

**SECRETARY-GENERAL'S PEACEBUILDING FUND  
PROJECT DOCUMENT TEMPLATE**



**PBF PROJECT DOCUMENT**

(Length : Max. 12 pages plus cover page and annexes)

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                   |
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| <b>Country (ies):</b> Somalia                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                   |
| <b>Project Title:</b> Support to Stabilization Phase 2 (S2SII)<br><b>Project Number from MPTF-O Gateway (if existing project):</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                   |
| <b>PBF project modality:</b><br><input type="checkbox"/> IRF<br><input checked="" type="checkbox"/> PRF                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>If funding is disbursed into a national or regional trust fund:</b><br><input checked="" type="checkbox"/> Country Trust Fund<br><input type="checkbox"/> Regional Trust Fund<br><b>Name of Recipient Fund:</b><br>UN Multi Partner Trust Fund |
| <b>List all direct project recipient organizations (starting with Convening Agency), followed type of organization (UN, CSO etc.):</b> UNDP, UNMPTF National Window<br><b>List additional implementing partners, Governmental and non-Governmental:</b> UNSOM, Ministry of Interior, Federal Affairs & Reconciliation (MoIFAR); Ministry of Finance (MoF) federal member states, and district administrations.                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                   |
| <b>Expected project commencement date<sup>1</sup>:</b> 1 January 2019<br><b>Project duration in months:<sup>2</sup></b> 18 months<br><b>Geographic zones for project implementation:</b> Jubaland, South West State, Hirshabelle, Galmudug, and Banadir Regional Administration                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                   |
| <b>Does the project fall under one of the specific PBF priority windows below?</b><br><input type="checkbox"/> Gender promotion initiative<br><input type="checkbox"/> Youth promotion initiative<br><input type="checkbox"/> Transition from UN or regional peacekeeping or special political missions<br><input type="checkbox"/> Cross-border or regional project                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                   |
| <b>Total PBF approved project budget (by recipient organization):</b><br><b>UNDP:</b> \$ 942,023<br><b>UNMPTF National Window:</b> \$ 2,386,617<br><b>Total:</b> \$ 3,328,640<br><br>The funds shall be disbursed in three tranches. The first tranche shall be 30% of the total amount. The second tranche shall be 40% and conditional revising the project document in line with comments provided by the PBSO Programme Appraisal Committee within the initial months of implementation and upon reaching 70% expenditure of the first transfer. The third and final tranche of 30% shall be transferred upon reaching 70% total expenditure and fulfilment of reporting requirements. |                                                                                                                                                                                                                                                   |
| <b>Any other existing funding for the project (amount and source):</b> \$ 1,302,669 (yet unfunded)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                   |

<sup>1</sup> Note: actual commencement date will be the date of first funds transfer.

<sup>2</sup> Maximum project duration for IRF projects is 18 months, for PRF projects – 36 months.

Project total budget: \$4,631,309

**PBF 1<sup>st</sup> tranche (30%):**

- UNMPTF National Window Recipient: \$ 715,985
- UNDP Recipient: \$ 282,607

**Total 1<sup>st</sup> Tranche: \$998,592**

**PBF 2<sup>nd</sup> tranche (40%):**

- UNMPTF National Window Recipient: \$ 954,647
- UNDP Recipient: \$ 376,809

**Total 2<sup>nd</sup> Tranche: \$1,331,456**

**PBF 3<sup>rd</sup> tranche (30%):**

- UNMPTF National Window Recipient: \$ 715,985
- UNDP Recipient: \$ 282,607

**Total 3<sup>rd</sup> Tranche: \$998,592**

**Two-three sentences with a brief project description and succinct explanation of how the project is time sensitive, catalytic and risk-tolerant/ innovative:**

The Support to Stabilization II (S2SII) project is the centerpiece of the UN's support to the National Stabilization Strategy and for enabling the role of the Ministry of Interior, Federal Affairs and Reconciliation as the lead government ministry. The first phase of the project was instrumental in providing first-tier support to interim district authorities in 14 districts of Jubaland, South West, Hirshabelle and Galmudug states. S2SII will build on the momentum created and expand the support to new areas under government control to promote reconciliation and facilitate the extension of state authority and accountability to the district-level. The project will focus on 4 outputs:

1. Reconciliation leads to district formation and stability;
2. Empowering local governments leads to higher levels of legitimacy;
3. Financial support enables local governments to operate;
4. Coordination mechanisms will attract new partners and align action.

**Summarize the in-country project consultation and endorsement process prior to submission to PBSO, including through any PBF Steering Committee where it exists:**

S2SII has been discussed, developed and agreed by existing partners of the first phase of the project through the steering committee, as well as through a series of meetings and consultations with government counterparts from May to July 2018 to finalize the project document. The project was selected following agreement by the UN Country Team in Somalia and passed through the international aid coordination architecture in Somalia, under the Somalia Development and Reconstruction Facility.

**Project Gender Marker score: 2**

Specify % and \$ of total project budget allocated to activities in direct pursuit of gender equality and women's empowerment: Estimated 30% (this includes women participations in consultations/district formation and being the beneficiary of the project).

**Project Risk Marker score: 1<sup>3</sup>**

**Select PBF Focus Areas which best summarizes the focus of the project (*select ONLY one*):<sup>4</sup>**

<sup>3</sup> Risk marker 0 = low risk to achieving outcomes

Risk marker 1 = medium risk to achieving outcomes

Risk marker 2 = high risk to achieving outcomes

<sup>4</sup> PBF Focus Areas are:

(1.1) SSR, (1.2) Rule of Law; (1.3) DDR; (1.4) Political Dialogue;

Priority Area 2: Promote coexistence and peaceful resolution of conflicts

(2.1) National reconciliation; (2.2) Democratic Governance; (2.3) Conflict prevention/management;

If applicable, **UNDAF outcome(s)** to which the project contributes:

Strategic Priority 2 of the UN Strategic Framework (2017-2020): "Supporting Somalia institutions to improve peace, security, justice, the rule of law and safety of Somalis" and to some extent Strategic Priority 1 on deepening federalism and state-building.

If applicable, **Sustainable Development Goal** to which the project contributes:

SDG16 – peace, justice and strong institutions.

**Type of submission:**

☐ **New project**

☒ **Project amendment**

**If it is a project amendment, select all changes that apply and provide a brief justification:**

**Extension of duration:** ☐ Additional duration in months:

**Change of project outcome/ scope:** ☒

**Change of budget allocation between outcomes or budget categories of more than 15%:** ☐

**Additional PBF budget:** ☐ Additional amount by recipient organization:

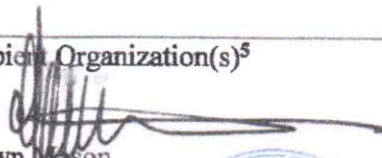

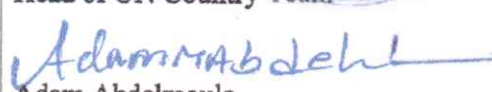
**Brief justification for amendment:**

(2.1) National reconciliation; (2.2) Democratic Governance; (2.3) Conflict prevention/management;

(3.1) Employment; (3.2) Equitable access to social services

(4.1) Strengthening of essential national state capacity; (4.2) extension of state authority/local administration; (4.3) Governance of peacebuilding resources (including PBF Secretariats)

# **PROJECT SIGNATURES:**

|                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Recipient Organization(s)<sup>5</sup></p> <p></p> <p>Jocelyn Mason<br/>Resident Representative<br/>UNDP Somalia.</p> <p><i>Date &amp; Seal</i></p>                                                                                        | <p>Representative of National Authorities</p> <p> (30/09/2019)</p> <p>H.E. Abdi Mohamed Sabrie<br/>Minister of Interior, Federalism and Reconciliation<br/>Federal Government of Somalia</p> <p><i>Date &amp; Seal</i></p>  |
| <p>Head of UN Country Team</p> <p></p> <p>Adam Abdelmoula,<br/>Deputy Special Representative of the Secretary General, Resident and Humanitarian Coordinator for Somalia.<br/>United Nations in Somalia.</p> <p><i>Date &amp; Seal</i></p>  | <p>Peacebuilding Support Office (PBSO)</p> <p>Oscar Fernandez-Taranco<br/>Assistant Secretary-General<br/>Peacebuilding Support Office<br/>United Nations</p> <p><i>Date &amp; Seal</i></p>                                                                                                                                                                                                       |

<sup>5</sup> Please include a separate signature block for each direct recipient organization under this project.



## **I Peacebuilding Context and Rationale for PBF support**

### **Conflict analysis**

The conflict in Somalia is driven by a number of interrelated issues including identity politics, management and access to economic resources, and the legitimacy and credibility of formal governance structures amongst the population. The National Consultation on Reconciliation hosted by the Ministry of Interior, Federal Affairs and Reconciliation (MoIFAR) in June 2017 highlighted the historical complexities, the evolution of the conflict and the accompanying drivers of fragility in Somalia. These included the challenges faced by the Government in balancing a combination of both Somali-specific and broader religious issues with building a modern state, as well as identifying a range of underlying root-causes in the conflict e.g. factionalism, access to resources, inequality and exclusion of minorities and women. These political and conflict challenges are also compounded by other factors including recurrent natural disasters. Despite the complexity of the challenges it faces, Somalia has achieved genuine progress on a number of fronts since 2012, several of which may serve as platform to support the Stabilization Strategy. These include the creation of four new federal states; following the recovery of a number of areas from Al-Shabaab, significant investments have been made in community projects and local governance; and the mutual commitments from both the Somali authorities and international partners articulated through the Security Pact that guides the Transition Plan.

However, the Somali authorities and population, continue to face the threat posed by Al-Shabaab, which has effectively reconstituted its operations as a rural insurgency and maintains control a significant number of district centres and restricting travel between Government controlled areas, whilst continuing to mount terrorist attacks in urban areas. Conversely, as it undermines the Government, Al-Shabaab seeks to portray itself as the legitimate and equitable authority to the population in areas it controls or influences. Although it lacks the ability to provide a broad spectrum of services, it masks its shortcomings with a relatively sophisticated communication apparatus. When in reality the Al-Shabaab governance and judicial related systems rely on political manipulation, intimidation and coercive force to impose a system of control amongst the population. Widespread reporting suggests resentment towards this approach, particularly given the restrictions on access to information, increasing taxation rates and forced recruitment, as well as other efforts to disrupt reconciliation efforts including through the promotion of extremist and sectarian narratives. Yet by denying the population access to the Government and the Government access to the population, Al-Shabaab retains the capacity to significantly undermine stabilization efforts.

