afgoye, Marca, Baidoa and Beled Weyn, with the support of the Federal Government of Somalia.

Mining and quarrying	4.4
Manufacturing	1.8
Accommodation and food service activities	1.4
Information and communication	1.8
Financial and insurance activities	0.6
Real estate activities	0.4
Professional, scientific and technical activities	1.4
Administrative and support service activities	2.5
Public administration and defence compulsory social security	0.5
Education	8.8
Arts, entertainment and recreation	0.3
Other service activities	3.3
Households employing domestic personnel Producing goods for home consumption	3.4
International organizations and bodies	0.7
Other	8.8
Total	100.0

Source: ILO, *Labour Force Survey*, 2014.

However, there are also **reasons to be optimistic about Somalia's future.**

- **The youth of Somalia can be seen as a huge and underutilised resource – for both economic development and for peace building.** As shown in many other countries, a large youth cohort, if properly harnessed and motivated, can be a major force for national cohesion and poverty reduction – because young people can bring to the recovery and development programmes a range of talents, a refreshing creativity, and a new energy. As technicians, as professionals, and as entrepreneurs, they can become the key agents of change.
- **Remittances from the Somali diaspora.** The entrepreneurial culture continues to be led by the diaspora, which sends about US \$1.6 billion each year.
- **Recent security gains.** With the expulsion of Al-Shabab by the Somali National Army (SNA) and the AU Mission in Somalia (AMISOM) from Mogadishu and other population centres in Somalia over the course of the last three years, the economy has begun to rebound.<sup>4</sup> The towns of Hiraan, Lower Shabelle, Middle Shabelle, Lower Juba, and Bakool have now been retaken and allow for access to populations in dire need of assistance.

**New Deal Compact for Somalia.** Donors, bilateral aid agencies, UN agencies, and international finance institutions have shown great commitment to helping Somalia and its government to

<sup>4</sup> FGS, *Stabilization through Economic Opportunities for Youth*, 2014.

- strengthen security and justice systems, supporting inclusive political settlements, and ensuring citizens have access to the jobs and basic services that will help rebuild trust in the state. With Somalia slowly moving away from fragility, the New Deal is the chance to maintain the recent positive momentum.

## 2. Strategies, including lessons learned and the proposed joint programme

### Background

Given Somalia's current situation, the Government and the international community urgently need to identify sectors and value chains with potential for sustainable growth and employment opportunities for young Somalis.

- **The Federal government of Somalia is fully committed to creating employment opportunities for youth in sectors with high potential for growth including agriculture, livestock, fisheries, hospitality and construction.** As stated in the Six Pillar Policy Framework (Pillar 2, Economic recovery), FGS Economic Recovery Plan (ERP) for 2013-2015, as well as in the fourth of the Peace-building and State-building Goals (PSG4) of the Somali Compact, a priority is to revitalize and expand the economy with a focus on livelihood enhancement, short-term employment generation, and the promotion of longer term and broad-based inclusive growth. The strategy will be to stimulate the productivity of major sectors, especially through strengthening the links in the relevant value chains, and through improving infrastructure for transport, markets, trade and energy.
- **The Federal Government recognizes the potential growth in the hospitality and construction sectors in the urban areas** and acknowledges the need for sustainable employment creation and improved livelihoods opportunities for youth within these high growth sectors, in particular for skilled labour and local construction material production.
- **The rationale for a concerted intervention towards improving employment opportunities for youth is clearly stated in the stabilization policy of the FGS:** *'We aim to generate opportunities for young people that are positive alternatives to violence and conflict. Somalia's large young population suffers from a lack of education and from extreme rates of unemployment, and youths are major actors in conflict, constituting the bulk of participants in militias and criminal gangs, including al-Shabab. The actions to be taken within the timeframe of the Compact will focus on promoting income-generating activities, implementing short-term labour-intensive employment projects and skills development programmes, and building the capacity of institutions that provide quality skills development and training.'*
- **It is fundamental to embed in the programme rationale a state building and stabilization perspective.** A key concern for the post-conflict situation in Somalia is that youth represent the vast majority of the population but are the most vulnerable to easy manipulation by violent groups. Youth can be easily exploited within the 'recovered areas' (where there is a misconception that relative freedom is enjoyed) where limited opportunities can provide a readily available recruitment pool for Al Shabaab and militia/criminal activities. Youth are a key asset for the recovery and growth of Somalia but could be a destabilizing force.
- **The international donor community has a substantial portfolio of on-going programmes and projects in Somalia, but youth employment per se has not been the main objective for most activities.** A recent mapping exercise for the PSG4 working group identified some 100 projects

in Somalia that are related to ‘economic foundations’ in areas such as extractive and productive sectors, infrastructure, and employment creation, totalling more than USD 700 million. However, employment per se –whether for youth people or in general-- has not been the main objective. In addition, these activities tend to be marginal when compared to the objective in the New Deal Compact to create 250,000 jobs, and even more so when compared against the millions of unemployed young Somalis.

- **A number of international organizations (e.g. UNDP, FAO, ILO and the World Bank) have supported value chain analysis of productive sectors (including livestock, meat, fisheries, gums and resins), but this has been done in a piecemeal approach rather than in an integrated manner.** Given that Somalia has just been accepted as a beneficiary country of the Enhanced Integrated Framework (EIF), a number of sectors and value chains will be examined in 2015 through a so-called Diagnostic Trade Integration Study (DTIS). A DTIS would be a more systematic way to identify those sectors that have the potential for increased production and exports —and thus employment— and to propose sector-specific and cross-cutting policy recommendations to improve the business environment of the private sector in Somalia.

### Lessons learned

There are some **general lessons** that can be derived from development interventions in Somalia and elsewhere.

- **Prevailing approaches to employment generation in Somalia typically involve interventions that concern the “supply side” of active labour market policies (ALMP).** These include: (1) Short-term job creation, typically aimed at injecting cash into the local economy (e.g. through rehabilitation of basic infrastructure); (2) Community-based livelihoods support (e.g. through access to inputs and grants); and (3) Training to increase individuals’ employability (e.g. vocational training).
  - There is however little evidence that such interventions have sustainable impact on employment and incomes, as often they are not evaluated rigorously, are of short duration, operate on a small scale, and rarely respond to market needs. As a result, most jobs created are not sustainable because they fail to address demand side issues.
  - In addition, vocational training is wasted if there are no jobs that require them. Recent studies show that one of the risks of many skills training programs is that they raise expectations that are not easily met given the lack of economic opportunities. Also, trained youth often report feeling that discrimination or other barriers prevent them from accessing existing economic opportunities. As a result, youth may become frustrated in their inability to leverage employment opportunities, putting them at higher risk of seeing violence as justified.<sup>5</sup>
- In fact, the **main cause of youth unemployment in Somalia appears to be a result of “demand side” factors.** Reasons for low demand by companies for jobs include low levels of investment, lack of sound macroeconomic policies, lack of a well-functioning financial sector, fragmented labour markets, inadequate infrastructure and, finally, overall low labour productivity. Besides issues relating to security and state-building, Somalia has a “competitiveness problem,” and

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<sup>5</sup> [www.mercycorps.org/sites/default/files/somaliabrief\\_2\\_13\\_13.pdf](http://www.mercycorps.org/sites/default/files/somaliabrief_2_13_13.pdf).

- any intervention that intends to have a lasting effect necessarily needs to tackle these structural obstacles.

- It is thus important to engage with the private sector, as it has played a key role over the last two decades. Though this is partly by default, due to the virtual absence of any significant public sector activity in the past two decades, the private sector has

learned to adapt and work under very difficult circumstances, and has generated most of the jobs. There is thus a real potential for further expanding the role of the private sector for trade development, economic growth and poverty reduction. ○ It should however be kept in mind that whilst critical for building economic foundations, business-enabling environment reforms aimed at increasing growth or firm productivity in Somalia will take years to produce a tangible impact.

- A key concern for the post-conflict situation in Somalia is that youth —which represent the vast majority of the population—are the most vulnerable to easy manipulation by violent groups. Youth can be easily exploited within the ‘recovered areas’ (where there is a misconception that relative freedom is enjoyed) where limited opportunities, as well as a lack of constructive social interaction and civic engagement, can provide a readily available recruitment pool for Al Shabaab and militia/criminal activities. Youth are a key asset for the recovery and growth of Somalia but could be a destabilizing force. So it is fundamental to embed in the programme rational a state building and stabilization perspective. Employing young men and women is pivotal element to conceive any form of peace, stability and security in the country.
- **Access to safe and generative spaces for young people, such as One Stop Youth Centres, is critical to their healthy development.** Various trainings in such centres have enabled both young men and women to access funding from financial institutions, gain knowledge and information on employment opportunities, and participate in decision-making processes at various levels. The One Stop Youth Centre model has also been successful in forging partnerships with the private sector to support tailored trainings for youth in business management skills.

**Some specific lessons provide additional information on what is likely to contribute to the success of a joint programme:**

- Based on experience of UN joint programmes in Somalia, results can be achieved only through greater coordination among implementing partners and working in close collaboration with the Government. This means creating steering committees and holding regular steering committee meetings for information sharing. This is one of the first UN programmes in the country which will work jointly with the Federal Government of Somalia in the planning and implementation of the proposed interventions.
- Capacity development of relevant government institutions is necessary if programmes are to be sustainable in the future. Capacity development has been mainstreamed across all components of this programme and it is in line with the partner’s needs.
- Lastly, the proposed programme takes into consideration the fact that the relevant government institutions and a small number of UN agencies will make it easier to deliver results and implement agreed activities.

### **The proposed Joint Programme**

**The large majority of young Somalis who cannot afford unemployment are underemployed and occupied in survival activities such as self-employment or as unpaid family workers.** Due to their low skills, lack of work experience and limited access to networks they cannot afford not to work. Thus they often engage in low-productive and poor quality jobs mostly in the informal economy

Despite their motivation to set up their own businesses or seek wage employment opportunities, all too often the productivity of these young workers is hampered by a number of constraints, including

lack of: (i) technical and employability skills that would enable them to connect with other providers of the value chain; (ii) information about jobs and markets needs and “niches”; and (iii) entrepreneurial and financial skills. These constraints, associated with lack of adequate collateral (e.g. own savings and property) and employment track record prevent young people from being able to contribute to increasing the informal sector’s productivity.

The programme design behind the Joint UN – Federal Government of Somalia Youth Employment Programme addresses the above challenges in a holistic way through a combination of interventions aimed at addressing the demand for labour by tackling the constraints in sectors/value chains with potential for growth and employment; rehabilitating productive infrastructure through labourintensive methods thereby generating significant short-term employment opportunities for youth; and enhancing the employability of the youth through market-driven vocational training. It will also build the state capacity and systems of the relevant Federal, regional and local government institutions to deliver through the design and management of employment programmes.

The Joint Programme recognizes that the New Deal Compact offers ways for an inclusive country-led and country-owned transition out of fragility, based on the following key principles:

- Development is Somali-owned and Somali led
- Aid is aligned with overall Government priorities and sector policies and plans
- Aid operations are designed and delivered in partnership with government institutions
- Aid is provided in line with the government budget cycle and helps to strengthen government Public Financial Management (PFM) systems;
- Aid is channelled through preferred instruments of the government
- Aid supports institutional capacity development
- Aid is provided in a coherent and coordinated way and fragmentation is avoided
- Aid is transparent and predictable;
- Aid is provided in a conflict sensitive manner

**The FGS-UN Joint Programme on Youth Employment has three specific sub-outcomes**, with an initial focus on newly recovered areas:

- Sub-Outcome 1.1: Improved long-term potential for growth, productivity and employment through six value chains implementation plans.
- Sub-Outcome 1.2 Enhanced longer term employability of youth in sectors with high growth and employment potential.
- Sub-Outcome 1.3: Productive infrastructure rehabilitated through labour-intensive methods.