This underscores the importance of one of the core 'drivers' behind the conflict, namely governance. Controlling the state, with the economic, political, military and judicial powers, has long been a source of conflictual relations between communities and political or military leaders. Partisan, corrupt and opportunistic politics in the past fueled internal dissatisfaction, caused grievance and a deep sense that central powers were biased and 'unfair' leading to deep levels of suspicion. The issues are linked to and compounded by inter-communal tensions over

resources including land and water. Many of which have gone either unchecked or unresolved following the collapse of State and protracted conflict resulted. Often it is claimed that clannism is a conflict driver. However, a World Bank Study indicate that this is not necessarily so. As the World Bank study neatly summarizes, “nearly all armed conflicts in contemporary Somalia break out along clan lines, clan identities are malleable and can be shaped by leaders to pursue control of resources and power. Clan identities are not the basis for conflict; rather, their deliberate manipulation creates and exacerbates divisions. Clan groups can serve as destructive or constructive forces as well as traditional conflict moderators”. The examples identified through the Fragility Index and Maturity Model (FIMM) district reports<sup>1</sup> that assessed conditions in a number of districts in the new Federal Member States (see box 1), bear out these challenges the Government and its stabilization partners will need to address in terms of inclusive governance.

**Box 1: Examples of conflict drivers at district level from the FIMM reports.**

In Balcad district in Hirshabelle state, conflicts between the Celi and the Shidle sub-clans around land ownership has been ongoing for several years owing to a lack of compromise between the two clans that made it difficult for reconciliation. The clan conflict resulted in the destruction of property and loss of life. Occasionally the minority Shidle clan work with Al Shabaab to avenge deaths perpetrated by the Celi. Providing humanitarian relief to those affected by conflict and displacement will not solve the underlying causes of the conflict and could potentially even prolong it. Conversely, simply institutionalizing the current district administration that does not reflect the demographic diversity of the district could further jeopardize will not resolve the issues in the area, hence the need for a comprehensive approach around conflict mapping, social reconciliation to support the formation of an inclusive district administration to improve the longer-term prospects for peace and stability. The report from Garbaharay district in Jubaland describes how the current interim district administration, which was installed in 2011, favors sub-clans – the Reer Hassan and the Reer Diini – who benefit disproportionately from local policies. The report also highlights that historical inter-clan conflict fault lines in the district have been around the control of the district administration. The report also points to the fact that the Garbaharay town, the capital of the district, is currently surrounded by Al-Shabaab, *de facto* depriving the district authority from its mobility and travel freely within the area it administers, to interact with its constituents.

The exclusion of women from key social, economic and political processes is, on many levels and from different perspectives, one of the crucial ‘core’ drivers of conflict. Gender plays a key role in the prompting, sustaining and solving of conflict and violence. For example, gender-based violence, rape, forced marriage, forced labour, and killings, etc. is not just atrocious but incidental collateral damage inflicted on women during conflicts in Southern Somalia; they are also tools in a deliberate strategy to express and maintain power. On the other hand, women

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<sup>1</sup> The FIMM was developed by UNSOM Community Recovery and Extension of State Authority and Accountability (CRESTA/A) unit as dashboard to track progress on stabilization related issues at the district level across the newly formed Federal Member States.

can (and do) make important contributions to conflict resolution, peace building and institution building. From a different perspective, conflict and violence in large part of Somalia do not only place enormous burdens on women and girls; it also deprives them from opportunities to gain access to key social, economic and political spaces. At the same time, as the OECD noted in its policy paper **Gender Equality and Women's Empowerment in Fragile and Conflict-affected Situations: A Review of Donor Support** (2017): *"peacebuilding and statebuilding can provide unique opportunities to advance recognition of their [women and girls] rights"*. Stabilisation strategies in Somalia, therefore, have to take this multidimensional gender component into account.

Unresolved gender drivers of conflict will negatively shape the local government structures emerging in a post-conflict situation. Gender-based violence will remain a mechanism to dominate if the fledgling local governments fail to address and neutralize the power inequalities that give rise to it. Women will be under-represented in local governance while other avenues to influence the decision-making process will remain blocked. Women's voices, needs and interests will have no outlet in the nascent local governments, hampering their ability to both participate in and profit from local development initiatives.

Women's non-existent or under-representation in local government and decision-making and priority setting contexts is not only a democratic deficit; local authorities make many decisions that directly affect women's daily lives - housing, security, waste management, access to water, health and education etc. UN Joint Program for Local Governance and Basic Service Delivery in Somaliland and Puntland has demonstrated how equal representation of women in participatory district planning processes has led to a different set of local development priorities and to visible improvements in women's lives.

President Mohamed Abdullahi "Farmajo" in his inauguration address on 22 February 2017 noted the challenge of insecurity and pledged to "... uphold the rule of law, strengthen the judiciary, restore confidence of the people in the government and tackle poverty". Following the establishment of the new administration, the Ministry of Interior, Federal Affairs and Reconciliation (MoIFAR) and its counterparts in the federal member states prioritized their efforts around stabilization including in the areas of reconciliation and local governance. This effort has resulted in an updated National Stabilization Strategy development of State level stabilization plans, as well as the development of local Government laws to support processes such as district council formation in the states. Furthermore, during the consultations led by the State Ministries of Interior around the development of implementation plans to support the National Stabilization Strategy, two common linkages consistently emerged. The first was the recognition of the importance of community engagement and related social reconciliation efforts as a building block within the stabilization plans, as an important pre-cursor to both other stabilization activities such as local governance and security related activities in Al-Shabaab influenced or controlled areas. The second common link running throughout the consultations process around the stabilization plan was the importance of coordination and strategic communication to build synergies around the credible and legitimate extension of the

state between local governance and rule of law initiatives to ensure a mutually supportive approach.

In cooperation with its international partners, Somalia has developed a Transition Plan to guide the handover process from AMISOM-provided security to Somali forces over a four-year period. The Transition Plan is of significant political importance and stabilization is a key element within it. Ensuring that military planning is accompanied by civilian components that provide tangible peace dividends for the Somali population is crucial for the legitimacy of the Somali state and the long-term peaceful development of the country; both of which aspects are required to defeat Al-Shabaab and prevent violent extremism.

Moreover, to successfully rebuild the compact between citizen and state, the Government's efforts are expected focus on the ability of the states to legitimize governance through service delivery, as well as through creating more inclusive decision-making processes. Defining the roles and functional responsibilities of the district administrations; the frameworks for district council formation; conducting capacity development for public administration core functions, and service delivery are foundational for the success of Somalia's federalist democratic system. The Stabilization Strategy and accompanying plans recognize that further investment to support community reconciliation and local governance is required in districts that are (i) in fragile districts under the control of authorities to consolidate progress, and (b) districts identified within the Transition Plan for recovery from Al-Shabaab to extend state authority.

The S2SII project will not address all root-causes of conflict in Somalia. In line with the Government's priorities outlined in the National Stabilization Strategy, it will focus on supporting the establishment of local government, including in areas recovered from Al-Shabaab as part of the Transition Plan. From the short analysis above, the importance of governance and State-building for peaceful development in Somalia is clear. Over the past decade, progress achieved in the federalization process with the formation of the new federal member states and the advances made in local governance is significant. The present project will maintain the momentum and strengthen the bottom-up process for State-building to link the citizens to their duty bearers and rebuild the social contract, starting at the local level. This is an essential ingredient for the continued progress of Somalia's peacebuilding and State-building process.

#### **National ownership and alignment with existing frameworks**

The S2SII project links to multiple elements of the key strategic frameworks in Somalia and the accompanying aid coordination architecture agreed between the Government and its international partners. The key strategic frameworks include:

- The National Development Plan
- The National Stabilization Strategy
- The New Partnership for Somalia
- The Security Pact and Transition Plan

#### **The National Development Plan**

The National Development Plan (2017-2019) for Somalia views reconciliation and establishing the federal government machinery as essential piece of the puzzle in the overall efforts to establish a peaceful and stable country capable of providing livelihoods for its citizens.

#### National Stabilization Strategy

The updated National Stabilization Strategy builds on the previous iteration, by both reinforcing many of the initial principles and reflecting the changes in the context and evolving challenges to promote a more inclusive and coherent set of interventions. It reflects the commitments made by Somali authorities and the international community in the “New Partnership for Somalia” and the “Security Pact” that were endorsed at the London Conference in May 2017. The strategy recognizes that the gains to date have been fragile and, in some cases, reversible due to continued volatility and insecurity caused by and exploited by Al-Shabaab. It therefore underscores the importance of increasing capacity of key Somali institutions to lead coordination efforts, develop and implement policies and interventions in a coherent, sequenced and sustainable manner. MoIFAR together with its state counterparts will continue to lead efforts on the Government’s Wadajir National Framework on Local Governance.

#### New Partnership for Somalia

Building upon a set of political security and developmental priorities underscored by a set of partnership principles<sup>2</sup>, the Somali Government and the international community agreed to address the priorities in a collaborative manner, as summarised in the Mutual Accountability Framework (MAF). The new partnership recognizes that reconciliation and the establishment of a complete government system (Federal, Federal Member State and District) are essential for sustained peace, stabilization and development. An important part of the New Partnership for Somalia and the Mutual Accountability Framework is the Use of Country Systems (UCS). A dedicated roadmap was developed, which is intended to lead to ever increasing use of these systems, which is expected to create efficiency and effectiveness gains. The S2SII project (like its predecessor) manages the large part of its work through the national systems and is a pioneer project in this respect in Somalia.

#### The Security Pact and Transition Plan

The Security Pact that was also agreed at the London Conference, is based on the Comprehensive Approach to Security (CAS) framework. The CAS framework takes a holistic view on security and explicitly draws the security into the arena of political agreement, state building, and stabilization that led to the development of the Transition Plan. In doing so, it recognizes that delivering effective security is also about enabling a dialogue on the causes of insecurity and establishing governance forums and frameworks for negotiation between factions on appropriate and collaborative mechanisms to restore public safety and order.

#### National coordination mechanisms

To support the implementation of the National Development Plan, an elaborated coordination arrangement was established, uniting representatives of the federal and federal member state governments, the private and NGO sector as well as the international community. The structure

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<sup>2</sup> Partnership Principles and Enabling Actions: A. Development is Somali-owned, and Somali led, and aid is aligned with government priorities, B. Aid operations are designed and delivered in partnership with government institutions, C. Aid is provided in line with the government budget cycle and channelled through preferred instruments of the government to strengthen government Public Financial Management (PFM) Systems, D. Aid supports institutional capacity development, E. Aid is provided in a coordinated, flexible transparent and predictable manner, F. Aid is provided in a conflict sensitive manner, G. Aid programmes addressing humanitarian and development needs must be complimentary Frameworks

consists of the Somalia Partnership Forum as apex body, the Somali Reconstruction and Development Facility as lead strategic body and the Pillar Working Groups as technical coordination bodies, one of which covers stabilization activities, linked to the CAS framework. Therefore, a joint stabilization forum spanning these two elements of the coordination architecture was established to ensure a coherent and stream-lined approach. This is the key platform through which the present project will coordinate with the partners.

These coordination mechanisms are essential to achieve greater impact on the ground by linking the different components of the stabilization strategy together and achieve its goal of improving stability in both newly recovered areas and fragile and/or underdeveloped areas by delivering tangible results that strengthen cohesion within and between communities and their government. The initial S2S project supported the Ministries of Interior at federal and state levels to cover the costs of these coordination structures to improve coherence, and the S2SII will continue to do so.

## **II Project content, strategic justification and implementation strategy**

### **Description of the project**

District level administration constitutes the first, and for most citizens the only, interface between themselves and the state under the provisional constitution. Therefore support to ensure a functional level of local governance is an essential element of the overall perception of legitimacy of the state. The present project facilitates essential support to establish the basic administrative functions at the district level across the federal system based upon an inclusive approach, with the overall goal being to contribute to the wider peacebuilding and State-building agenda being undertaken by the Government of Somalia and its international partners.

The present project builds upon the first phase of the Support to Stabilization (S2S) project, which operated from 2015 to 2018. The project was originally conceived to allow MoIFAR to support the establishment of caretaker administrations in up to 25 districts anticipated to be recovered from Al-Shabaab during the joint operations of AMISOM and the Somali Security Forces in 2013 – 2015 in the south-central regions, that were to later become the four new Federal Member States of Jubaland, South West, Hirshabelle and Galmudug. The process involved the establishment of initial caretaker administration and provide the caretaker administrations with support for the running costs and to support its community engagement, as well as supporting the establishment of inclusive District Peace and Security Committees (DPSCs) to provide a forum to represent the community under the interim governance arrangements ahead of the election of a representative district council. In doing so, the intent was to both provide a stable and inclusive platform for both the formal district council formation and for other activities tied to community recovery and the rule of law. Several conclusions from the first phase form the basis for the S2SII:

- **Community level reconciliation is foundational activity to ensure other stabilization activities succeed.** The experience in conflict mapping and establishment of the DPSCs, demonstrated the importance of inclusive approaches to build local consensus to identify other activities and improve their sustainability of stabilization interventions.
- **Investing in interim governance arrangements is a catalyst for other support.** The presence of such interim arrangements and DPSCs provided both a tangible symbol of government to the population and a platform for other stabilization actors to launch their own activities. This resulted in tangible peace dividends in these communities that



served to reinforce the credibility and legitimacy of the Government to the population and counter the extremist narratives of Al-Shabaab.

- **Coordination arrangements are key in the context of an evolving Federal system that is being developed in complex conflict effected environment.** The project actions were implemented under the leadership and coordination of MoIFAR and its counterparts in the Federal Member States as the politically driven state formation process progressed. This helped solidify national ownership, as seen through the development of the updated National Stabilization Strategy and its accompanying state level implementation plans. Secondly, the support to convene the various international agencies in a common setting with the national partners contributes to creating common understanding and joined-up planning in an increasingly integrated manner e.g. lessons learnt workshops on reconciliation and district council formation.
- **The track record for using country systems is positive.** Supporting the running costs of interim district administrations through the National Window Modality of the UN-MPTF combined with third party monitoring is operationally effective and financially efficient.

In addition to these key lessons, the project aims to integrate the lessons learned from S2SI by means of the following three processes:

- As per the recommendations of the evaluation, as conducted by an independent consultancy firm in the second quarter of 2019, S2SII will pay special attention to the strengthening of coordination and stabilization capacities at MoIFAR at the Federal Government of Somalia and the Ministries of Interior at the Federal Member States, as well as the creation of opportunities to facilitate ‘peer-to-peer’ learning between the different stabilization actors at district level.
- The project, after reviewing the work arrangements of S2SI with the key stakeholders during the workshop in January 2019, has adopted the following, roles, responsibilities and relationships: oversight, monitoring and evaluation, coordination and funding will sit with MoIFAR at the Federal Government of Somalia. The Federal Member States will be responsible for implementation, state level coordination, controlling the DCF process and security.
- Based on the experience of S2SI, Federal Member States agreed to using the Somali Financial Management and Information System (SFMIS). SFMIS disperses funds based on project allocations. The expectation is that the use of these systems will mitigate some of the problems experienced in Phase One with regards to the implementation of activities at district level which encountered considerable delays.

Building on these lessons learned, the S2SII will continue to support the (re)-establishment of capable and legitimate interim authorities in newly recovered districts<sup>3</sup> and consolidation of the progress in locations under government control and where district council formation is underway. It is recognized that whilst security is an enabler for stabilization activities in a district, stabilization activities are critical in consolidating and sustaining security gains by addressing the underlying drivers of conflict in either scenario. An important element of S2SII is that the project has been adapted in terms of its coordination and delivery arrangements to reflect the establishment of the new Federal Member States. The revised National Stabilization

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<sup>3</sup> The Transition Plan developed by the Government, recognizes the importance of interim governance arrangements and community reconciliation as part of the comprehensive approach to security in districts to be recovered from Al-Shabaab.

Strategy and its accompanying state plans support a more decentralized approach to reflect the political realities of Federal Government – Federal Member State relationship. As a result, the second phase emphasizes the primacy of civilian leadership and is not limited to a list of areas designated by the military, but instead focusses on a combination of areas under control of the authorities and areas still to be recovered. This not to say military operations are disregarded, but more that they represent one variable in a broader understanding of fragility and how fragility relates to community recovery and the state-building process. In doing so it reflects the call for a more coherent area-based approach from both within the Government and by stabilization partners to work towards a more cohesive and complementary approach across a broader range of stabilization interventions involving security, rule of law, governance, reconciliation (community cohesion) and community recovery.

The importance of the gender drivers of conflict, as discussed above, necessitates an increase in activities that address the gender dimensions of stabilization, reconciliation and governance in S2SII. The project team at MoIFAR will therefore be extended with a Gender Advisor, who will monitor compliance with the rule that in all project activities, women constitute at least 30% of the participants. In January 2019, the Project Team called a meeting with all S2SII stakeholders, to explore, discuss, identify and commit to a concrete set of project activities that will address the different aspects of the gender, such as gender mainstreaming for DCF Committees, Civic Education for women on Local Governance, Women Leadership training, and discussion platforms for elders, religious leaders and youth to discuss political rights for women and women's participation in public life.

The project is catalytic as it lays the foundation for the establishment of elected district authorities, which in turns creates a mutually reinforcing effect by attracting further investment from other stabilization partners. In addition, it promotes government leadership and ownership of established coordination mechanisms for stabilization activities and it contributes to developing best practices that can be adopted by partners supporting similar activities in areas that are not supported through S2SII.

### **Theory of change and result framework**

The theory of change of the S2SII project is based on the premise that extending State authority by strengthening the presence, capacity, and legitimacy of government institutions will enable the delivery of tangible peace dividends to citizens. Thereby establishing the Government as the only authority able to deliver a comprehensive and inclusive set of services to the population, which malign actors - most notably Al-Shabaab - with their own competing models of coercive governance cannot match. This will result in the (re)-building of a credible social contract between the Somali state and its citizens and sustain the country on a path to peace and stability.

To achieve this goal, the project will focus on the establishment of the district ('third') tier of the government system and the impact the project will be contribute to: *Improved stability in the post-conflict areas of Somalia through strengthened cohesion within the community and between the communities and their government.* Based on this, the first set of outcomes are as follows:

1. Federal, State and District-level administrations have capacity to oversee, coordinate and implement stabilization activities.
2. An enabling environment conducive for social cohesion, trust, civic participation and development led by the community – with an emphasis on the meaningful participation

of women in community decision-making processes - is established in accessible districts.

The project supports the realization of four closely inter-linked outputs:

1. **Empowering local governments leads to higher levels of legitimacy:** Support to interim administrations and district council formation activities, including public outreach, public dialogue, and local reconciliation. Strengthen governance capacity at MoIFAR, FMS-level ministries of interior and district levels to ensure effective implementation of activities and institutional efficiency.
2. **Financial support enables local governments to operate:** Provision of financial support for the running cost to FMS-level ministries of interior, target districts and post-council district administrations through the national systems (UN MPTF National Window). This support has demonstrated to be a critical factor in the success of the district administrations and complement by third-party monitoring has proved to be efficient and effective.
3. **Reconciliation leads to district formation and stability:** Reconciliation initiatives and civic dialogue in the areas that are ready for council formation processes are essential to stability. For example, community leaders and the citizenry at large need to support the district formation process for any district administration to ensure it is inclusive and therefore enhance its legitimacy. This S2SII project will play a key role in linking civic engagement and dialogue and local governance capacity building initiatives with e.g. community recovery and rule of law initiatives.
4. **Coordination mechanisms will attract new partners and align action:** Support coordination of stabilization activities and programming at both FGS and FMS levels in line with the National Stabilization Strategy and state-level stabilization plans. Given the complexities of maintaining the coherence of this effort alongside multiple other areas of programming linked to stabilization – reconciliation, community recovery, policing and justice initiatives (including the transition implementation plans for priority areas) - coordination also remains an essential component of the project.

The main assumptions underlying the theory of change are as follows:

- The project supports community reconciliation through the government, the assumption is that the government is the most appropriate and acceptable actor to lead such efforts;
- The project assumes that through the community reconciliation efforts, intra and inter-community tensions and conflict can be addressed to allow communities to find commonly agreed solutions through a process of negotiation;
- The project builds upon the notion that developing capacities of the public sector will indeed lead to improve performance of the Government and therefore extend its credibility and legitimacy, whilst simultaneously replacing the coercive governance models of malign actors;
- Stabilization requires the aforementioned whole of government approach that allows other stakeholders to align their work, the assumptions are that most actors are indeed willing to do so and that the impact of non-aligned work will be insufficient to derail overall progress.

### Implementation strategy

The project will work in priority districts targeted for council formation and establishment of interim administrations in four federal member states and thereafter follow the AMISOM

expansion into Al-Shabaab held areas. The choices will be made in alignment to the transition strategy and thus benefit from the full UN alignment and coordination of stabilization action.

During a workshop, organized by the S2SII project team in January 2019, stakeholders from the Federal Government of Somalia, Federal Member States and development partners discussed in detail the desired scope, priorities and locations of the stabilization activities. The FMS presented their district choice, priorities and preferred activities, based on the following criteria: less inter-clan conflict or active conflicts; accessibility and security; administration maturity; community cohesion; readiness to address priority needs; economic potential and ability to raise revenue; fully controlled by government; readiness for DCF, and; category A districts. A list of priority districts, including priority activities, was identified and adopted as guidance for S2SII interventions.