Taking into account the above lessons, **the proposed Government and UN Joint Programme will address both demand and supply side measures**. It aims to produce immediate results in accessible areas while helping build foundations for longer-term economic recovery efforts. The overall challenge is to produce tangible results quickly, while creating local systems necessary to absorb sustainable employment and reintegration, which, by definition, take time. In this respect, the Programme will shift from a traditional “livelihood perspective” towards a “competitiveness perspective”. This means that we will focus less on individuals –though they will be the ultimate beneficiaries-- and focus more on identifying and removing the binding constraints for companies, sectors, and value chains that have



the potential for future growth and employment. Value chain analysis helps private sector recovery by identifying market opportunities and missing inputs.<sup>6</sup>

The value chain component will define the selection of sectors/value chains and address constraints through a range of interventions for example, access to finance, technology and skills.

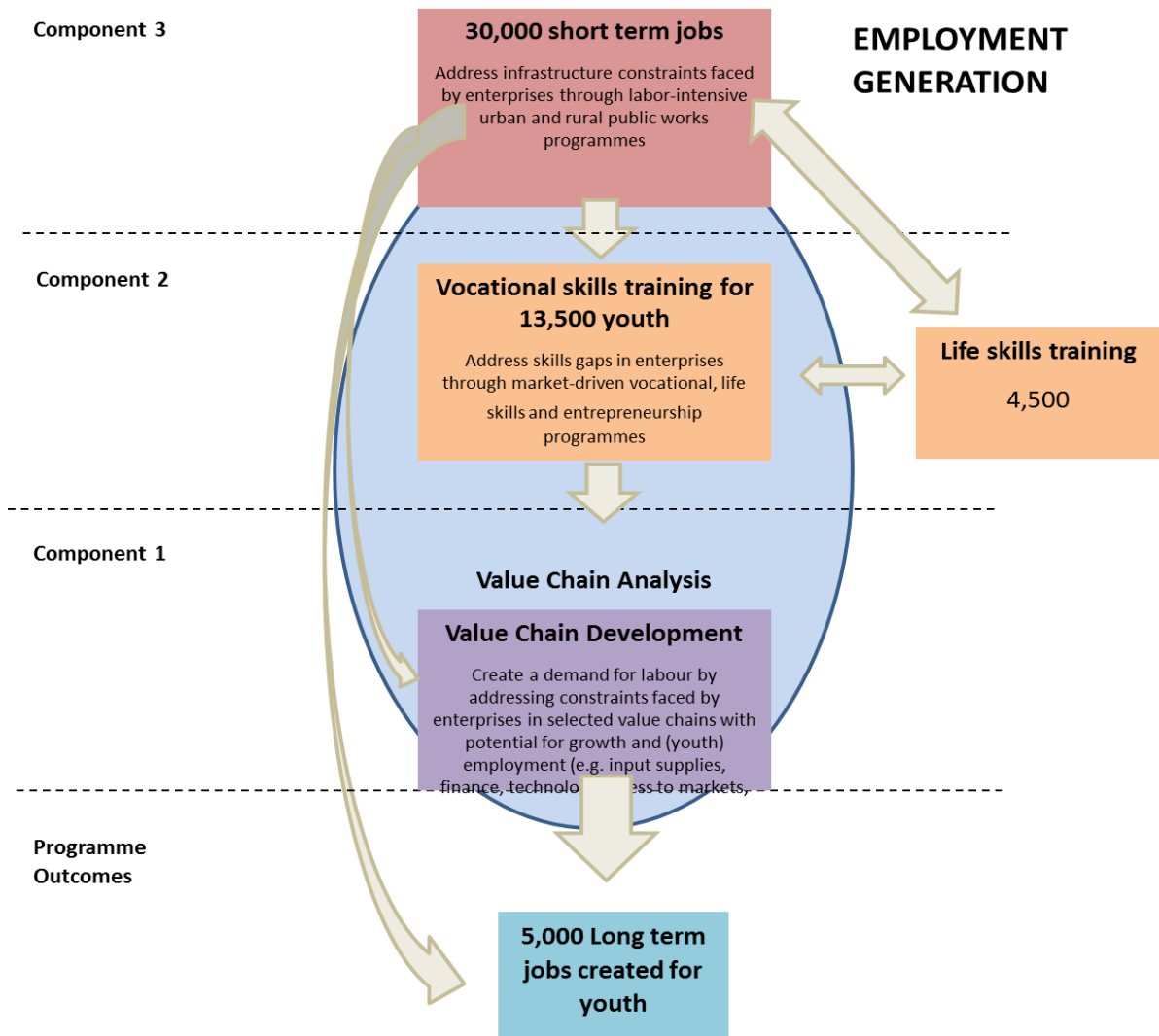
The results of the value chain analysis will take time and depend on the chosen sectors but we already know that amongst the cross cutting constraints are basic productive infrastructure and skills. Therefore, the engagement of youth in the development of productive infrastructure will be the entry point. The programme wants to ensure that as many youth as possible are engaged in temporary within the first six months of implementation. Ideally the beneficiaries would benefit from at least one other intervention included in component one and two.

In rural areas the youth will be engaged during three consecutive seasons (three times two months) because there is a higher level of under employment in rural areas. The continuous support will ensure that vulnerable youth have little interest in engaging in negative coping mechanisms. The youth on the off-season should be engaged in training/capacity development activities along the value chains being supported by the programme to further their economic development and long-term livelihood perspectives. The synergies with the other two components will ensure that the beneficiaries of temporary employment in rural areas not only benefit from the productive infrastructure which is essential in ensuring sustainable livelihoods, poverty reduction, food and nutrition security and economic development of the districts but that they are also able to engage in the opportunities which these create.

In the urban areas youth will be engaged for one cycle of temporary employment (once times two months) leading to other opportunities in skills development programmes and self/wage employment. The One stop youth centres in Mogadishu and three satellite centres will provide an opportunity for youth participating in the infrastructure rehabilitation component to intensify their engagement. Life skills training, literacy and culture are easy entry points for vulnerable youth and have the potential to encourage youth participating in the infrastructure rehabilitation component to start vocational training courses and by this moving towards longer term employment. The vocational training of the One Stop Youth Centre in Mogadishu will focus on construction skills development, building material production and the hospitality sector. The satellite centres will be linked to the other vocational training centres supported by the programme.

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<sup>6</sup> UN Policy for Post-Conflict Employment Creation, Income Generation, and Reintegration.



**Relationship to Somalia’s Peace-building and State-building Goals (PSG) and Millennium Development Goals (MDG)**

The Youth Employment Programme is in line with the New Deal processes culminating in the Somali Compact, which puts youth at the forefront of the agenda for employment creation. The Compact aims to foster confidence between people, communities, the state and international partners through:

transparency; risk sharing; use and strengthening of country systems; strengthening government capacity; and timely and predictable aid.

The plan assumes that improving the conditions for youth –e.g. access to employment and to basic services– will significantly contribute to establishing peace and maintaining stability. More specifically, the proposed programme will contribute to several targets:

- PSG 4, Priority 2: *“Expand opportunities for youth employment through job creation and skills development;”*
- PSG 4, Priority 1: *“Enhance the productivity of high priority sectors and related value chains, including through the rehabilitation and expansion of critical infrastructure for transport, market access, trade, and energy;”*
- Millennium Development Goals (MDGs), Goal 1: *“Eradicate extreme poverty and hunger,”* in particular Target 1b, *“Achieve full and productive employment and decent work for all, including women and youth.”*

### Gender mainstreaming

Women face additional religious, cultural, and social constraints which need to be carefully considered when developing youth employment programmes; for this reason, to ensure adequate representation, at least 30% of all programme beneficiaries will be young Somali women.

- Concerning **value chain development**, the programme analyse gender relations, power, roles and outcomes, and not just describing differences but assessing their root causes and ensure the full participation of women in value chains.
- Concerning **skills development**, effort at devising innovative measures to increase participation of women in TVET system must first recognize the key factors that impede their inclusion, and understand and analyse the barriers from a gender perspective. The programme will address the barriers and constraints to female participation in vocational training that is linked to sustainable employment opportunities through:
  - Making literacy and numeracy training a standard part of skills development programs
  - Adding business development services to the existing skills training programs for women
  - Increasing female trainers and staff in TVET Courses.
  - Compensating for a lack of female trainers through internships and job placements for trades in which women do not traditionally participate.
  - Making demand-driven training more appropriate and relevant to female trainees by increasing gender orientation of market research.
  - Identifying subfields of growth sectors/value chains where women already comprise a large part of the labour force, such as the hospitality sector.
  - Undertaking gender sensitization of training providers.
  - Facilitating safe access to training by providing transport.

- Concerning the **infrastructure rehabilitation component**, the programme will design and implement gender-sensitive public works programmes, so that women can participate alongside men, despite the traditional division of labour, and women's greater time poverty, restricted mobility and limited access to information. The programme will consult with women about the type of jobs they can do; encourage women to perform tasks traditionally reserved, or perceived to be reserved; set decent work standards and include positive actions for women workers to secure equal access to jobs and training, and equal pay for work of comparable value; and use targeted strategies and approaches to facilitate women's access to wage labour in public works, from the design to the implementation and monitoring stages.

### Target districts and beneficiaries

The first Programme Steering Committee Meeting, decided that the programme be rolled out to all seven States/administrations: Benadir Region, Interim Jubaland administration, Puntland, Interim South West administration, Mudug and Galgadud regions, Hiiran & Middle Shabelle. Guidance from the Government is needed to decide which districts and beneficiaries will participate in the programme. The direct beneficiaries will include unemployed or underemployed youth aged 15-34. The selection criteria will be developed jointly by communities and key stakeholders. **Error! Reference source not found.** The map below shows the districts that are targeted for the programme interventions.