It is important to emphasize that the list of priority districts and corresponding activities is subject to unpredictable and sudden changes. Important criteria, such as security, clan conflict, government control and economic potential fluctuate heavily in the current Somalian security and environmental context. New military campaigns, such as the one in Lower Shabelle in the third quarter of 2019, has opened up new priority areas for stabilization, while increased incursions by Al-Shabaab or shifting clan conflicts in Hirshabelle and Galmudug significantly influence the viability of similar activities in areas previously identified as 'priority'. S2SII has responded in kind, by establishing stabilization activities in the villages of Sabiid, Caanole and Bariire under Afgoye district and Awdheegle district in the newly recovered areas in Lower Shabelle region, and expanding similar activities in Dhusamareb in Galmudug.

S2SII should retain a certain amount of flexibility to respond to these emerging opportunities and challenges. The choice of new areas of engagement – or disengagement from 'old' ones – will be informed, in as far as possible under these uncertain, volatile and political/security circumstances, by datasets such as the Fragility Index and Maturity Model (FIMM), as compiled by CRESTA/A. In some cases, however, where political and security considerations, such as the need to establish a (non-military) government presence, a unique opportunity to build on local political consensus, or the opposite, to prevent 'older' political conflicts between sub-clans to flare up after the expulsion of Al Shabaab forces), an immediate 'ad-hoc' response will be necessary.

The project implementation strategy is built upon four core elements:

- Functional coordination
- Solid management arrangements
- Sound process management
- Capacity development of the national partners

#### Functional coordination

A functional coordination arrangement to ensure an appropriate implementation of an area-based development approach is essential to the success of the project. A dedicated output was formulated to ensure appropriate attention for this aspect. The coordination arrangements include a federal level coordination structure aligned the NDP and CAS structures predominantly focusing on strategic alignment and a FMS-level structure where more detailed alignment on activity level. The S2SII project will support the logistical costs of coordination meeting at federal and FMS levels attended by an increasing number of stabilization partners, including key donors such as USAID, Somalia Stability Fund (SSF), and EU, as well as police,

military, and civil society representatives. Through this framework strong relations are developed with other donors and projects.

Secondly, the project is solidly embedded in the UN support project structure to stabilization and the national development agenda, where the present project coordinates with for instance significantly larger projects in areas such as rule of law, state formation and local governance, as well as humanitarian actors supporting many service delivery and socio-economic development activities at the district-level.

#### Solid management arrangements

During the implementation of the S2S phase 1, an appropriate management structure was developed and the roles and responsibilities of the different partners were clear and understood. The innovative financing arrangements through the National Window of the UN MPTF and the use of national systems have been fully tested and are operational. The latter is important as it is a strong element in national ownership and fully in line with the Somalia Mutual Accountability Framework.

#### Sound process management

The key processes S2SII is supporting – reconciliation and district formation – require a vertical governance alignment as each government level is involved in the overall process. This requires the project to support not only the processes at the district level, but also to support the relevant Federal and Federal Member State Ministries (the Ministries of Interior, who are mandated for reconciliation and district formation). This work is feeding into the development and implementation of the national reconciliation strategy, the national and state level stabilization strategies as well as practical arrangements (at times captured in regulations) concerning for instance the transfer of funds from the federal level to the district level.

The process of reconciliation and subsequent district council formation follows a straightforward sequence of action.

- Inauguration: The process starts with a public announcement and agreement that the process takes off. This is generally attended by senior staff from federal and federal member state institutions.
- Consultation and training: consultations and training workshops with members of Parliament, traditional leaders, religious leaders, women groups, civil society leaders and community-based facilitators.
- District level meeting process: The district meetings include between 80-100 local representatives who meet on average 30 days to select a district council and elect the District Councilor and two Deputies.
- Capacity development: The project provides capacity support through training programs for district councilors and administrative staff, and the development of the legal framework and guidelines for planning and implementation at the local level.

Upon completion of this process, the district council is basically operational and it is at this point that S2SII has the responsibility to (horizontally) hands over the support to the UN Joint Programme on Local Governance and Basic Service Delivery (JPLGIII), which is a collaborative effort between UNDP, UN-Habitat, UNCDF, ILO and UNICEF to support the efforts of decentralization, local governance and basic service delivery. JPLGIII will support the district council to improve service delivery and empowerment of local communities to participate in representative and legitimate local governance characterized by transparency, accountability and participation by all citizens.

A (substantial) caveat with regards to this handover responsibility needs to be made. An important lesson learned in S2SI was that, given the fact that JPLG's support to (and selection of) district councils is significantly different from that of S2S, the handover of the newly established district councils is rarely smooth. JPLGIII has withdrawn from district council formation. JPLGIII is essentially a capacity development program of local governance and does rarely, if ever, provide financial support for the running costs of district councils. JPLGIII only support Class A Districts, and is not always (fully) present in the areas S2S is working in. The implementation of JPLGIII also requires a heavier footprint on the ground and different capacities at the Ministries of Interior at the FMS, causing significant response delays.

Partly, this situation reflects some of the discrepancies between the 'messy', ambiguous situation on the ground and the rational divisions and sequences of the Wajadir Framework: in complex, uncertain and volatile contexts such as stabilization in newly recovered areas in Somalia, too many variables are at play to predict, let alone guarantee linear progression, homogeneous pathways for all districts and seamless transitions from one stage of the stabilization process to another. From another perspective, this situation also reflects the need for stronger coordination between the different actors involved in the implementation processes and activities of the Wajadir Framework, not only between S2SII and JPLGIII but also with actors such as SSF, TIS+ and FCA, so that emerging 'handover gaps' can be identified and shared early on and joint solutions designed. S2SII will therefore put special emphasis on strengthening the capacity of MoIFAR and the MOIs of the FMS to coordinate the different actors involved in the stabilization process. For those 'handover gaps' that cannot be solved by the joint portfolio of activities and capacities of the stabilization actors, MoIFAR will design a strategy to mobilize additional resources.

#### Capacity development of national partners

The project provides direct support to the Federal Ministry of Interior, Federal Affairs and Reconciliation, the FMS Ministries of Interior and district authorities to support the development of the civil service. This capacity development takes the form of policy and strategy development to stimulate coherent approaches, the development of regulatory arrangements e.g. in the field of oversight, financial transfer, the provision of infrastructure (offices) and equipment and training, coaching and mentoring of staff members to further enhance their skills and competencies.

The capacity development strategy of S2SII will pay special attention to the capacity needs of the fledgling Federal Member States to coordinate, manage and implement project activities in their regions. The introduction on the new FMS was a major step forward in S2SI and, as subsequent (formal and informal) evaluations and discussions have demonstrated, the success of S2SII will depend to a large degree on the ability of these states to coordinate, manage and implement. Key strategies will involve the training, coaching, mentoring and 'experience sharing' across states, of key personnel of the FMS involved. S2SII will, where necessary and appropriate, establish collaboration with relevant learning outfits and training programs of other stabilization and local governance projects.

### **III Project management and coordination**

#### **Recipient organizations and implementing partners**

The project will work directly with the Federal Government of Somalia, Federal Member States and districts. Within the Government of Somalia, the mandate for local governments and stabilization lies with the Ministries of Interior (federal and states). The horizontal and vertical



coordination has steadily been improving the last few years, as have the capacities to oversee and implement in line with set priorities. The S2SII will be implemented under the leadership of FGS MoIFAR with clear functions for FMS- and district-level actors.

#### Federal Government of Somalia (MoIFAR)

- MoIFAR has the accountability and responsibility to implement the project activities as agreed in the project document and annual workplan.
- Remains in charge for implementation & coordination of programmatic activities as indicated in the project document & workplans.
- Authorizes all the requests for transfer and payment submitted to the MoF (FGS),
- Reviews and endorses the workplans and the requests for payment submitted by FMS / districts under S2SII.
- Prepares quarterly progress reports (MPTF template) and financial reports based on the FMS generated reports for the same period,
- Ensures oversight on the cash management of all the districts and other central and local authorities.
- MoIFAR has the responsibility to coordinate national stabilization meetings, comply with the FGS public procurement, hiring of consultants and the financial requirements as highlighted in the PFM and Procurement Act of the FGS.
- MoIFAR has the responsibility to monitor activities on the field, supervise the consultants, discuss performance evaluation and properly file the documents for future reference.

#### Federal Member States (MoIs/MoF)

- The ministries of interior at the FMS-level will receive the funds into the MoF/FMS single treasury account.
- MoF/FMS will properly record the funds into their accounting system and for further transfer to the respective districts under the same state.
- MoIs at the FMS-level will take the exclusive responsibility of supervising, coordinating and implementing project activities at the state-levels.
- MoIs at the FMS-level will also take the lead the implementation of district council formation as well as the quarterly stabilization coordination activities at the state-levels.
- Districts will report back to both MoI's and MoF at FMS level and at the federal-level MoIFAR to ensure proper financial accountability and transparency.

S2SII will be convened and overseen by the UNDP. Since 1991, UNDP has been working in Somalia, in the areas of peacebuilding and conflict management, people-centered governance and law, economic recovery and environmental protection, and protecting and empowering women. UNDP is a key partner of the Federal Government of Somalia and has an established relationship with the Ministry of Interior, Federal Affairs and Reconciliation as well as with the federal member states.

Through its operational mechanism, such as the Letter of Agreement and Micro Capital Grant Agreements, UNDP can place consultants and staff promptly and provide substantial support to areas of difficult accessibility. This mechanism provides substantial flexibility that enables UNDP to scale up if required and reach out to additional areas.

The UNSOM CRESTA/A unit will provide coordinating and advisory support to the project. The CRESTA/A unit plays an important role in the overall alignment with the CAS strategy and the Pillar Working Group as well as related policy alignment within the broader

stabilization architecture including co-chairing the joint SDRF-CAS stabilization forum with MoIFAR.

Liaison at the policy and/or funding levels with PBSO and the UNDP Multi-Partner Trust Fund Office (MPTF Office) will be the responsibility of the Peacebuilding Fund Secretariat in Somalia, working in close consultation with the Project Board. The S2SII Project Manager will provide information and clarifications as requested by PBSO and/or MPTF Office pertaining to project implementation status and progress.

This modality was developed under the first phase of the project and functioned well and is expected to continue to deliver direct results and facilitate state-building through a clear role and responsibility distribution and collaborative arrangements.

### **Project management**

The overall management and coordination of the project will be overseen by the Project Board, that will comprise representatives from MoIFAR, MoF, UNDP and UNSOM. The Project Board is responsible for reviewing progress towards the targets set forth in the project document, including reviewing the activities identified in the monitoring and evaluation framework and the third-party monitoring reports, and on the basis identifying solutions and adjustments to maximize the impact of the project and mitigate against any risks identified.

The day-to-day project management will be implemented by the project team. This team consists of an international project manager (part-time) with the support a technical team whose terms of references are attached in Annex E. S/he will report to the project board. The project team will include:

#### UNDP project oversight, management and support team

- International Project Manager (P4) through 20% of time: and
- National Project Officer/Coordinator: SB4/SB5 (SC9/SC10)
- Project Associate/Officer: SB3/SB4 (SC7/SC9)

#### MoIFAR National Window implementation team

- Project Manager
- Stabilization & Reconciliation Advisor
- Stabilization M&E Advisor
- Admin/Finance Officer
- Local Governance Specialist
- Gender Advisor

Technical advisors will be placed at FMS- and district-levels, to assist with the implementation of all activities and reporting back directly to the FMS MoIs, who will in turn report to MoIFAR.

The UNDP Project Team will monitor and verify the implementation and will be supported by a third-party monitoring arrangement. Public relation, awareness, sensitization materials and activities will be procured and through the services of local NGOs, community-based organizations, and contractors the implementation of the proposed activities will be ensured. Further the project will be supported by the UNDP Effective Institutions project support team.

S2SII is one of the pilot projects using the National Window within the UN MPTF arrangements. This will allow the provision of funding directly to the Central Bank of Somalia and, via intergovernmental fiscal transfers, to MoIFAR, the FMS MOIs and district administrations in the target districts for recurrent costs, salaries, travel, coordination costs, district reconciliation conferences and district council formation activities. Expenditure directly managed by UNDP will use the UN window of the UN MPTF, among others for project management and technical support as well as hire a fiduciary monitoring agent to oversee the disbursements through the National Window.

### Coordination

The S2SII is embedded in an active environment where multiple actors are engaged. The coordination and alignment between these actors is so important that a dedicated output was formulated to ensure an active role of the project in the coordination to strengthen the likelihood that the outputs will contribute to the outcome and to the desired impact. As mentioned above, S2SII will pay special attention to strengthen the capacity of MoIFAR and the MOIs of the FMS to coordinate the processes and activities of all stabilization actors. In addition, S2SII will encourage close collaboration between the S2SII project team at MoIFAR and the PBF-funded Reconciliation project, co-implemented by MoIFAR, UNDP and UNSOM. It should be noted that, although the formal discussion and coordination structures are in place (see below), effective collaboration is an evolving capacity that requires a certain amount of experimentation and that does not follow automatically after the mere establishment of these structures.

For example, on March 27, 2019, MoIFAR convened a conference at MIA on District Council Formation activities and how to better coordinate the activities of various agencies and implementing partners. One outcome was to establish a DCF taskforce whose focus would be on data collection, identification of districts for council formation between partners, and status report for overall council formation processes.

In this vein, the S2SII project is one of the core projects within the UN's support to the National Stabilization Strategy, which is centered around the following:

- Reconciliation – both on ‘political level’ (political settlement) and ‘society level’ (community to community and citizen to citizen).
- Security – extending the area under control of government security apparatus
- Establishing the formal government machinery
- Investing in social-economic development and service delivery
- Providing humanitarian assistance where required

As recognized in the CAS strategy and the NDP (National Development Plan) the different elements of the strategy are inter-dependent and are best addressed in unison and in collaborative engagement. The transition strategy under the CAS foresees expansion of the area under control of the government security apparatus in a gradual manner, where simultaneous or sequenced action is coordinated in the other areas of the overall stabilization approach. The present project will operate closely with this framework.

The National Stabilization Strategy is coordinated under the SDRF as the ninth pillar of the National Development Plan and as Strand 3 of the Comprehensive Approach to Security adopted at the London Conference in May 2017. The Ministry of Interior, Federal Affairs and Reconciliation is the main focal point on stabilization within the government with some related capacity in the Prime Minister's office Stabilization Support Unit and Ministry of Finance

Project Implementation Unit (PIU). MoIFAR hosts a bi-monthly stabilization meeting (acting as the NDP pillar 9/CAS Strand 3 working group) with the government counterparts and international community, including the UN and AMISOM. Besides the bi-monthly meeting in Mogadishu there are also regular stabilization and local governance coordination meetings held at FMS-level which are coordinated by the respective Ministries of Interior regrouping the same partners than at the federal level. Besides these two governmental coordination forums, there is also daily interaction between MoIFAR and UNSOM CRESTA/A team on coordination, policy support and catalytic programmes. The bi-monthly PWG 9 Stabilization/Strand 3 Meeting at the Federal level is the main conduit for coordination of the project in coherence with international support. One week prior to each bi-monthly stabilization meeting, UNSOM CRESTA/A also convenes a donor stabilization meeting to align policy and programme coordination issues.

### **The SDRF and MPTF**

The Somalia Development and Reconstruction Facility (SDRF) oversees the coordination of international development assistance in Somalia and brings together under a common governance framework several funds, including the Somalia UN MPTF, the World Bank Multi Partner Fund for Somalia, a Somalia Fund managed by the African Development Bank, and the Special Financing Facility (SFF). The Somalia Multi-Partner Trust Fund has been established to receive funding from donors to finance activities undertaken through two separate funding streams: the United Nations Multi-Partner Trust Fund for Somalia (the “Somalia UN MPTF”), established by the participating UN organizations to finance activities of participating UN organizations; and the Somalia Multi-Partner Trust Fund National Funding Stream (the “Somalia National Funding Stream”), established by the Government to finance activities of National Entities. Funding for Component 3 of the project is channeled through the Somalia MPTF National Funding Stream (Annex XX). The UN MPTF Office as AA for the PBF and Somalia UN MPTF, will transfer funds from the PBF to the Somalia UN MPTF National Funding Stream. The Somalia Multi-Partner Trust Fund National Funding Stream Account and the UN Somalia MPTF will be reflected as recipient organizations as per article 4.4 of the TOR of the Peacebuilding Fund of 13 August 2009 and complemented by the exception agreement between PBSO and MPTF Office (Annex E). These two new recipients will assume full programmatic and financial accountability for the funds disbursed to them by the MPTF Office. The Ministry of Finance uses the funds based on the National Regulatory Framework and assumes full programmatic and financial accountability for the funds disbursed to it by the MPTF Office.

### **Risk management matrix**

| <b>Risks to the achievement of PBF outcomes</b> | <b>Likelihood of occurrence (high, medium, low)</b> | <b>Severity of risk impact (high, medium, low)</b> | <b>Mitigating Strategy (and Person/Unit responsible)</b>                        |
|-------------------------------------------------|-----------------------------------------------------|----------------------------------------------------|---------------------------------------------------------------------------------|
| Misappropriation of funds                       | Medium                                              | High                                               | Project will engage third party monitor/fiduciary agent to monitor use of funds |

|                                                                          |        |        |                                                                                                                                  |
|--------------------------------------------------------------------------|--------|--------|----------------------------------------------------------------------------------------------------------------------------------|
| Incompetency of hired experts                                            | Low    | Medium | Prior consensus on experience and duration of a contract                                                                         |
| Unclear or untraceable expenditure                                       | Low    | Medium | The project will use standardized forms and provide training on operational controls, financial management and monitoring        |
|                                                                          |        |        |                                                                                                                                  |
| Renewed Al-Shabaab attack and/or threats to communities                  | Medium | High   | Regular security assessment and use of safe locations for the conduct of project activities                                      |
| Project delay due to political dispute among the communities             | High   | Medium | Monitoring of political developments to inform project implementation and the need to amend plans based on the situation.        |
| Exclusion of marginalized groups                                         | Medium | High   | Corrective measures based on local assessment                                                                                    |
| Deteriorating humanitarian situation                                     | High   | High   | Monitoring of humanitarian developments and adjustment to workplans as necessary, based on consultations with Somali authorities |
|                                                                          |        |        |                                                                                                                                  |
| Local communities fail to embrace caretaker administrators               | Medium | High   | More time and resource for community consultation and reconciliation will be required                                            |
| Delays in establishing systems for funds flow to regions/district levels | Medium | High   | Alternative mechanisms will be required for CA and IA to access funds for local administrations                                  |

### Monitoring and evaluation

The Project Board will assess progress and risks on a twice per a year basis. UNDP and MoIFAR are responsible to undertake monitoring activities, including baseline data collection prior to the start of the project, monitoring to assess progress towards intended outputs, reviews or studies if required to measure effect of project, field visits, etc. The MoIFAR will report to the SDRF and PWG9/CAS Strand 3 on the activities of stabilization support efforts, including the PBF. At the project level, the project evaluation and monitoring functions will be the responsibility of the Project Board. The project manager will have the day-to-day role of tracking and monitoring progress.

The Ministry of Finance (MOF) will have oversight of the funds and the overall expenditure and reporting. And the Ministry of Interior at FMS is responsible for expenditure verification at the District Administration level. UNDP Project Team will monitor and verify the implementation by the Federal Government and the districts. The project manager will have the day-to-day role of tracking and monitoring progress. UNDP Project Team will monitor and verify the implementation by the Federal Government and the districts.

The following (and the specific M&E annexes) will be further discussed with the third-party monitoring agency, including finetuning and unpacking of result, indicators and possible means of verification (draft Monitoring Plan attached as **Annex C**).

Monitoring and evaluation of the project will involve the following processes:

#### Within the annual project cycle

- Project Progress Reports shall be submitted to the Project Board through the Programme Oversight Quality Unit of UNDP Country Office. As part of its obligation to quality assure all programming funded through UNDP, the UNDP Country Office will continually review project planning documents and undertake periodic monitoring and spot check missions in partnership with MoIFAR and donors as appropriate. The results of these quality assurance exercises will be used to support continuous strengthening of UNDP support to MoIFAR and will be reflected in the project reporting.
- Monthly Newsletters shall be submitted to all stakeholders, national counterparts, implementing partners, donors and UNDP CO.
- A Monitoring Plan shall be developed annually in line with the activities and also including the monitoring and spot check missions.
- Monthly or fortnightly project reporting will provide on-going activity updates and inform stakeholders in real time, about issues arising.
- Internal reporting within the project will help track activities and progress thereof.
- An Issue Log shall be activated in Atlas and updated by the project management support unit to facilitate tracking and resolution of potential problems or requests for change.
- A Risk Log, based on the generalized risk assessment provided in this document, shall also be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.
- A Lessons Learnt Log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons Learnt Report.
- Financial Analysis will accompany all project progress reports that will include delivery rates to ensure all UNDP and donor resources are being utilized in accordance with the project document and annual work plans/budgets. Further, the project shall be subject exclusively, to the internal and external-auditing procedures provided for in the financial regulations, rules and directives of UNDP.