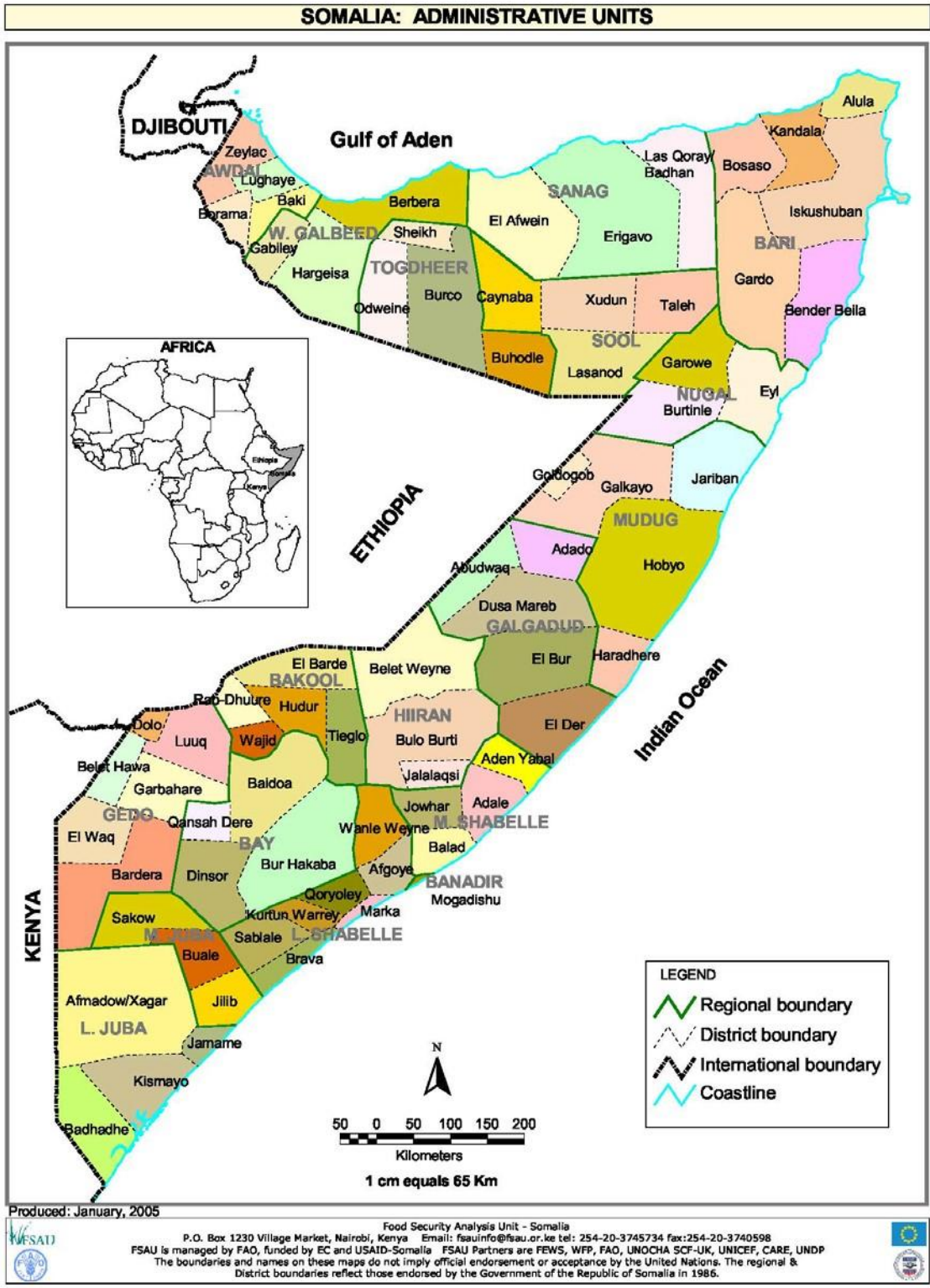


Table 2. Youth Employment Programme: Theory of Change Model

<b>Assumptions</b>	<b>Main activities</b>	<b>Main outputs</b>	<b>Outcomes / impact</b>
<p><b><i>In relation to establishing longterm employment opportunities</i></b> There is potential in Somalia for a more diversified economy with a greater variety of employment opportunities; Value chains can be strengthened or established in a manner that will create more sustained and profitable enterprises;</p> <p>Employment opportunities will also be opened up through other interventions related to the PSG 4 programmes.</p>	<p><b><i>Component 1: Value chain development</i></b></p> <p>Carry out at least six value chain analyses in selected sectors and locations.</p> <p>Provide training to relevant stakeholders on value chain methods. Validation with industry stakeholders and project partners leading to a value chain implementation strategy.</p> <p>Address generic or sector-specific enabling environment issues, such as: i) microfinance and matching grant schemes to improve access to finance for youth and businesses, ii) technology for value addition and iii) business development services.</p>	<p>Output 1.1 Capacities of public, private and academic institutions built to undertake value chain analysis and key interventions identified</p> <p>Output 1.2 Key interventions implemented to improve their long-term potential for growth, productivity and employment.</p>	<p>Improved longterm potential for growth, productivity and employment by tackling the key constraints of six value chains in various sectors, including agriculture, fisheries and livestock, leading to 5,000 sustainable jobs</p>
<p><b><i>In relation to providing vocational training</i></b></p> <p>Current vocational training schemes in Somalia are not based on market or labour force analyses, and they do not lead to sustained employment; Technical and vocational training institutions and entrepreneurial skills programmes are lacking. Bridges can be built between short-term infrastructure rehabilitation projects and longer-term technical and vocational training initiatives.</p>	<p><b><i>Component 2: Skills development</i></b></p> <p>Identify potential TVET service providers (both public and private) in the target districts.</p> <p>Carry out assessments of the TVET service providers and the curricula used by TVET centres vis-à-vis labour market demands and level of competency.</p> <p>Identify, select and train teachers and managers of TVET centres.</p> <p>Rehabilitate or construct vocational training centres, one stop youth centre and satellite centres.</p> <p>Purchase and install the required tools, machinery and equipment.</p> <p>Implement vocational, entrepreneurial and life skills programmes.</p> <p>Train the principals/managers of the training institutions.</p> <p>Carry out trainings and seminars on methods of collection, analysis and storage of labour market data Train incumbent ministries to design policies and programmes related to skills development and vocational training and to lead and manage youth employment programmes</p> <p>Support the development of a Youth Unit and Youth Advisory Board at Benadir Regional Administration as a model to be used in other regions.</p>	<p>Output 2.1 Curricula developed for occupations identified by value chain analyses and prioritized by Federal government and regional states.</p> <p>Output 2.2 Programmes of vocational, business and life skills training provided for at least 20,000 youth.</p> <p>Output 2.3 Capacity of ministries and institutions for the collections, analysis and storage of labour market data and youth employment programming developed.</p> <p>Output 2.4 One stop youth centre developed in Mogadishu and 3 satellite centres in other urban areas.</p>	<p>Enhanced longerterm employability of 20,000 youth (13,000 urban and 7,000 rural) through basic literacy, numeracy and life-skills and vocational and business training in sectors with high growth and employment potential.</p>
<b>Assumptions</b>	<b>Main activities</b>	<b>Main outputs</b>	<b>Outcomes / impact</b>

<p><b>In relation to engaging the target beneficiaries</b></p> <p>If opportunities for paid work are provided, the Somali youth will willingly engage;</p> <p>When they engage in work or training, they will turn away from joining militant groups and taking up criminal activities; The basic infrastructure public works will inject needed capital into the local communities, stimulate private sector competitiveness, and create more jobs.</p>	<p><b>Component 3: productive infrastructure rehabilitation</b></p> <p>Select target districts, particularly those in newly liberated areas;</p> <p>Identify priority rehabilitation projects;</p> <p>Select youth for engagement in infrastructure rehabilitation projects;</p> <p>Provide task-related skills training on project-related skills, including the management of the infrastructure. Train relevant stakeholders for infrastructure management.</p>	<p>Output 3.1 Rural productive infrastructure projects implemented (feeder roads, canals, water catchments, erosion control and flood control etc.).</p> <p>Output 3.2 Urban infrastructure projects implemented (roads, environmental works, storage facilities, markets, etc.).</p> <p>Output 3.3 Capacities built in local authorities, private enterprises and local communities to implement and manage infrastructure projects.</p>	<p>Rehabilitate productive infrastructure through short term jobs for 30,000 youth (16,000 rural and 14,000 urban).</p>
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## Component 1: Value chain development

### Rationale and objective

**The main objective of the value chain component of the youth employment program is to improve the long-term potential for growth, productivity and employment of at least six value chains in the agriculture, fisheries livestock, construction and hospitality sectors.**

Given that **the main cause of youth unemployment in Somalia appears to be a result of demand side factors, we need to focus at enterprises in the private sector that actually create jobs.** Consequently, we need to improve the competitiveness of the sectors and companies, enhance the business environment, open the economy to trade, foster investment and growth, increase productivity, and – as a final outcome-- create sustainable jobs. It is thus important to better engage private sector companies and work with employers, associations and Chambers of Commerce, which are often insufficiently involved in the design of the programme. We also need to link up with existing private sector development programmes and the Economic Partnership for Somalia (USAID). The programme will also build on the Local Economic Development (LED) forum created by the on-going Joint Programme on Local Governance (JPLG). These LED forums are a platform for public-private dialogue and effective partnerships.

**Government, institutions and the private sector will jointly identify sectors that have the most significant potential for growth and employment.** Value chain analysis is one technique –albeit not the only one—that allows identifying the main strengths (to build on) and weaknesses (to overcome), and proposing sector-specific and cross-cutting recommendations. A simplified model of an agricultural value chain is presented in **Figure 1**. There are different ways of looking at the value chain (DFID, 2008), including:

- What are the **main activities** in the value chain? This typically concerns input provision, cultivations, collection, processing, and selling to local or international markets.
- Who are the **main actors** involved in these activities and what do they actually do?
- What are the **flows of products, information and knowledge**? For example, where do the inputs / goods / services come from and where does the output go to?
- How does the value change along the chain and where is the highest value addition?



- What types of services are feeding into the value chain?
- What is the location and position of selected groups (e.g. youth, poor, women) in the chain?
- What are the **key constraints** in each stage? Are there any specific problems of specific groups (e.g. youth) that should be addressed?
- What are **potential solutions** to these constraints?

**Figure 1. Simplified model of an agricultural value chain**



According to the Governance and Social Development Resource Centre (GSDRC), “the adoption of a market development and value chain approach are considered essential to moving beyond short-term job creation and supply-side problems to targeting longer-term increase in the demand for skilled employees. Market development programming seeks to understand market trends, the constraints that small enterprises face in achieving profitability (which may be many in fragile contexts), and ways in which to alleviate these constraints. Value chain analysis contributes to private sector recovery by identifying market opportunities and missing inputs. Such market analyses and assessments allows for the identification of opportunities with a high probability of growth and employment generation and the creation of market linkages that can increase productivity.”<sup>7</sup>

USAID (2013, 2014) and Adam Smith International (2013) for example have examined a number of promising value chains in Somalia, though they differ in terms of detail and scope (see Table 3). Agriculture, livestock, and fisheries are considered to have a high potential for growth according to both studies. Infrastructure, manufacturing, and services are also examined in detail and recommended as areas of investments by Adam Smith International.

It should be noted that Somalia just got accepted as a beneficiary country into the Enhanced Integrated Framework (EIF), which means that Somalia can now access international trade-related technical assistance through “Aid for Trade” programmes.<sup>8</sup> Under the EIF, a number of sectors and value chains –perhaps ten to fifteen-- will be examined in 2015 through a so-called Diagnostic Trade Integration Study (DTIS), which offers the opportunity to further link sector analysis of this programme to broader initiatives in motion in Somalia.

**Table 3. Sectors and sub-sectors with potential for growth and employment**

Study	Extractive industries	Agriculture	Fisheries	Livestock	Infrastructure	Manu- facturing	Services
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<sup>7</sup> Governance and Social Development Resource Centre (GSDRC), *Helpdesk Research Report: Long-term job creation in fragile states*.

<sup>8</sup> The EIF is an Aid for Trade partnership in action for Least Developed Countries (LDCs). It is a global partnership involving LDCs, donors and international organizations, which support LDCs to be more active players in the global trading system by helping them tackle obstacles to trade. It works towards a wider goal of promoting economic growth, sustainable development and helping lift more people out of poverty. EIF activities are financed through a multi-donor trust fund, the EIF Trust Fund (EIFTF). The purpose of the EIF is threefold: (i) Mainstream trade into national development strategies; (ii) Set up structures needed to coordinate the delivery of Trade-related Technical Assistance (TRTA); and (iii) Build capacity to trade, which also includes addressing critical supply-side constraints.

USAID (2013)	..	Sesame Maize Banana Lemon Vegetables Cow pea and Mung bean Sorghum Manure	Fisheries	Live animals Meat Camel dairy Cow dairy Forage and fodder Poultry Hides and skins Livestock support services	..	..	..
Adam Smith International (2013)	Oil and gas Minerals Gemstones	<b>Fruits and vegetables</b> <b>Seeds and oils</b> Dairy Pasta	<b>Fisheries</b>	<b>Livestock</b>	IT and telecoms: <b>Tele-communications</b> ; services; <b>Fabrication</b> services Construction: <b>Building</b> ; Cement	Light manu- facturing: Food Data processing; Computer	Education Health <b>Security</b> <b>Training and business services</b> Financial services: <b>Remittances</b> ; Commercial banking; Investment services; Insurance; <b>Foreign exchange</b> Media: TV; Print media

Source: USAID, *Economic Growth Assessment of south-central Somalia*, 2013; Adam Smith International, *Private Sector Investment and Barriers to Growth: Analysis for south-central Somalia and Puntland*, 2013.

Note: Adam Smith International identified sectors in bold as being both “attractive” and “feasible”.

### Project strategy

The value chain analysis will inform the design of the youth employment programme, in particular interventions under Components 2 and 3. The first step is to decide on the value chains to be examined. The Federal Ministries of Agriculture, Livestock and Fisheries tentatively selected a number of possible value chain in productive sectors (Table 4).