#### Internal and External Assessments

- Quarterly Assessments shall be undertaken, based on quarterly work plans, to determine progress.
- Annual Project Review shall be conducted internally during the fourth quarter of each year, or soon after, to assess the performance of the project, and appraise the Annual



Work Plan for the following year. In the last year of the project, this review will be a Final Assessment. This review will be driven by the Project Board and may involve other stakeholders as required. It shall focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate CPD outcomes.

- Third-Party Monitor Agency will also support monitoring of project activities. The third-party service provider prepares a standard agreed-upon procedures report in accordance with the applicable standards, which includes:
  - Enumeration of the agreed-upon procedures performed and a summary of corresponding factual findings;
  - A statement indicating that the report is intended solely for the information and use of the specified parties;
  - Identification of the specific parties to whom use is restricted;
  - A statement that the report is not intended to be and should not be used by anyone other than the specified parties; and
  - A statement that the scope of agreed-upon procedures does not provide the same level of assurance as that of an audit or review.
- A fiduciary agency will be contracted that can carry out spot checks with the national counterpart and the concerned districts; independently verify the respect of the financial procedures; review the financial procedures to ensure that they cover the best practices in bookkeeping and accounting processes and recommend adjustment where necessary and within the scope of what is possible considering local conditions. The fiduciary agency's scope of work includes:
  - Verification of flow of funds and FGS payment processing;
  - Monitoring of payments to consultants and experts;
  - Monitoring in the field: site visits to districts (spot checks); and Deliverables / Expected Outputs.

#### Independent Reviews and Evaluations

A final evaluation of the project will be conducted in July 2020. The structure and process of this evaluation will be determined by UNDP, in accordance with the requirements set by PBSO, but based on the interests, concerns and inputs of stakeholders. This evaluation should inform objective, independent reports on project progress towards stated objectives, issues arising, lessons learned, and include recommendations to improve future implementation.

#### **Project exit strategy and sustainability**

The purpose of the PBF's support to the government-led stabilization approach is cementing peace following the recovery of an area from Al-Shabaab by AMISOM and SNA forces, or in areas that remain fragile to lay the foundations for dialogue, reconciliation, and local governance. As in the first phase, S2SII will create an environment conducive for other donors to support peace dividends projects and ensure their linkage with the dialogue, reconciliation and governance processes. For example, following establishment of a caretaker administration in Dinsoor District after its recovery by AMISOM and the SNA, a number of partners including USAID made significant investments in community recovery projects in the area that sustained the progress. Similar investments have occurred elsewhere and a number of key donors, including USAID, UK, and EU, have shown interest in supporting such projects. There is also growing indications in FIMM district reports and other assessments that in areas where stabilization activities have been undertaken, that the improvements in the combination of local governance and economy has allowed the district authorities to raise revenues locally to help

sustain their activities. At the Federal and State level, it is hoped that similar improvements in revenue raising and current discussions on financial support between the Government and the World Bank and the International Monetary Fund will help consolidate and sustain the capacity of MoIFAR and its state counterparts to underpin the Transition Plan. In addition, successful implementation of the first component of the project through direct budget support, and continued use of national systems will contribute to increasing the confidence of donors in using national systems to channel assistance, including as recently announced by the EU.

With regard to resource mobilization, both MoIFAR and UNSOM officials discussed a way forward to address the budget gap in S2S II project. Plans are underway to reach donors to raise alternative sources of funding to the project. In addition, the Embassy of Norway in Somalia has expressed an interest in supporting Government Stabilization agenda, particularly S2S II Project. This prospect for support will be followed up with high-level ministerial engagement as confirmed in a sideline meeting with deputy SRSG George Conway during Strand 3 on April 29, 2019.

#### **IV      Project budget**

The total budget of the project is USD: **\$ 4,631,309**

As per rules of PBF, and in line with its GEWE policy under Gender Marker 2, at least 30% of the budget will be targeted to gender specific activities (or by ensuring at least 30% participation of women in the project activities). A specially recruited Gender Advisor will see to the GEWE specific activities and women participation.

### **Annex A.1: Project Administrative arrangements for UN Recipient Organizations**

The UNDP MPTF Office serves as the Administrative Agent (AA) of the PBF and is responsible for the receipt of donor contributions, the transfer of funds to Recipient UN Organizations, the consolidation of narrative and financial reports and the submission of these to the PBSO and the PBF donors. As the Administrative Agent of the PBF, MPTF Office transfers funds to RUNOS on the basis of the signed Memorandum of Understanding between each RUNO and the MPTF Office.

#### **AA Functions**

On behalf of the Recipient Organizations, and in accordance with the UNDG-approved “Protocol on the Administrative Agent for Multi Donor Trust Funds and Joint Programmes, and One UN funds” (2008), the MPTF Office as the AA of the PBF will:

- Disburse funds to each of the RUNO in accordance with instructions from the PBSO. The AA will normally make each disbursement within three (3) to five (5) business days after having received instructions from the PBSO along with the relevant Submission form and Project document signed by all participants concerned;
- Consolidate the financial statements (Annual and Final), based on submissions provided to the AA by RUNOS and provide the PBF annual consolidated progress reports to the donors and the PBSO;
- Proceed with the operational and financial closure of the project in the MPTF Office system once the completion is completed by the RUNO. A project will be considered as operationally closed upon submission of a joint final narrative report. In order for the MPTF Office to financially close a project, each RUNO must refund unspent balance of over 250 USD, indirect cost (GMS) should not exceed 7% and submission of a certified final financial statement by the recipient organizations’ headquarters.
- Disburse funds to any RUNO for any costs extension that the PBSO may decide in accordance with the PBF rules & regulations.

#### **Accountability, transparency and reporting of the Recipient United Nations Organizations**

Recipient United Nations Organizations will assume full programmatic and financial accountability for the funds disbursed to them by the Administrative Agent. Such funds will be administered by each RUNO in accordance with its own regulations, rules, directives and procedures.

Each RUNO shall establish a separate ledger account for the receipt and administration of the funds disbursed to it by the Administrative Agent from the PBF account. This separate ledger account shall be administered by each RUNO in accordance with its own regulations, rules, directives and procedures, including those relating to interest. The separate ledger account shall be subject exclusively to the internal and external auditing procedures laid down in the financial regulations, rules, directives and procedures applicable to the RUNO.

Each RUNO will provide the Administrative Agent and the PBSO (for narrative reports only) with:

| Type of report                      | Due when | Submitted by                                                                                                                                   |
|-------------------------------------|----------|------------------------------------------------------------------------------------------------------------------------------------------------|
| Semi-annual project progress report | 15 June  | Convening Agency on behalf of all implementing organizations and in consultation with/ quality assurance by PBF Secretariats, where they exist |

|                                                                                                                                                                         |                                                                                                                                |                                                                                                                                                |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| Annual project progress report                                                                                                                                          | 15 November                                                                                                                    | Convening Agency on behalf of all implementing organizations and in consultation with/ quality assurance by PBF Secretariats, where they exist |
| End of project report covering entire project duration                                                                                                                  | Within three months from the operational project closure (it can be submitted instead of an annual report if timing coincides) | Convening Agency on behalf of all implementing organizations and in consultation with/ quality assurance by PBF Secretariats, where they exist |
| Annual strategic peacebuilding and PBF progress report (for PRF allocations only), which may contain a request for additional PBF allocation if the context requires it | 1 December                                                                                                                     | PBF Secretariat on behalf of the PBF Steering Committee, where it exists or Head of UN Country Team where it does not.                         |

### Financial reporting and timeline

| Timeline                                                                                                            | Event                                                                        |
|---------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|
| <b>30 April</b>                                                                                                     | Annual reporting – Report <b>Q4 expenses</b> (Jan. to Dec. of previous year) |
| <i><b>Certified final financial report to be provided by 30 June of the calendar year after project closure</b></i> |                                                                              |

UNEX also opens for voluntary financial reporting for UN recipient organizations the following dates

|                   |                                              |
|-------------------|----------------------------------------------|
| <b>31 July</b>    | Voluntary Q2 expenses (January to June)      |
| <b>31 October</b> | Voluntary Q3 expenses (January to September) |

Unspent Balance exceeding USD 250, at the closure of the project would have to be refunded and a notification sent to the MPTF Office, no later than six months (30 June) of the year following the completion of the activities.

### Ownership of Equipment, Supplies and Other Property

Ownership of equipment, supplies and other property financed from the PBF shall vest in the RUNO undertaking the activities. Matters relating to the transfer of ownership by the RUNO shall be determined in accordance with its own applicable policies and procedures.

### Public Disclosure

The PBSO and Administrative Agent will ensure that operations of the PBF are publicly disclosed on the PBF website (<http://unpbf.org>) and the Administrative Agent's website (<http://mptf.undp.org>).

### Annex A.2: Project Administrative arrangements for Non-UN Recipient Organizations

#### Accountability, transparency and reporting of the Recipient Non-United Nations Organization:

The Recipient Non-United Nations Organization will assume full programmatic and financial accountability for the funds disbursed to them by the Administrative Agent. Such funds will be

administered by each recipient in accordance with its own regulations, rules, directives and procedures.

The Recipient Non-United Nations Organization will have full responsibility for ensuring that the Activity is implemented in accordance with the signed Project Document;

In the event of a financial review, audit or evaluation recommended by PBSO, the cost of such activity should be included in the project budget;

Ensure professional management of the Activity, including performance monitoring and reporting activities in accordance with PBSO guidelines.

Ensure compliance with the Financing Agreement and relevant applicable clauses in the Fund MOU.

### **Reporting:**

Each Receipt will provide the Administrative Agent and the PBSO (for narrative reports only) with:

| Type of report                                                                                                                                                          | Due when                                                                                                                       | Submitted by                                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| Bi-annual project progress report                                                                                                                                       | 15 June                                                                                                                        | Convening Agency on behalf of all implementing organizations and in consultation with/ quality assurance by PBF Secretariats, where they exist |
| Annual project progress report                                                                                                                                          | 15 November                                                                                                                    | Convening Agency on behalf of all implementing organizations and in consultation with/ quality assurance by PBF Secretariats, where they exist |
| End of project report covering entire project duration                                                                                                                  | Within three months from the operational project closure (it can be submitted instead of an annual report if timing coincides) | Convening Agency on behalf of all implementing organizations and in consultation with/ quality assurance by PBF Secretariats, where they exist |
| Annual strategic peacebuilding and PBF progress report (for PRF allocations only), which may contain a request for additional PBF allocation if the context requires it | 1 December                                                                                                                     | PBF Secretariat on behalf of the PBF Steering Committee, where it exists or Head of UN Country Team where it does not.                         |

### **Financial reports and timeline**

| Timeline           | Event                                                                        |
|--------------------|------------------------------------------------------------------------------|
| <b>28 February</b> | Annual reporting – Report <b>Q4 expenses</b> (Jan. to Dec. of previous year) |
| <b>30 April</b>    | Report <b>Q1 expenses</b> (January to March)                                 |
| <b>31 July</b>     | Report <b>Q2 expenses</b> (January to June)                                  |
| <b>31 October</b>  | Report <b>Q3 expenses</b> (January to September)                             |

|                                                                                                                      |
|----------------------------------------------------------------------------------------------------------------------|
| <b><i>Certified final financial report to be provided at the quarter following the project financial closure</i></b> |
|----------------------------------------------------------------------------------------------------------------------|

Unspent Balance exceeding USD 250 at the closure of the project would have to be refunded and a notification sent to the Administrative Agent, no later than three months (31 March) of the year following the completion of the activities.

### **Ownership of Equipment, Supplies and Other Property**

Matters relating to the transfer of ownership by the Recipient Non-UN Recipient Organization will be determined in accordance with applicable policies and procedures defined by the PBSO.

### **Public Disclosure**

The PBSO and Administrative Agent will ensure that operations of the PBF are publicly disclosed on the PBF website (<http://unpbf.org>) and the Administrative Agent website (<http://www.mptf.undp.org>)

### **Final Project Audit for non-UN recipient organization projects**

An independent project audit will be requested by the end of the project. The audit report needs to be attached to the final narrative project report. The cost of such activity must be included in the project budget.

### **Special Provisions regarding Financing of Terrorism**

Consistent with UN Security Council Resolutions relating to terrorism, including UN Security Council Resolution 1373 (2001) and 1267 (1999) and related resolutions, the Participants are firmly committed to the international fight against terrorism, and in particular, against the financing of terrorism. Similarly, all Recipient Organizations recognize their obligation to comply with any applicable sanctions imposed by the UN Security Council. Each of the Recipient Organizations will use all reasonable efforts to ensure that the funds transferred to it in accordance with this agreement are not used to provide support or assistance to individuals or entities associated with terrorism as designated by any UN Security Council sanctions regime. If, during the term of this agreement, a Recipient Organization determines that there are credible allegations that funds transferred to it in accordance with this agreement have been used to provide support or assistance to individuals or entities associated with terrorism as designated by any UN Security Council sanctions regime it will as soon as it becomes aware of it inform the head of PBSO, the Administrative Agent and the donor(s) and, in consultation with the donors as appropriate, determine an appropriate response.

### **Non-UN recipient organization (NUNO) eligibility:**

In order to be declared eligible to receive PBF funds directly, NUNOs must be assessed as technically, financially and legally sound by the PBF and its agent, the [Multi Partner Trust Fund Office \(MPTFO\)](#). Prior to submitting a finalized project document, it is the responsibility of each NUNO to liaise with PBSO and MPTFO and provide all the necessary documents (see below) to demonstrate that all the criteria have been fulfilled and to be declared as eligible for direct PBF funds. The NUNO must provide (in a timely fashion, ensuring PBSO and MPTFO have sufficient time to review the package) the documentation demonstrating that the NUNO:

- Has previously received funding from the UN, the PBF, or any of the contributors to the PBF, in the country of project implementation
- Has a current valid registration as a non-profit, tax exempt organization with a social based mission in both the country where headquarter is located and in country of project implementation for the duration of the proposed grant. (**NOTE:** If registration is done on an annual basis in the country, the organization must have the current registration



and obtain renewals for the duration of the project, in order to receive subsequent funding tranches)

- Produces an annual report that includes the proposed country for the grant
- Commissions audited financial statements, available for the last two years, including the auditor opinion letter. The financial statements should include the legal organization that will sign the agreement (and oversee the country of implementation, if applicable) as well as the activities of the country of implementation. (**NOTE:** If these are not available for the country of proposed project implementation, the CSO will also need to provide the latest two audit reports for a program or project based audit in country.) The letter from the auditor should also state whether the auditor firm is part of the nationally qualified audit firms.
- Demonstrates an annual budget in the country of proposed project implementation for the previous two calendar years, which is at least twice the annualized budget sought from PBF for the project<sup>4</sup>
- Demonstrates at least 3 years of experience in the country where grant is sought
- Provides a clear explanation of the CSO's legal structure, including the specific entity which will enter into the legal agreement with the MPTF-O for the PBF grant.

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<sup>4</sup> Annualized PBF project budget is obtained by dividing the PBF project budget by the number of project duration months and multiplying by 12.

## Annex B: Project Results Framework

| Outcomes                                                                                                                                           | Outputs                                                                                                                                                                                                                                                                                                                                       | Indicators                                                                                                                                                                                                                                                                                                                                                             | Means of Verification/ frequency of collection                                                                                                                                                                                                                                                    | indicator milestones                                                                                                                                                                                                                                                            |
|----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Outcome 1</b><br>Federal, state and district-level administrations have capacity to oversee, coordinate and implement stabilization activities. |                                                                                                                                                                                                                                                                                                                                               | <b>Outcome Indicator 1.1</b><br>Levels of government administrations capacitated to manage and implement stabilization efforts through use of National Window.<br><br>Baseline: Embryonic<br>Target: Advanced<br><br><b>Outcome Indicator 1.2</b><br>Value (in \$) of resources channeled through the national window.<br><br>Baseline: 1,435,615<br>Target: 4,000,000 | Third Party Monitoring Agency reports.<br><br>Number of reports/joint press releases made by FGS and FMS Levels of government.<br><br>Project team technical monitoring reports<br><br>Reports of semi-annually feedback sessions between Federal Government of Somalia and Federal Member States | Enabled the capacity by the government authorities to manage and coordinate stabilization efforts.<br><br>Support is entailed using national funding streams, thereby strengthening the accountability and legitimacy of government authority.                                  |
|                                                                                                                                                    | <b>Output 1.1</b><br>Empowering local governments leads to higher levels of legitimacy;<br><br><b>Activity 1.1.1:</b> provide technical capacity at the FGS, States and District levels to undertake the stabilization activities:<br><br><ul style="list-style-type: none"> <li>6 MOIFAR</li> <li>10 States</li> <li>18 Districts</li> </ul> | <b>Output Indicator 1.1.1</b><br># of Staff at district, FMS and federal level recruited and in place to support stabilization activities.<br><br>Baseline: FGS 3; FMS 0, Districts 14<br>Target: FGS 6, FMS 10, Districts 18.                                                                                                                                         | List of staff recruited and trained<br><br>Training reports<br><br>Reports of 'experience-sharing' sessions between new FMS                                                                                                                                                                       | Provided technical capacity at federal government and district level to over 60% government counterparts<br><br>Twice a year, experience-sharing sessions between new FMS organized by MoIFAR<br><br>Over 70% staff members' performance appraisal received satisfactory rating |
|                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                               | <b>Output Indicator 1.1.2</b><br>Government effectively managed stabilization activities at three levels of government<br><br>Baseline: Average 9-13 reports per month<br>Target: monthly – 18 districts reports                                                                                                                                                       | Monthly, quarterly, semi-annually and yearly reports                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                 |
|                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                               | <b>Output Indicator 1.1.3</b><br>% of staff utilized knowledge and experience gained from training received<br><br>Baseline: 60%<br>Target: 80%                                                                                                                                                                                                                        | Performance appraisal of staff members                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                 |
|                                                                                                                                                    | <b>Output 1.2</b>                                                                                                                                                                                                                                                                                                                             | <b>Output Indicator 1.2.1</b>                                                                                                                                                                                                                                                                                                                                          | Expenditure and financial reports                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                 |

|                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                      |                                                                     |                                                                                                                                                                    |
|---------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                             | Financial support enables local governments to operate                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Value (in \$) of resources expended by district administrations.<br><br>Baseline: \$50,000<br>Target: \$100,000                                                                                      |                                                                     | Provided support for the oversight and accountability of transfer support to administration at district level.<br><br>Provided running cost for district councils. |
|                                             | <b>List of some of the activities under this Output:</b><br><br><b>1.2.1</b><br>Provide operational capability to MOIFAR and MOIs levels of governments<br><br><b>1.2.2</b> <ul style="list-style-type: none"> <li>1.2.2.1. provide training to new interim district administrations</li> <li>1.2.2.2. deployment support to new interim district administration</li> <li>1.2.2.3 conduct and disseminate conciliatory messages and public awareness</li> <li>1.2.2.4 Establishment and training of district peace and security committees (DPSCs)</li> <li>1.2.2.5 Newly recovered district administration running costs</li> </ul> | <b>Output Indicator 1.2.2</b><br>Number of fiduciary monitoring visits with reports and recommendations for improvement<br><br>Baseline: 10<br>Target: 15                                            | (M/W)<br><br>Monitoring reports                                     | At least 4 fiduciary monitoring visits conducted                                                                                                                   |
|                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>Output Indicator 1.2.3</b><br># of financial procedures adopted and implemented.<br><br>Baseline: adopted and implemented 4 sets of the PBF financial procedures<br>Target: FGS's PFM procedures. | Financial manuals, SOPs etc of the peace process (M/W)              | All the target districts have financial procedures and Standard operating (SOPs) in place                                                                          |
|                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                      |                                                                     |                                                                                                                                                                    |
| Outcomes                                    | Outputs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Indicators                                                                                                                                                                                           | Means of Verification/ frequency of collection                      | indicator milestones                                                                                                                                               |
| <b>Outcome 2</b><br>An enabling environment |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>Outcome Indicator 2</b>                                                                                                                                                                           | Coordination meeting reports<br><br>Reconciliation workshop reports | Coordination mechanism established to implement social cohesion and reconciliation interventions                                                                   |

|                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                  |
|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| conducive to social cohesion, trust, civic participation and development led by the community is established in accessible districts. |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <p>Citizens actively collaborate with each other and local authorities to resolve key drivers of conflict in the community and address public challenges in an inclusive and equitable manner, with a special emphasis on gender issues</p> <p>Baseline: Fair<br/>Target: Excellent</p>                                     | <p>Citizen scorecards on the inclusiveness, responsiveness and effectiveness of government's activities</p> <p># of dedicated sessions, workshops and other activities for and by (exclusively) women</p> | <p>Enabled the capacity by the government authorities to manage and coordinate stabilization efforts.</p> <p>Citizens pro-actively approach local and state authorities to use new mechanisms and processes to create public value</p> <p>Reconciliation and governance processes become the preferred platform for women to discuss their needs and further their interests</p> |
|                                                                                                                                       | <p><b>Output 2.1</b><br/>Coordination mechanisms strengthened to attract new partners and align actions</p> <p><b>List of some of the activities under this Output:</b></p> <p><b>Activities 2.1.1 (District Council Formation (6 districts in total)):</b></p> <ul style="list-style-type: none"> <li>2.1.1.1 Make assessments through community consultations and nomination of district preparatory committee</li> <li>2.1.1.2 awareness raising campaigns through local media, banners and local artists</li> <li>2.1.1.3 preliminary consultative meetings</li> </ul> | <p><b>Output Indicator 2.1.1</b><br/># of stakeholders participating in every 2-month coordination meetings organized at FGS level.</p> <p>Baseline: 23<br/>Target: 25</p> <p><b>Output Indicator 2.1.2</b><br/># of state stabilization coordination meetings organized at FMS level.</p> <p>Baseline: 3<br/>Target: 4</p> | <p>Third party monitoring agency performance reports</p> <p>Meeting minutes and attendance sheets</p>                                                                                                     | <p>At least 70% target districts are able to organize and facilitate coordination meetings with partners.</p>                                                                                                                                                                                                                                                                    |