**Table 4. Possible value chains, tentatively selected by participants in the PSG 4 sub-working group**

Agriculture	Livestock	Fisheries	Construction
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Bananas	Poultry	Fresh fish from sea	Building materials
Lemons (dried)	Meat	Fresh fish from river	
Grapefruits	Dairy products		
Watermelons	Hides and skins		
Vegetables	Livestock veterinary		
Rice	support services		
Maize			
Sorghum			
Cowpeas			
Sesame			
Sugar			

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Once the government finally approves the value chains, we will proceed in two steps:

- **Value chain analysis:**

- For each of the selected value chains, we identify the main actors, activities, strengths and weaknesses along the stages of value addition (e.g. input provision, cultivations, collection, processing, selling to local or international markets). ○ To examine strengths and weaknesses, we will examine a number of dimensions, including: information and knowledge; access to finance; infrastructure; inputs; land; labour and skills; technology; technical standards, quality; business enabling environment; and marketing and distribution channels.
- The programme will also find out if there is a government strategy for the sector; what are the main activities to support the sector, both by government and other stakeholders (including development partners); and suggest possible solutions to address these issues.
- It should be noted that we will apply a youth lens to the value chain analyses because some sectors have barriers to entry that are particularly difficult for youth, e.g. access to finance and land. Rather than create projects that are designed exclusively to benefit youth, we will seek to proactively involve young people along with other actors and allow market signals to drive the project design and implementation.

- **Value chain development/upgrading:**

- Finally, and this is the most important part of Component 1, we will implement the most important recommendations to address generic or sector-specific specific issues, in close cooperation with the government. ○ Possible interventions include: i) microfinance and matching grant schemes to improve access to finance for youth and businesses, ii) technology for value addition and iii) business development services.

In terms of **capacity building**, one important feature of the value chain component is to build the capacity of relevant stakeholders on various tools and techniques for value chains, market analysis and research techniques so that studies can be conducted by government institutions on regular basis. Capacity development will then instil a sense of ownership in the formulation of any future government policy and strategies for value chain development.

## Outputs and activities

Table 5 shows the main outputs and activities for the value chain development component. Table 6 provides illustrative interventions, based on the Ministries' Annual Work Plans for 2014 and inputs from regional administrations.

Given that infrastructure and skills are cross-cutting issues that affect many sectors, Components 2 and 3 will in particular tackle specific constraints related to skills gaps/deficits and infrastructure bottlenecks identified through value chain analyses. Component 1 on Value chain development will mainly look at other important issues, such as access to finance and technology.

Although addressing all of the constraints to growth and development of a value chain is an ambitious undertaking, when possible, other interventions to unlock the value chains will be implemented. For example, access to finance remains one of the greatest impediments to the growth of businesses, a problem magnified by the fact that vulnerable groups like youth and women have little or no access to formal financial channels. Providing credit/finance tools and investments in productive assets, for instance, would be interventions complementary to training and rehabilitating essential infrastructure.

**Table 5. Main outputs and interventions to identify main constraints and implement recommendations for a particular value chain**

Outputs	Activities
Output 1.1 Capacities of public, private and academic institutions built to undertake value chain analysis and key interventions identified	Carry out at least six value chain analyses in selected sectors and locations.
Output 1.2 Key interventions implemented to improve their long-term potential for growth, productivity and inclusive employment.	<ul style="list-style-type: none"> <li>• Provide training to relevant stakeholders on value chain methods.</li> <li>• Validation with industry stakeholders and project partners leading to a value chain implementation strategy.</li> <li>• Address generic or sector-specific specific issues, such as: i) microfinance and matching grant schemes to improve access to finance for youth and businesses, ii) technology for value addition and iii) business development services.</li> </ul>

**Table 6. Illustrative interventions for value chain development, based on the Ministries' Annual Work Plans for 2014 and inputs from regional administrations**

Geographical Focus	Ministry	Key Activities / interventions
FGS	Agriculture	Agricultural information system (food early warning, soil and water, metrological data as well as commodity prices) integrated/developed.
		Comprehensive agricultural baseline study containing different sub categories of the agricultural sector is carried out.
		Export markets for agricultural products promoted and access to new market outlets facilitated.

	Technical and organizational capacity of Somali institutions is supported at federal and regional level and sector coordination mechanism developed. Farming sector development strategy planning Agriculture sector development strategy planning
Commerce and Industry	Survey of government business and manufacturing asset completed
Fisheries Marine Resources	Fisheries sector development strategy established. Fisheries sector development strategy planning
Livestock, forestry and range	Assessment of livestock production assets in Lower Shabelle conducted. Vet. Law Code and trade-related policy, regulatory frameworks, and legislation reviewed.
Mineral resources and petroleum	Extractive industries 5 year strategic plan developed.
Transport	Roads/Bridges and airports Sub-sector Status update and Needs Assessment undertaken.
Puntland	Investing and increasing the knowledge of growing sectors such as ICT, Farming, Fishing in order to create jobs
Jubbaland	
South-West	
Central	Assessment of livestock production assets in Lower Shabelle conducted.
Hiiran and Shabele	Assessment of livestock production assets conducted. Technical and organizational capacity of Somali institutions is supported at federal and regional level and sector coordination mechanism developed.

## Component 2: Skills Development

### *Rationale and objective*

**Skills, whether obtained through formal education or technical training, are essential for increasing the productivity and sustainability of enterprises and the employability of workers.** Research shows for every dollar invested in skills and education in developing countries, 10-15 dollars is generated in economic growth<sup>9</sup>. Skills contribute to wealth for:

- Individuals and families, in the form of higher income;
- Enterprises, through access to the skilled labour they need to;
- Compete, grow and introduce new technology;
- Local and national economies, through successful businesses;
- Competing in regional and global markets.

However, there are a number of skills-related problems in Somalia:

<sup>9</sup> EFA Global Monitoring Report for UNESCO, *Youth and Skills: Putting Education to Work*, 2012.

<sup>10</sup> ILO Enterprise Survey, 2011 & Study on Factors Affecting Women Entrepreneurs, 2012.

- The vast majority of young Somalis, both men and women, do not have access to technical and vocational training. This is a result of initial lack of skills, low quality of the training provided and the difficulty in accessing training for those most vulnerable.
- Even for those that have acquired a set of skills, these are often not relevant, resulting in a mismatch between their education/training and the skills in demand by the private sector.
- In addition, for those already engaged in business activities or those wishing to start a business, lack of access to relevant training is also a major constraint to business development.<sup>10</sup>
- State provision for skills development is usually lacking and suffers from various weaknesses. It is important to turn to the private sector in order to find the quality and range of skills training which they are seeking. In addition, the lack of reliable labour market data and skills gap analysis makes it difficult to develop appropriate skills programmes.

From this perspective, there is thus an urgent need for young Somalis to acquire marketable skills to enhance their employability. Successful skill development initiatives are typically based on thorough labour market and value chain analyses to ensure that trainees receive training in skills for which there is high demand.

**The main objective of the skills development component is to equip 20,000 youth (13,000 urban and 7,000 rural) with basic literacy, numeracy and life-skills and sector-specific vocational and business training** as well as to create safe spaces, such as Vocational Training and One Stop Youth Resource Centres, for youth to meet and learn in order to enhance their employability to access sustainable job opportunities in sectors with high growth and employment potential.

### *Project strategy*

**Skills development needs to be part of a comprehensive, integrated strategy for inclusive growth. There needs to be greater private sector involvement and skills interventions with a sectoral focus.** Skills development must be tailored to the needs and aspirations of the young Somalis as well as the needs of the private sector. It needs to fit within the overarching goal of developing and maintaining a growth trajectory and competitiveness of various sectors of the economy that necessitates a skilled workforce that is aligned to industry requirements.

A **comprehensive youth skills package** will be provided for youth from different socio-economic backgrounds and according to the skills needs of the selected value chains that will have been analysed. We will utilize existing vocational training centres to deliver competency-based training programmes which respond to the needs of Somali employers, as identified during the value chain study. Beneficiaries will be provided with certification upon the completion of the training.

- **Identifying current and anticipating future skills needs is the first building block of relevant training and skills strategies.** Several methods are used to forecast future skills needs. These include: forecasting occupational and skills profiles; labour market information systems and employment services; engagement with the private sector; and assessments of the performance of training institutions and the employment outcomes of their trainees.
- There exist **opportunities for more specific technical and vocational training and entrepreneurship training at various stages of value chains**, particularly in input supply and production to promote the inclusion of youth. Lack of skills in particular crafts is one of the biggest problems which can be tackled through the provision of well-designed training courses to increase the productivity of youth. Similarly, opportunities for business start-ups and growth of existing businesses can be facilitated through a comprehensive

management/training programme aimed at starting and improving businesses and providing business development services (BDS).

- **It should be noted that youth aspirations are different from what is offered in some sectors, in particular the farming sector.** Regardless of the economic opportunities available in the farming sector, young Somali men and women are being utilized as labourers within family farms which youth are not interested in.
- **Key to the project strategy will be making the agriculture sector attractive for youth who are not necessarily looking to be involved in farming.** This will be achieved through the involvement of youth in the livestock, input provision and processing stage of the value chains which will be selected. This is because youth will be involved in agriculture when it offers real business opportunities. Farming will also be attractive for youth if it is technology driven. Enhancing timely access to market information and communication, production techniques, new technology and financing opportunities will modernise the farming sector and will take full advantage of a generation of young Somalis who are more technologically inclined, more educated and more willing to taking higher entrepreneurial risks than their elders.
- **It is important that skill development initiatives do not only focus on hard, job-related skills, but also on “soft skills” that are deemed more and more important by employers and are needed for the personal growth of youth.** The ‘Youth for Change’ initiative of UNDP, UNICEF, and ILO has shown that through psycho-social rehabilitation and skills development, youth can be discouraged from joining criminal and violent groups, can recuperate, and can give something back to their families and communities. This is a process of empowerment that can lead to children going to school and youths taking up vocational training. It shows how such engagement with youth can promote social cohesion and peace. “Soft skills” like leadership, personal financial planning, communication and information technology will encourage development of positive attitudes needed for employment. Other useful life-skills include health information, civic engagement, protection of rights and political inclusion. Psychosocial counselling and support services are necessary for youth who have been victims of violence and need re-integration into society and will be mainstreamed within the life-skills package.
- **Building on a Construction Sector Analysis** conducted under the SECIL project, a one-stop youth centre will be established in Mogadishu focusing specifically on construction skills development and building material production combined with life skills training. In order to specifically target young women, the one stop youth centre in Mogadishu will also provide hospitality training.
- The three satellite centres will be linked to vocational training centres rehabilitated by ILO and will be located in other urban areas than Mogadishu and will provide life skills and entrepreneurial training only.
- The main One stop youth centre in Mogadishu and the three satellite centres will utilize an integrated approach to youth development by providing both young men and women with safe spaces in urban settings where they can undergo specialized vocational training(in the case of Mogadishu), meet and access information and resources critical to creating livelihoods. The Centre will also offer young men and women a choice of various arts, culture, recreation, and health services. Separate programmes and space for young men and young women will be developed where needed. This component will be expanded based on the needs identified by the city and the youth of Mogadishu.



- Capacity of Benadir Regional Administration (BRA) to implement youth projects and mainstream youth aspects into local government projects and programmes, in particular the one stop centre, will be strengthened through the establishment and training of a youth unit and a youth advisory board at BRA. The Role of the youth unit and youth advisory board will be established by BRA and FGS but may include mainstreaming youth issues at the local level, policy development (for local government), organisation of youth events, job fairs etc. Both, youth unit and youth advisory board, will be a model for other urban areas to be replicated and scaled up in the second phase of the programme.

In terms of **capacity development**, relevant government ministries and institutions will acquire institutional and technical capacity development on methods of collection, analysis and storage of labour market and skills data. Their national statistics centre (Minister of Planning and International Cooperation) along with the Ministry statistical units, will be strengthened with technical assistance from a technical expert who will be seconded to the line ministries. This assistance will improve labour market information analysis processes and institutional capacity at the national and regional level. The development of a full-fledged labour market information system will take many years; however, the proposed programme will begin to train ministries and institutions for better collection and analysis of data relevant to developing appropriate skills training programmes for youth employment. Furthermore, tools, equipment and operational support will be provided to vocational training institutions and the one-stop youth centre. Identifying, selecting and training teachers in the development of competency-based curricula, and in the delivery and assessment of these training courses, will be core activities for capacity development of technical vocational training institutions. Furthermore, training managers will be provided with mentoring support to ensure the sustainability of vocational training centres.

### Outputs and activities

Table 7 shows the main outputs and activities for the value chain development component. Table 8 provides illustrative interventions, based on the Ministries' Annual Work Plans for 2014 and inputs from regional administrations.

**Table 7. Main outputs and interventions for skills development**

Outputs	Activities
<ul style="list-style-type: none"> <li>• Output 2.1 Curricula developed for occupations identified by value chain analyses and prioritized by Federal government and regional states.</li> <li>• Output 2.2 Programmes of vocational, business and life skills training provided for at least 20,000 youth.</li> </ul>	<ul style="list-style-type: none"> <li>2.1 Identify potential TVET service providers (both public and private) in the target districts</li> <li>• Carry out assessments of the TVET service providers</li> <li>• Assess the curricula used by TVET centres vis-à-vis labour market demands</li> <li>• Identify the existing curricula materials being used in TVET and their level of competency</li> <li>• Identify, select and train teachers in the development of competency based curriculum, training manuals, guides.</li> </ul>
<ul style="list-style-type: none"> <li>• Output 2.3 Capacity of ministries and institutions for the collections, analysis and storage of labour market data and youth employment programming developed.</li> </ul>	<ul style="list-style-type: none"> <li>2.3 Purchase and install the required tools, machinery and equipment</li> <li>• Implement vocational and entrepreneurial skills programmes.</li> <li>• Train the principals/managers of the training institutions in areas such as management of training institutions, MIS and monitoring and evaluation</li> </ul>

Output 2.4 One stop youth centre developed in Mogadishu and 3 satellite centres in newly recovered areas

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- Establish One Stop youth resource centre and 3 satellite centres.
- Implement life skills training programmes.
- Carry out trainings and workshops on methods of collection, analysis and storage of labour market data.
- Provide training to build capacities of ministries to lead, manage and implement further youth employment programmes.
- Train incumbent ministries to design policies and programmes related to skills development and vocational training
- Support the development of a Youth Unit and Youth Advisory Board at Benadir Regional Administration as a model to be used in other regions

**Table 8. Illustrative interventions for skills development, based on the Ministries’ Annual Work Plans for 2014 and inputs from regional administrations**

Geographical Focus	Ministry	Key Activities / interventions
FGS	Agriculture	Skilled employment and labor-intensive work schemes in agricultural-related services is created.
	Commerce and Industry	Jobs created through matching grant fund. Vocational and business literacy institute established.
	Fisheries Marine Resources	Fisheries training and research institute established. Sector management capacity improved through training and knowledge transfer programs.
	Labour and Social Affairs	200 graduates supported with job placement in the private sector. 600 disabled people will be trained on various skills. 900 Youths trained for various marketable skills Baseline survey on job market undertaken identifying marketable skills, employment rates and report with recommendation generated.

		Job placement for 100 disabled people secured. Training exchange program with through PPP established.
	Livestock, forestry and range	Seedling production nurseries established and 20 hectares replanted.
Puntland	Agriculture	Farmers' practices and knowledge improved in date palm and horticultural production through developed extension services and training 2000 young graduates internship programs attached to government ministries and agencies
	Labour, Youth and Sports	Youth employment bureau established
		Alternative livelihood programming; agrarian skill developing and fishing sector. Kismayo Youth Centre; will deal with literacy, psychosocial therapy, vocational training and recreational activities.
Jubbaland		Alternative livelihood programming; agrarian skill developing and fishing sector. Jobs created through matching grant fund.
Central		Vocational and business literacy institute established. Youth Center established in selected district
		Vocational and business literacy institute established. Youth Centre; will deal with literacy, psychosocial therapy, vocational training and recreational activities.
Hiiran and Shabele		Vocational and business literacy institute established. Youth Centre; will deal with literacy, psychosocial therapy, vocational training and recreational activities.
Banaadir		Sector management capacity improved through training and knowledge transfer programs. Vocational and business literacy institute established.

### Component 3: Productive infrastructure rehabilitation

#### *Rationale and objective*

Evidence suggests that economic infrastructure (e.g. roads, ports, irrigation) is of central importance to generate growth and employment and facilitate access to services<sup>10</sup>. However, following two decades of civil war and unrest, most the infrastructure in Somalia remains in very poor condition and is in urgent need of rehabilitation and/or expansion. Public work programmes, in addition to construction skills training, are one way to address infrastructure rehabilitation needs, such as road construction and maintenance or rehabilitation of irrigation systems (see also Table 9), and at the same time create short-term employment opportunities. Typically, public work programmes include a component on short-term, cash-for-work type interventions that have two main effects.

- **“Purchasing power effect” through cash injection into the local economy.** The target beneficiaries, typically unemployed or underemployed urban and rural youth, receive shortterm employment through labour-intensive cash-for-work programmes, as well as short-term on project-related skills, including the management of the infrastructure, to increase

<sup>10</sup> Supporting Infrastructure Development in Fragile and Conflict-Affected States: Learning from Experience, UK Aid, 2012.

their chances of finding better employment after the end of the programme. Besides the direct income effects for the target beneficiaries, injecting cash into the local economy will also create indirect income effects through the so-called multiplier effect.

- **“Broad-based, long-term production increase through infrastructure creation or rehabilitation.** The community and the private sector can utilise the rehabilitated infrastructure for productive purposes. The impact of such interventions will typically last much longer than the duration of the programme. They can in particular improve the competitiveness of companies that use this infrastructure, no matter which sector they are in. The rehabilitation of rural infrastructures is also aimed at strengthening the resilience of vulnerable households and improving agricultural production and productivity for all, and not only for individuals/groups targeted with cash for work activities. The productive infrastructure is essential in ensuring sustainable livelihoods, poverty reduction, food and nutrition security and economic development of the districts and the country as a whole. Economic growth needs to be sustained within existing and new legislative frameworks. A better environment and improved productive infrastructure will enable government and local authorities to perform their respective functions and deliver basic services better.

The main objective of this component is to rehabilitate productive infrastructure in target locations through 30,000 short-term jobs (16,000 rural and 14,000 urban). Urban youth participating in infrastructure rehabilitation are encouraged to further engage in the programme through visiting the One stop youth centres and eventually even starting vocational training. Beneficiaries involved in the rehabilitation of infrastructure will receive training on occupational safety and health and working conditions prior to the start of the projects.

**Table 9. Examples of interventions for rural and urban public work programmes**

Rural public works (FAO)	Urban public works (ILO, Habitat, UNDP)
<ul style="list-style-type: none"> <li>• Roads (feeder roads)</li> <li>• Rehabilitation of irrigation canals</li> <li>• Water and soil conservation</li> <li>• Erosion control and flood control</li> <li>• Rehabilitation of small dams</li> </ul>	<ul style="list-style-type: none"> <li>• Roads (secondary roads)</li> <li>• Market and storage facilities</li> <li>• Drainage systems</li> <li>• Flood control</li> <li>• Government infrastructure (Police stations, courts, prisons, and etc.)</li> <li>• Environmental works</li> </ul>

### Project strategy

The component will identify and address specific infrastructure constraints through detailed value chain analysis in selected sectors. Ideally, the project would focus on strategically important infrastructure in target locations, in conjunction with PSG4 Infrastructure sub-working groups. However, the likelihood is high of ending up with a long “shopping list” that is not prioritized. In fact, potentially, there are a very large number of possible rehabilitation projects, as this involves many sectors, types of infrastructure rehabilitations, and actors.

At the **Federal level**, the Ministries have already highlighted a variety of rehabilitation projects in their Annual Work Plans for 2014

- Table 11). Though the work plans include budget estimates for main outputs, this information is unfortunately not available at the level presented, as typically several, sometimes very different activities are lumped together under one a single output heading and budget item. Also, for the moment there is no information about the status of the planned activities.

- It is also important to involve actors at the **regional, district and community level**. This concerns the identification of sector and geographical targeted interventions, the decisionmaking processes, as well as the monitoring and maintenance during and after the programme to ensure the sustainability of the infrastructure. The community, together with local government, will also select the target beneficiaries using clear and transparent criteria.

In terms of **capacity building**, it is of utmost importance to develop the capacity of central and local governments to design and implement public works programmes. This includes compliance with labour standards, including maximum hours of work per day, safe working conditions, no child labour, no gender discrimination, and no sexual abuse in the workplace. For the implementation, a need to provide training to local contractors and non-governmental organizations in the planning, supervision and management of the execution of works has to be foreseen.

### Outputs and activities

Table 10 shows the main outputs and activities for the infrastructure rehabilitation component. Table 11 provides illustrative interventions, based on the Ministries' Annual Work Plans for 2014 and inputs from regional administrations.

**Table 10. Main outputs and interventions for productive infrastructure rehabilitation**

Outputs	Activities
Output 3.1 Rural productive infrastructure projects implemented (feeder roads, canals, water catchments, erosion control and flood control etc.).	<ul style="list-style-type: none"> <li>• Select target districts, particularly those in newly liberated areas.</li> <li>• Identify priority rehabilitation and environmental protection projects.</li> </ul>
Output 3.2 Urban infrastructure projects implemented (roads, environmental works, storage facilities, markets, etc.).	<ul style="list-style-type: none"> <li>• Select youth for engagement in infrastructure rehabilitation</li> <li>• Provide task-related skills training and basic skills training.</li> </ul>
Output 3.3 Capacities built in local authorities, private enterprises and local communities to implement and manage infrastructure projects.	<ul style="list-style-type: none"> <li>• Train relevant stakeholders for infrastructure management.</li> </ul>

**Table 11. Illustrative interventions for short-term job creation, based on the Ministries' Annual Work Plans for 2014 and inputs from regional administrations**

Geographical Focus	Ministry	Key Activities / interventions
FGS	Agriculture	Agricultural markets in Middle and Lower Shabelle reconstructed. Rehabilitation of canals, breakages and water reserves in Middle and Lower Shabelle region.
	Commerce and Industry	4,000 long and short term jobs (60% youth and women) created, 30 start-ups supported. Rehabilitation of selected key local markets Rehabilitation of selected manufacturing facilities
	Finance	6 public schools and 4 MCH centers rehabilitated to provide healthcare services to the community.
	Fisheries Marine Resources	8 fishery markets in target districts reopened.

	Higher Education and Culture	The National Museum and The Somali Academy of Science and Arts rehabilitated.	
	Interior and Federal Affairs	Infrastructure for 50 districts rehabilitated: District centers, Police Stations and local markets rehabilitated. Quick impact projects to deliver basic services implemented	
	Labour and Social Affairs	3 vocational training centers constructed and equipped.	
	Livestock, forestry and range	Diagnostic laboratory facilities at the Port Veterinary Office in Mogadishu rehabilitate and equipped.	
	National security	12 national security safe houses and 40 police stations to be operational, including training centers rehabilitated/ constructed. Recruit and train 1000 new intelligence officers, 3000 police forces, and 150 immigration officers.	
	Ports and Marine Transport	Rehabilitation of sea marks and Lighthouses (Forte sheikh) of Somali coastline.	
	Transport	Jilib River Bridge, Buulo-Burde River Bridge, Sunguni River Bridge, Qoryooley River Bridge and Buurdhubo River Bridge rehabilitated. Asphalt grade road in each Regional Capital	
Puntland	Agriculture	Oasis irrigation systems constructed/rehabilitated and maintenance mechanisms in place Infrastructure Development Project that results in establishment of multipurpose youth and sports centers throughout Puntland	
	Labour, Youth and Sports	Provide equal access to employment opportunities to youth and provide counseling and guidance to youth Expand educational and vocational training facilities to adequately prepare the youth	
	Fisheries	Construction of landsite Jetties Creation of fishing markets in all major coastal fishing towns	
		Cash for work youth (100-1000 youth in 10 IJA districts), intensive public works programming Private sector/government partnership technical training colleges Rehabilitation of Kismayo recreational facilities i.e former basketball, soccer and gym grounds Rehabilitation of Kismayo Theatre	
Jubbaland	Fisheries	Creation of fishery programming in coastal cities in Jubbaland	
South-West		Alternative livelihood programming; agrarian skill developing and fishing sector. Barava Youth Centre; will deal with literacy, psychosocial therapy, vocational training and recreational activities. Cash for work youth (100-1000 youth in 10 SWIA districts), intensive public works programming Creation of fishery programming in coastal cities in SWIA Private sector/government partnership technical training colleges Rehabilitation of Wadijir Theatre in Marka Rehabilitation of Baidao recreational facilities i.e former soccer and gym grounds	
	Central	Quick impact projects to deliver basic services implemented	
	Geographical Focus	Ministry	Key Activities / interventions
			Rehabilitation of selected key local markets
			Rehabilitation of selected manufacturing facilities

	<p>Skilled employment and labor-intensive work schemes in agricultural-related services is created.</p>
Hiiran and Shabele	<p>Quick impact projects to deliver basic services implemented</p> <p>Rehabilitation of selected key local markets</p> <p>Rehabilitation of selected manufacturing facilities</p> <p>Skilled employment and labor-intensive work schemes in agricultural-related services is created.</p>
Banaadir	<p>3 vocational training centers constructed and equipped.</p> <p>6 public schools and 4 MCH centers rehabilitated to provide healthcare services to the community.</p> <p>Quick impact projects to deliver basic services implemented</p> <p>Rehabilitation of selected key local markets</p> <p>4,000 long and short term jobs (60% youth and women) created, 30 start-ups supported.</p>



### 3. Results Framework

The Results Framework shows the outcomes for the full programme of 54 million. The annex will include the details of the first phase of the programme with an overall budget of 8.9 million.

#### Outcome

Somali economy revitalized and expanded with a focus on livelihood enhancement, employment generation, and broad-based inclusive growth.

#### Sub-Outcomes

- Improved long-term potential for growth, productivity and employment by tackling the key constraints of six value chains in various sectors, including agriculture, fisheries and livestock, leading to 5,000 sustainable jobs.
- Enhanced longer-term employability of 20,000 youth (13,000 urban and 7,000 rural) through basic literacy, numeracy and life-skills and vocational and business training in sectors with high growth and employment potential.
- Rehabilitated productive infrastructure through short-term jobs for 30,000 youth (16,000 rural and 14,000 urban).

**Table 12. Results framework**

Somalia Joint Programme on Youth Employment					
Outcome 1	PSG 4: Economic Foundations - Somali economy revitalized and expanded with a focus on livelihood enhancement, employment generation, and broad-based inclusive growth				
Outcome 1 indicator	Geographical areas	Baseline data	Final targets	Means of verification	Responsible organization
% of Somalis living under USD 1.25 per day	Somalia	48.4	40%	National data	All
Unemployment rate in Somalia	Selected districts in Somalia	The unemployment rate for youth aged 15 to 24 in selected districts is 22%.	20%	ILO Labour Force Survey	All
Sub-Outcome 1 Improved long-term potential for growth, productivity and employment through six value chains implementation plans.					
Sub-Outcome 1 Indicator	Geographical areas	Baseline data	Final targets	Means of verification	Responsible organization
Number of government-agreed interventions for upgrading value chains.	Benadir Region, Jubaland, Puntland, South West, Galmudug, Hiran & Middle Shabelle	To be determined through the value chain analyses	10	Minutes of meeting Government agreements	UNDP, Federal, regional and local governments
Number of new long-term jobs		0	2,000 (30% women)	Tracer study	UNDP, Federal, regional and local governments
Number of youth start-up companies created		0	1,000 (30% women headed start-ups)	Tracer study	UNDP, Federal, regional and local governments

Number and percentage of startup businesses still operating after 12 months		0	500 (at least 50% of newlycreated start-ups)	Tracer study	UNDP, Federal, regional and local governments
Output 1.1 Capacities of public, private and academic institutions built to undertake value chain analysis and key interventions identified					
Immediate results indicators	Geographical areas	Baseline data	Final targets	Means of verification	Responsible organization
Number of public, private and academic actors trained on value chain methods.	Benadir Region, Jubaland, Puntland, South West, Galmudug, Hiran & Middle Shabelle	0	30 (9 women trainee)	Attendance sheets Third party monitors	UNDP, Federal, regional and local governments
Number of value chain analyses in selected sectors and locations.		0	6	Value chain documents	UNDP, Federal, regional and local governments
Number of value chain implementation strategies approved.		0	6	Value chain strategies Minutes of meetings	UNDP, Federal, regional and local governments
Output 1.2 Key interventions implemented to improve their long-term potential for growth, productivity and employment.					
Immediate results indicators	Geographical areas	Baseline data	Final targets	Means of verification	Responsible organization
Number of generic or sectorspecific specific constraints in selected value chains addressed as identified by government	Benadir Region, Jubaland, Puntland, South West, Galmudug, Hiran & Middle Shabelle	0	10	To be determined though the value chain analyses	UNDP, Federal, regional and local governments
Sub-Outcome 2 Enhanced longer term employability of youth in sectors with high growth and employment potential.					

Immediate results indicators	Geographical areas	Baseline data	Final targets	Means of verification	Responsible organization
Number of youth who have received training (basic literacy, numeracy, life-skills, vocational and business training).	Benadir Region, Jubaland, Puntland, South West, Galmudug,	0	20,000: 13,000 (urban) 7,000 (rural) 30% women	Attendance sheets Third-party monitoring.	ILO / UN-Habitat, Federal, regional and local governments
Percentage of trained youth employed within 6 months	Hiran & Middle Shabelle	0	65% (of which 30% women)	Tracer study	ILO /UN-Habitat, Federal, regional and local governments
Output 2.1 Curricula developed for occupations identified by value chain analyses and prioritized by Federal government and regional states.					

Output 2.1 Indicator	Geographical areas	Baseline data	Final targets	Means of verification	Responsible organization
Number of curricula developed	Benadir Region, Jubaland, Puntland, South West, Galmudug, Hiran & Middle Shabelle	0	6	TVET mapping and capacity assessments, skills gap analysis	ILO, Federal, regional and local governments
Output 2.2 Programmes of vocational, business and life skills training provided for at least 20,000 youth.					
Immediate results indicators	Geographical areas	Baseline data	Final targets	Means of verification	Responsible organization

Number of Somali youth trained (disaggregated by type and gender)	Benadir Region, Jubaland, Puntland, South West, Galmudug, Hiran & Middle Shabelle	0	20,000, including 8,000 = 3,500 (vocational training) 4,500 (life skills) At least 30% women	Attendance sheets Third-party monitoring	ILO / UN-Habitat, Federal, regional and local governments
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Output 2.3 Capacity of ministries and institutions for the collections, analysis and storage of labour market data and youth employment programming developed.

Immediate results indicators	Geographical areas	Baseline data	Final targets	Means of verification	Responsible organization
Number of public, private and academic actors trained on labour market analysis	Benadir Region, Jubaland, Puntland, South West, Galmudug, Hiran & Middle Shabelle	0	40 ( at least 12 women trainee)	Attendance sheets Third-party monitoring	ILO, Federal, regional and local governments
Number of ministries and local authorities trained to develop youth employment programmes	Benadir Region, Jubaland, Puntland, South West,	0	5	Attendance sheets Third-party monitoring	UN-Habitat, Federal, regional and local governments

	Galmudug, Hiran & Middle Shabelle				
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Output 2.4 One stop youth centre developed in Mogadishu and 3 satellite centres other urban areas

Immediate results indicators	Geographical areas	Baseline data	Final targets	Means of verification	Responsible organization
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Number of One Stop Youth Resource Centres and satellite centres developed/rehabilitated	Benadir Region, Jubaland, Puntland, South West, Galmudug, Hiran & Middle Shabelle	0	1 (One Stop Youth Centre) 2 (Satellite centres)	Project reports	UN-Habitat, Federal, regional and local governments
Sub-Outcome 3: Productive infrastructure rehabilitated through labour-intensive methods.					
Sub-Outcome 3 Indicator	Geographical areas	Baseline data	Final targets	Means of verification	Responsible organization
Number of work-months created	Benadir Region, Jubaland, Puntland, South West,	Infrastructure needs assessments, community engagement	124,000	Third Party Monitoring	FAO / ILO / UNDP, Federal, regional and local governments
Number of productive infrastructure rehabilitated	Galmudug, Hiran & Middle Shabelle	Infrastructure needs assessments, community engagement	To be decided by government counterparts	third Party Monitoring	FAO / ILO / UNDP, Federal, regional and local governments
Output 3.1 Rural productive infrastructure projects implemented (feeder roads, canals, water catchments, erosion control and flood control etc.).					
Immediate results indicators	Geographical areas	Baseline data	Final targets	Means of verification	Responsible organization
Number of short-term rural jobs created	Benadir Region, Jubaland, Puntland, South West,	0	16,000 (at least 30% women)	Third-party monitoring	FAO, Federal, regional and local governments
Number of rural productive infrastructure projects implemented	Galmudug, Hiran & Middle Shabelle	0	To be decided by government counterparts	Third-party monitoring	FAO, Federal, regional and local governments
Output 3.2 Urban infrastructure projects implemented (roads, environmental works, storage facilities, markets, etc.).					
Immediate results indicators	Geographical areas	Baseline data	Final targets	Means of verification	Responsible organization

Number of short-term urban jobs created	Benadir Region, Jubaland, Puntland, South West, Galmudug, Hiran & Middle Shabelle	0	14,000 (at least 30% women)	Third-party monitoring	ILO / UNDP, Federal, regional and local governments
Amount injected into the local economy (through wages)		0	USD 2.9 million	Third-party monitoring	ILO / UNDP, Federal, regional and local governments
Number of urban infrastructure projects implemented		0	To be decided by government counterparts	Third-party monitoring	ILO / UNDP, Federal, regional and local governments
Output 3.3 Capacities built in local authorities, private enterprises and local communities to implement and manage infrastructure projects.					
Immediate results indicators	Geographical areas	Baseline data	Final targets	Means of verification	Responsible organization
Number of ministries and local authorities trained	Benadir Region, Jubaland, Puntland, South West, Galmudug, Hiran & Middle Shabelle	0	5	Third-party monitoring	FAO / ILO, Federal, regional and local governments

**Table 13. Consolidated Programme Budget (USD)<sup>11</sup>**

	Component 1	Component 2		Component 3		Programme Management Unit	Total Programme Cost
	Value Chain Development	One-Stop Youth Centre	Skills Development	Urban Public Works Programme	Rural Public Works Programme		
	UNDP	UN-Habitat	ILO	ILO	FAO	UNDP	
Personnel (staff, consultants and travel)	808,800	1,296,000	543,600	632,400	2,075,000	1,320,000	6,675,800
Supplies, commodities, materials	230,000	114,000	0	230,000	990,000	0	1,564,000
Equipment, vehicles, and furniture, incl. depreciation	216,500	266,000	6,000	213,000	490,000	15,000	1,206,500
Contractual Services	6,578,833	5,659,000	5,823,810	5,422,400	11,973,400	0	35,457,443
Travel	190,000	221,350	320,000	320,000	600,000	320,000	1,971,350
Transfers and grants Counterparts	0	330,000	0	0	0	0	330,000
General operating and other direct costs	250,628	506,358	134,000	573,828	2,020,000	258,300	3,743,114
<b>Total Programme Costs</b>	<b>8,274,761</b>	<b>8,392,708</b>	<b>6,827,410</b>	<b>7,391,628</b>	<b>18,148,400</b>	<b>1,913,300</b>	<b>50,948,207</b>
<b>Indirect Support Costs</b>	<b>579,233</b>	<b>587,490</b>	<b>477,919</b>	<b>517,414</b>	<b>1,270,388</b>	<b>133,931</b>	<b>3,566,375</b>
<b>Grand total</b>	<b>8,853,994</b>	<b>8,980,198</b>	<b>7,305,329</b>	<b>7,909,042</b>	<b>19,418,788</b>	<b>2,047,231</b>	<b>54,514,582</b>
Number of jobs created (Long-term)	5,000						5,000
Number of jobs created (Short-term)				14,000	16,000		30,000
Number of months per beneficiary				2	6		
Number of work-months (Short-term)				28,000	96,000		124,000
Cost per short-term job				565	1,214		
Cost per short-term workmonth				282	202		

<sup>11</sup> For more detailed budgets by agencies, see separate Excel budget sheet.



Number of beneficiaries of skills training	2,000	8,000	10,000	20,000
Number of training months per beneficiary		6	3	
Number of training months		48,000	30,000	78,000
Cost per trainee		1,123	731	
Cost per training-month		187	244	

#### 4. Management and Coordination Arrangements

To help the coordination and support the management of the UN Joint Programme on Youth Employment there will be a four-layer structure composed by a National Steering Committee (NSC), a Technical Committee (TC), a Programme Management Unit (PMU), and a Regional Implementation Unit (RIU). These arrangements were discussed at several occasions during PSG 4 sub-working group meetings, and were proposed by the relevant government counterparts.



##### National Steering Committee (NSC)

The **National Steering Committee** is the highest body for strategic guidance, fiduciary and management oversight and coordination of the Joint Programme. It reviews and approves the Joint Programme Document and annual work plans, provides strategic direction and oversight, sets allocation criteria, allocates resources, reviews implementation progress and addresses problems, reviews and approves progress reports budget revisions/reallocations, and evaluation reports, notes audit reports, and if needed initiates investigations.

It is suggested that:

- The NSC will consist of Ministers from various line ministries (Finance, Planning and International Cooperation, Education, Labour, Youth and Sports, Public Works and

Reconstruction, Agriculture, Livestock, Fisheries, Commerce and Industry, and OPM-SSU), regional representatives, donors and the participating UN agencies at Head of Agency level. It may also include other members in observer capacity, such as civil society organizations.

- The NSC will be chaired by the Minister of Labour, and may be co-chaired by UN Resident Coordinator.
- The NSC will meet quarterly after TC meetings and will report to the SDRF through the PSG4 SWG. The NSC may also meet more frequently, as required for specific purposes.

### Technical Committee (TC)

The **Technical Committee** will make decisions under the guidelines of the NSC, and in accordance with standards that shall ensure management for results, cost-effectiveness, fairness, integrity, transparency and effective, which adheres the principles of the Somali Compact. Specifically, the TC will provide technical support to for each of the programme's components and the Programme Management Unit; serve as the link between the Programme Management Unit and the Regional Implementation Unit; provide tools that strengthen the capacity of the line ministries to deliver the program; and facilitate close collaboration amongst different ministries, donors agencies, local government and private sector organizations involved in the youth employment program.

It is suggested that:

- The Technical Committee will consist of technical line ministries, UN agencies involved in the design and implementation of the programme (ILO, UNDP, FAO and UN-Habitat), donor representatives, representatives from the private sector and civil society.
- The Technical Committee will be chaired by the Ministry of Labour and Social Affairs (MOLSA).

### Programme Management Unit (PMU)

The **Programme Management Unit** is responsible for operational and programmatic coordination and administration of the programme at the national level. It coordinates all the Joint Programme partners, including regional/local governments implementing the program; compiles annual work plans and narrative reports, including financials; coordinates monitoring of annual targets; calls and reports on Steering Committee meetings; conducts audits and monitoring and evaluations; and reports back to the National Steering Committee. The PMU may also be involved in resource mobilization.

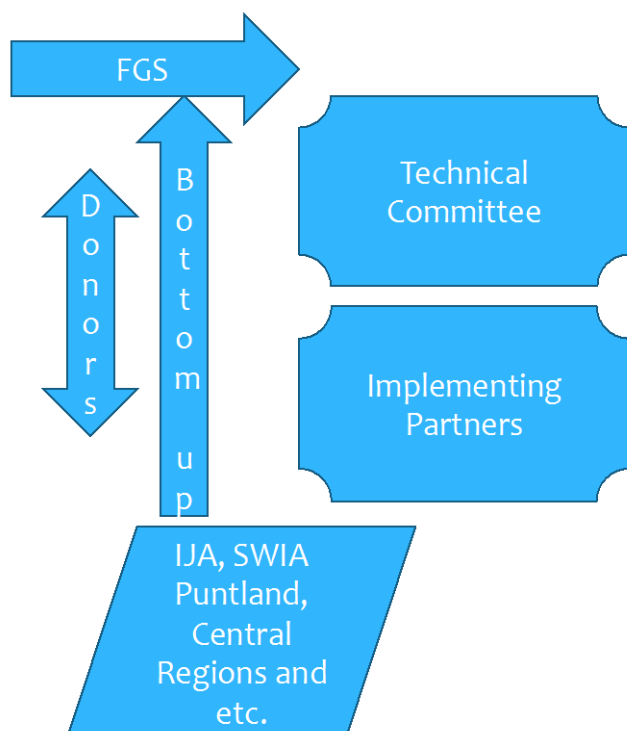
### Regional Implementation Unit (RIU)

The **Regional Implementation Unit** will be responsible for the program implementation at the regional level. It will mirror the PMU at the regional level, and will work directly with contractors/NGOs working on the ground submitting progress reports to the programme secretariat. The Regional Implementation Unit will participate in the TC meeting to maintain horizontal program transparency and accountability.

### Government roles and responsibilities

The FGS line ministries, the regional line ministries and the local government will be implementing partners in the proposed joint programme. The diagram below shows the framework outlining the roles and responsibilities of Government partners:

## Levels



## Roles

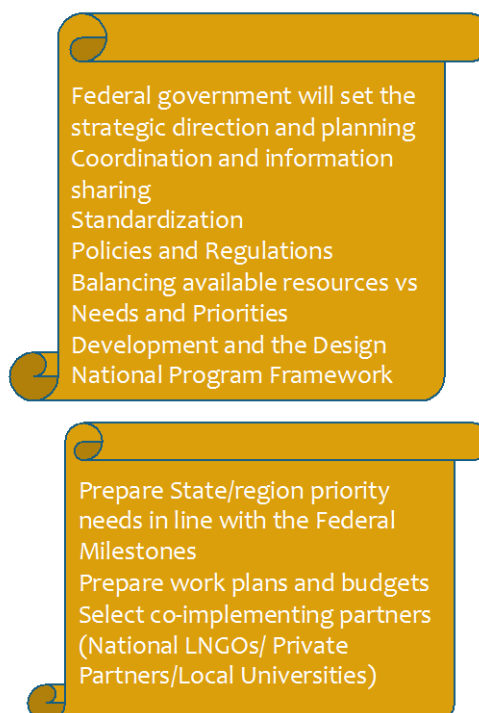


Table 14 shows the main ministries that are involved in the programme components.

**Table 14. Ministries that are involved in the components**

Component	Involved Ministries (both at Federal and regional levels)
1. Value chain development	Planning; Commerce and Industry; Agriculture; Fisheries; Livestock; Finance; Transport
2. Skills development	Youth; Labour; Education; Agriculture; Fisheries; Livestock; Commerce and Industry; Public Works and Reconstruction
3. Infrastructure rehabilitation	Public works; Interior; Labour; Transport; Finance; Agriculture; Fisheries; Livestock; Commerce and Industry

## 5. Fund Management Arrangements

The UN MPTF programme document template states that the Joint Programme on Youth Employment will follow the pass-through fund management modality according to the UNDG Guidelines on UN Joint Programming. The **UNDP MPTF Office**, serving as the Administrative Agent of the Somalia UN MPTF, as set out in the Memorandum of Understanding (MOU) for Somalia UN MPTF will perform the following functions:

- Receive contributions from donors that wish to provide financial support to the Programme;
- Administer such funds received, in accordance with this MOU;

- Subject to availability of funds, disburse such funds to each of the Participating UN Organizations in accordance with instructions from the governing body (Programme Steering Committee) taking into account the budget set out in the Programme Document, as amended in writing from time to time by the Programme Steering Committee;
- Consolidate financial reports, based on submissions provided to the Administrative Agent by each Participating UN Organization (PUNO), and provide these to each donor that has contributed to the Programme Account, to the Programme Steering Committee, PUNOs, and the SDRF Steering Committee;
- Provide final reporting, including notification that the Programme has been operationally completed;
- Disburse funds to any PUNO for any additional costs of the task that the Programme Steering Committee may decide to allocate in accordance with Programme Document.

Each Participating UN Organization assumes complete programmatic and financial accountability for the funds disbursed to it by the Administrative Agent and can decide on the execution process with its partners and counterparts following the organization’s own regulations. PUNOs will establish a separate ledger account for the recipient and administration of the funds disbursed to them by the Administrative Agent. PUNOs are entitled to deduct their indirect costs (7%) on contributions received according to their own regulations and rules.

## 6. Risks and mitigation measures

**Table 15. Risk analysis and mitigation (based on SSU, 2014)**

<b>Risk</b>	<b>Mitigation</b>
Lack of accountability creates high unmet expectations	Strategic communication explaining entitlements attached to beneficiaries and rapid assessment will propose targeted and realistic interventions
Interventions are not sustainable in the long run (economic and institutional)	Market driven interventions, Compact and ERP to build on achievements on this programme. Partners to converge interventions towards same objectives OPM and the Ministry of Youth and Sports in the lead
Selection of beneficiaries and lack of community ownership can create community tensions	Community vetting and strategic communication messaging clear messages
Some youth neglect school to take part in cash-for-work activities	Focused target to unemployed and unskilled youth
Disbursed money ends up in the wrong hands (e.g.: youth buy guns or drugs, or war economy)	Job placement assistance and solid monitoring of new jobs after six months For risk of major fraud or diversion of money: Voucher scheme as per attachment with triangulated system and control (MoLSA, Money vendor, implementing partners with different tasks)
Lack of accessibility prevents implementing partners from working in certain districts	Working remotely through local partners and working effectively with state administrations at both the planning and implementation levels.
Interventions create conflict among market actors	Interventions will integrate conflict sensitive approaches into value chain analyses and interventions

Infrastructure rehabilitation interventions experience problems in terms of implementation and monitoring	Use of biometrics system for the registering, identification and payment of beneficiaries Remote sensing, call centers, GPS photography, field monitors and advanced data management systems to confirm implementation and continuously monitor progress
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## 7. Monitoring, Evaluation and Reporting

The Joint Programme will be monitored throughout its duration, reviewed substantively on an annual basis and evaluated in accordance with the requirements of the UNCT for Somalia. The Joint Programme will be guided by a Monitoring & Evaluation (M&E) Framework, which defines the impact, outcomes and outputs with associated indicators and means of verification as based on the Programme’s Results Framework. A Monitoring & Evaluation Plan will be elaborated during the first quarter of the implementation of the Joint Programme, which schedules all major communications and M&E activities such as surveys, studies, assessments, reviews, evaluations, and specific M&E capacity building exercises.

### Monitoring

The Joint Programme is monitored throughout its duration in accordance with the Joint Programme Document. Monitoring is the continuous function of using the systematic collection of data on specified indicators to provide the key stakeholders of the Joint Programme with indications of the degree of progress and achievements of objectives of the Joint Programme (including progress in the use of allocated funds). Monitoring should be done against targets and indicators and progress should be reported in the narrative report.

Each participating UN organization is responsible for monitoring its contributions, and the Convening Agency oversees and coordinates to ensure all targets are monitored.

A Monitoring Plan should include roles and responsibilities for monitoring, timing and methodology. Monitoring is linked to evaluation since it facilitates data collection toward targets, though additional data collection and different frameworks for analysis are needed for evaluation.

### Evaluation

The Joint Programme will be evaluated to inform learning, decision-making and guidance on how to implement the programme. The evaluation aims to determine the relevance and fulfillment of objectives as well as the efficiency, effectiveness, sustainability and, when feasible, the impact of the Joint Programme.

Evaluation of a Joint Programme should be undertaken in accordance with the guidance from the United Nations Evaluation Group (UNEG) (e.g., relevance, efficiency, effectiveness, impact and sustainability) with an emphasis on results and on the Joint Programme process.

### Reporting

The Joint Programme will have one consolidated annual report (including programmatic and financial reports), based on the reports submitted by each participating UN organization. All reports have to be endorsed by the Steering Committee and will be shared with all relevant stakeholders through the National Steering Committee. In addition to annual reports, quarterly or semi-annual field updates, e.g. to the Steering Committee, are encouraged for effective management of Joint Programmes, though these updates are unofficial (i.e., not certified by agency headquarters) and may involve a level of detail not meant to be captured in official annual reports.

**Table 16. Summary table on monitoring, evaluation and reporting**

<b>Expected Results (Sub-Outcomes &amp; outputs)</b>	<b>Indicators (with baselines &amp; indicative timeframe)</b>	<b>Means of verification</b>	<b>Collection methods (with indicative time frame &amp; frequency)</b>	<b>Responsibilities</b>	<b>Risks &amp; assumptions</b>
Sub-Outcome 1: Improved long-term potential for growth, productivity and employment through six value chains implementation plans.	<p><b>Indicators:</b></p> <ul style="list-style-type: none"> <li>- Number of government-agreed interventions for upgrading value chains.</li> <li>- Number of new long-term jobs</li> <li>- Number of youth start-up companies created.</li> </ul> <p><b>Baseline:</b></p> <ul style="list-style-type: none"> <li>- To be determined through the value chain analyses</li> <li>- 0</li> <li>- 0</li> </ul> <p><b>Target:</b></p> <ul style="list-style-type: none"> <li>- 10</li> <li>- 2,000</li> <li>- 1,000</li> </ul>	<ul style="list-style-type: none"> <li>Minutes of meeting</li> <li>Government agreements</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly monitoring surveys and activity reports</li> </ul>	<ul style="list-style-type: none"> <li>UNDP will be responsible for collection and analysis of data from the value chain analyses</li> </ul>	<ul style="list-style-type: none"> <li>It is assumed that all stakeholders involved in the programme are committed to a value chain development strategy as the most appropriate strategy informing the design of the programme</li> </ul>
Sub-Outcome 2 Enhanced longer term employability of youth in sectors with high growth and employment potential.	<p><b>Indicators:</b></p> <ul style="list-style-type: none"> <li>- Number of youth who have received training (basic literacy, numeracy, life-skills, vocational and business training).</li> <li>- Number of trained youth employed within 6 months</li> </ul> <p><b>Baselines:</b></p> <ul style="list-style-type: none"> <li>- 0</li> <li>- 0</li> </ul> <p><b>Targets:</b></p> <ul style="list-style-type: none"> <li>- 20,000: <ul style="list-style-type: none"> <li>13,000 (urban)</li> <li>7,000 (rural)</li> </ul> </li> <li>- 2,000</li> </ul>	<ul style="list-style-type: none"> <li>Attendance sheets</li> <li>Third-party monitoring.</li> </ul>	<ul style="list-style-type: none"> <li>Database of trainees</li> <li>Attendance sheets</li> <li>Evaluation questionnaires</li> </ul>	<ul style="list-style-type: none"> <li>ILO will be responsible for the management and coordination of all skills development activities</li> </ul>	<ul style="list-style-type: none"> <li>Current skills development programmes are not responsive to the needs of the Somali labour market</li> </ul>

Expected Results (Sub-Outcomes & outputs)	Indicators (with baselines & indicative timeframe)	Means of verification	Collection methods (with indicative time frame & frequency)	Responsibilities	Risks & assumptions
Sub-Outcome 3: Productive infrastructure rehabilitated through labour-intensive methods.	<p><b>Indicator:</b></p> <ul style="list-style-type: none"> <li>- Number of work-months created</li> <li>- Number of productive infrastructure rehabilitated</li> </ul> <p><b>Baselines:</b></p> <ul style="list-style-type: none"> <li>- Infrastructure needs assessments, community engagement</li> <li>- Infrastructure needs assessments, community engagement</li> </ul> <p><b>Target:</b></p> <ul style="list-style-type: none"> <li>- 124,000</li> <li>- To be decided by government counterparts</li> </ul>	Field visits Third Party Monitoring	Advanced data management systems to confirm implementation and continuously monitor progress Site log sheets	FAO and ILO are responsible for the implementation of public works programmes, the establishment of minimum standards and benchmarks for technical quality, and the monitoring of projects	Public works programmes will provide poverty and income relief for Somali youth

## 8. Lifespan of the programme and sustainability

- **Government-led and government-owned process:** All activities will be implemented under the responsibility of the Federal government, as outlined in the New Deal Compact and following government leadership in the PSG4 process. Developing the capacity of local and federal government in promoting youth unemployment will ensure results are sustained after the completion of the programme.
- **Private sector engagement:** Though the FGS is committed to tackling the issue of youth unemployment, it is the private sector that will ultimately create jobs. The government contributes to an improved business environment, which will allow companies to thrive and ultimately create jobs.
- Partners working in the same areas will align and build on the achievements of this national programme, also contributing to the long term economic sustainability beyond the stabilization lifespan.
- The lifespan of the programme will be initially for 18 months with an inception phase of two/three months and an implementation phase ending in line with the New Deal compact timeline of 2016. The programme envisions a possible extension of two years.
- Other programmes will be carried out in the same period by other actors with bigger scope and longer lifespan. This programme will help building the foundation for others to intervene.

## 9. Legal Context or Basis of Relationship

Participating UN organization	Agreement
UNDP	This Joint Programme Document shall be the instrument referred to as the Project Document in Article I of the Standard Basic Assistance Agreement between the Government of Somalia and the United Nations Development Programme, signed by the parties on 16 May 1977.
ILO	As above.
FAO	As above.
UN-Habitat	As above.

## 10. Work Plans

Detailed work plans for the full project duration cannot be provided at this stage, as they are contingent on the financing secured, the FGS/regional states prioritised selection of interventions in the three programme components. Below is a tentative work plan:

**Table 17. Tentative work plans**

< Attached as a pdf file. >

## Annex. Key activities/results and budget for the first 18 months

The below targets have been adjusted proportionately with funds allocated for the first 18 months. However, as funds are received, discussions with government will take place to agree priorities **Table 18. Key activities/results for the first 18 months**

Main activities	Main outputs	Outcomes / impact
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<p><b>Component 1: Value chain development</b></p> <p>Carry out at least three value chain analyses in selected sectors and locations.</p> <p>Provide training to relevant stakeholders on value chain methods.</p> <p>Validation with industry stakeholders and project partners leading to a value chain implementation strategy.</p> <p>Identify intervention to address generic or sectorspecific enabling environment issues, such as:</p> <p>i) microfinance and matching grant schemes to improve access to finance for youth and businesses, ii) technology for value addition and iii) business development services.</p>	<p>Output 1.1 Capacities of public, private and academic institutions built to undertake value chain analysis and key interventions identified</p> <p>Output 1.2 Key interventions implemented to improve their long-term potential for growth, productivity and employment.</p>	<p>Improved long-term potential for growth, productivity and employment by tackling the key constraints of six value chains in various sectors, including agriculture, fisheries and livestock, leading to at least 500 sustainable jobs.</p>
<p><b>Component 2: Skills development</b></p> <p>Identify potential TVET service providers (both public and private) in the target districts.</p> <p>Carry out assessments of the TVET service providers and the curricula used by TVET centres vis-à-vis labour market demands and level of competency.</p> <p>Identify, select and train teachers and managers of TVET centres.</p> <p>Rehabilitate or construct vocational training centres, one stop youth centre and satellite centres.</p> <p>Purchase and install the required tools, machinery and equipment.</p> <p>Implement vocational, entrepreneurial and life skills programmes.</p> <p>Train the principals/managers of the training institutions.</p> <p>Carry out trainings and seminars on methods of collection, analysis and storage of labour market data</p> <p>Capacity Building for ministries to lead and manage youth employment programmes.</p> <p>Support the development of a Youth Unit and Youth Advisory Board at Benadir Regional Administration as a model to be used in other regions.</p>	<p>Output 2.1 Curricula developed for occupations identified by value chain analyses and prioritized by Federal government and regional states.</p> <p>Output 2.2 Programmes of vocational, business and life skills training provided for at least 2,000 youth.</p> <p>Output 2.3 Capacity of ministries and institutions for the collections, analysis and storage of labour market data and youth employment programming developed.</p> <p>Output 2.4 One One-stop youth centre developed in Mogadishu and 2 satellite centres in other urban areas.</p>	<p>Enhanced longer-term employability of 2,000 youth through basic literacy, numeracy and life-skills and vocational and business training in sectors with high growth and employment potential.</p>
<p><b>Main activities</b></p>	<p><b>Main outputs</b></p>	<p><b>Outcomes / impact</b></p>

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**Component 3: Productive infrastructure rehabilitation**

Select target districts, particularly those in newly liberated areas;  
Identify priority rehabilitation projects;  
Select youth for engagement in infrastructure rehabilitation projects;  
Provide task-related skills training on project-related skills, including the management of the infrastructure.  
Train relevant stakeholders for infrastructure management.

Output 3.1 Rural productive infrastructure projects implemented (feeder roads, canals, water catchments, erosion control and flood control etc.).

Output 3.2 Urban infrastructure projects implemented (roads, environmental works, storage facilities, markets, etc.).

Output 3.3 Capacities built in local authorities, private enterprises and local communities to implement and manage infrastructure projects.

Rehabilitate productive infrastructure through short-term jobs for 8,700 youth (5,700 rural\* and 3,000 urban).

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\* Two consecutive seasons instead of three.

**Table 19. Consolidated Programme Budget (USD) for the first 18 months**

	Component 1		Component 2		Component 3		Programme Management Unit	Total Programme Cost
	Value Chain Development	One-Stop Youth Centres	Skills Development	Urban Public Works Programme	Rural Public Works Programme			
	UNDP	UN-Habitat	ILO	ILO	FAO	UNDP		
Personnel (staff, consultants and travel)	132,051	492,000	88,753	103,251	338,782	215,514	1,089,946	
Supplies, commodities, materials	37,552	12,000	0	37,552	161,636	0	255,352	
Equipment, vehicles, and furniture, incl. depreciation	35,348	23,600	980	34,776	80,001	2,449	196,983	
Contractual Services	1,074,115	788,500	950,843	885,306	1,954,876	0	5,789,074	
Travel	31,021	31,082	52,246	52,246	97,961	52,246	321,859	
Transfers and grants Counterparts	0	0	0	0	0	0	53,879	
General operating and other direct costs	40,920	24,377	21,878	93,688	329,802	42,172	611,132	
<b>Total Programme Costs</b>	<b>1,351,006</b>	<b>1,371,559</b>	<b>1,114,699</b>	<b>1,206,818</b>	<b>2,963,057</b>	<b>312,381</b>	<b>8,318,224</b>	
Indirect Support Costs	94,570	96,009	78,029	84,477	207,414	21,867	582,276	
<b>Grand total</b>	<b>1,445,576</b>	<b>1,467,568</b>	<b>1,192,728</b>	<b>1,291,295</b>	<b>3,170,471</b>	<b>334,248</b>	<b>8,900,500</b>	
1% Administrative agent MPTF fee	14,456	14,676	11,927	12,913	31,705	3,342	89,005	
<b>Grand total</b>	<b>1,460,032</b>	<b>1,482,244</b>	<b>1,204,655</b>	<b>1,304,208</b>	<b>3,202,176</b>	<b>337,590</b>	<b>8,989,505</b>	

Note: Some items of the UNDP budget will still slightly change.