|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                              |
|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <ul style="list-style-type: none"> <li>2.1.1.4 wider district peace building conference to resolve issues</li> <li>2.1.1.5 selection process of district council member</li> <li>2.1.1.6 election of district council officials and inauguration</li> <li>2.1.1.7 post district council formation subsidies (running cost)</li> </ul>                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                              |
|  | <p><b>Output 2.2</b><br/>Reconciliation enhanced efforts to support district council formation and stability</p> <p><b>List of some of the activities under this Output:</b></p> <p>2.2.1 Conduct assessments on clans and conflicts mapping through community consultations &amp; nomination of District Preparatory Committee</p> <p>2.2.2 Awareness raising campaigns through local media, banners &amp; local artists</p> <p>2.2.3 Preliminary consultative meetings</p> | <p><b>Output Indicator 2.2.1</b><br/># of gender-fair DPSC established with approved ToRs</p> <p>Baseline: 4 DPSCs formed in 4 districts.<br/>Target: 1 per district 4 new districts.</p> <p><b>Output Indicator 2.2.2</b><br/># of coordination meetings between DPSCs and peace dividend providers</p> <p>Baseline: 8<br/>Target: minimum 1 per district</p> <p><b>Output Indicator 2.2.3</b><br/># of disputes resolved by DPSCs</p> <p>Baseline: 10<br/>Target: minimum 1 per district</p> <p><b>Output Indicator 2.2.4</b></p> | <p>Workshop reports</p> <p>Training materials</p> <p>Number of women members of DPSCs</p> <p>ToRs</p> <p>Meeting minutes and attendance sheets aggregated by gender</p> <p>Photos and video recordings of meetings/consultations/workshops</p> | <p>Provided support for the public awareness activities of the community on the formation of the district local councils through community dialogue sessions, district wide reconciling conference, printing material and web-based publicity/arts-based publicity e.g. drama songs etc.</p> |

|  |                                                                                                                                                                                                |                                                                                                                                                                  |                               |                                                                      |
|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|----------------------------------------------------------------------|
|  | 2.2.4 Wider district peacebuilding conference to resolve issues                                                                                                                                | # of district council consultations organized with community to form governance structures.<br><br>Baseline: 4<br>Target: 6                                      |                               |                                                                      |
|  | 2.2.5 Selection process of district council members                                                                                                                                            | <b>Output Indicator 2.2.5</b><br># of conferences and consultations held to form legitimate district councils.<br><br>Baseline: 4<br>Target: 6                   |                               |                                                                      |
|  | 2.1.6 Election of district council officials & Inauguration                                                                                                                                    | <b>Output Indicator 2.2.6</b><br># of people participating (Men: Women) in District council formation process.<br><br>Baseline: 10% female<br>Target: 30% Female |                               |                                                                      |
|  | 2.2.7 Post District Council Formation Subsidies                                                                                                                                                | <b>Output Indicator 2.2.7</b><br># of project board meetings held regularly<br><br>Baseline: 2<br>Target: 4                                                      |                               |                                                                      |
|  | <b>Output 2.3</b><br>Project Effectively Managed                                                                                                                                               |                                                                                                                                                                  |                               |                                                                      |
|  | <b>List of some of the activities under this Output</b>                                                                                                                                        |                                                                                                                                                                  |                               |                                                                      |
|  | 2.3.1 HR/Personnel                                                                                                                                                                             |                                                                                                                                                                  |                               |                                                                      |
|  | 2.3.2 Project Travel cost                                                                                                                                                                      |                                                                                                                                                                  |                               |                                                                      |
|  | 2.3.3 Supplies and Equipment                                                                                                                                                                   |                                                                                                                                                                  |                               |                                                                      |
|  | 2.3.4 UNDP Office/premises cost<br>2.3.5 Fiduciary Monitoring Agent on the Government executed funds<br>2.3.6 DPC 13% of the UNDP programmable funds (includes security, financial management, |                                                                                                                                                                  | Project board meeting reports | UNDP and MoiFAR project management and implementation team in place. |

|  |                                                                                                           |  |  |  |
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|  | operations and oversight costs of UNDP CO and is in line with the high cost of doing business in Somalia) |  |  |  |
|  |                                                                                                           |  |  |  |



## Annex C: Project Monitoring Plan

### Monitoring Activities – Project Level

| Monitoring Action                                                                                                                                                                                                                                          | Source/Method of Collection                                                                                                                    | Due Dates                                                                                      | Responsible Staff                                   | Resources (\$)        | Risks and Assumptions                                                                                                                                                                             |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|-----------------------------------------------------|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Monitoring action</i>                                                                                                                                                                                                                                   | <i>Specific publication, evaluation, survey, field observation, interviews, etc.</i>                                                           | <i>Specific dates for each period</i>                                                          | <i>for collecting and reporting data</i>            | <i>Estimated cost</i> | <i>Any risks or assumptions concerning data collection</i>                                                                                                                                        |
| Annual and Semi-annual Progress Reports (Progress to be reported in the agreed PBF template as per the reporting requirements of the project)                                                                                                              | Project Advisors and District Based staffs reports; state and districts-based staff monthly reports, project meetings & missions reports, etc. | 15 <sup>th</sup> June for Semi-annual report and 15 <sup>th</sup> November for Annual reports. | Project Manager / Project Officer                   | \$0.00                | - Delay of receiving regular narrative/financial reports from the project implementation counterparts (MoIFAR, FMS, Districts, etc.)<br><br>Irregularity of data provided by project counterparts |
| Project Board Meeting (Progress to be reviewed by the Project board including monitoring of Capacity Development and actions recommended, measurement of progress/ indicators Explanations for slippage and variance against budget, risk logs, issue log) | Project Progress Report; Minutes of the previous Board meeting                                                                                 | At least once quarterly                                                                        | Project Board (organized by MoIFAR Project Manager) | \$0.00                | Absence of MOIFAR and MOF leadership- Minister, PS Level at the Board Meetings, delays in holding the meetings due to security restrictions.                                                      |
| Joint UNDP-MOIFAR project team field visits to the project sites.                                                                                                                                                                                          | BTORs, minutes of the meetings, etc.                                                                                                           | At least two mission per state.                                                                | MOIFAR and UNDP project team                        |                       | Security clearance issues, FGS and FMS political standoff may impede the visits.                                                                                                                  |

| Monitoring Action        | Source/Method of Collection                                                                                                     | Due Dates                             | Responsible Staff                        | Resources (\$)        | Risks and Assumptions                                                         |
|--------------------------|---------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|------------------------------------------|-----------------------|-------------------------------------------------------------------------------|
| <i>Monitoring action</i> | <i>Specific publication, evaluation, survey, field observation, interviews, etc.</i>                                            | <i>Specific dates for each period</i> | <i>for collecting and reporting data</i> | <i>Estimated cost</i> | <i>Any risks or assumptions concerning data collection</i>                    |
| End project evaluation   | Annual work plans;<br>Meeting minutes;<br>Bi-annual progress reports;<br>Annual reports;<br>transactional support documentation | July 2020                             | MOIFAR and UNDP project team.            | \$20,000              | District level accessibility challenges due to security and political issues. |

**Monitoring Activities – Output Level** *(These monitoring activities need to be defined by the project manager/ subject matter expert)*

| Expected Results (Outcomes & Outputs)                                              | Indicators, Baselines and Targets                                                                                                                                                  | Monitoring Event and Data Collection Plan |                                                                                                                                                                              |                                           |                                          |                       |                                                                                                                                                             |
|------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                    |                                                                                                                                                                                    | Monitoring Action                         | Source/ Method of Collection                                                                                                                                                 | Due Dates                                 | Responsible Staff                        | Resources (\$)        | Risks and Assumptions                                                                                                                                       |
| <i>Obtained from the project Result's Framework.</i>                               | <i>Obtained from the Project Result's Framework)</i>                                                                                                                               | <i>Monitoring action</i>                  | <i>Specific publication, evaluation, survey, field observation, interviews, etc.</i>                                                                                         | <i>Specific dates for each period</i>     | <i>for collecting and reporting data</i> | <i>Estimated cost</i> | <i>Any risks or assumptions concerning data collection</i>                                                                                                  |
| <b>Output 1: Empowering local governments leads to higher levels of legitimacy</b> | <b>Indicators:</b><br># of Staff at district, FMS and federal level recruited and in place to support stabilization activities.<br><br><b>Baseline:</b> FGS 3; FMS 0, Districts 14 | Document review:                          | Third party Monitor Reports;<br>Reports submitted by the MoIFAR Advisors;<br>Spot checks Staff contract; Attendance sheets; payments; Terms of Reference (TORs); recruitment | Once every quarter- March/June/ December. | Project Officer and Associate.           | \$0.00                | Restriction of movement due to security of access to targeted areas of the project<br><br>IP's consultants do not submit quality reports in a timely manner |

| Expected Results<br>(Outcomes & Outputs)                                    | Indicators, Baselines and<br>Targets                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Monitoring Event and Data Collection Plan                             |                                                                                                 |                                       |                                          |                       |                                                                                                                                                                                                                                                                   |
|-----------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|---------------------------------------|------------------------------------------|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Monitoring<br>Action                                                  | Source/ Method of<br>Collection                                                                 | Due Dates                             | Responsible<br>Staff                     | Resources (\$)        | Risks and Assumptions                                                                                                                                                                                                                                             |
| <i>Obtained from the project Result's Framework.</i>                        | <i>Obtained from the Project Result's Framework)</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <i>Monitoring action</i>                                              | <i>Specific publication, evaluation, survey, field observation, interviews, etc.</i>            | <i>Specific dates for each period</i> | <i>for collecting and reporting data</i> | <i>Estimated cost</i> | <i>Any risks or assumptions concerning data collection</i>                                                                                                                                                                                                        |
|                                                                             | Target: FGS 6, FMS 10, Districts 18.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                       | reports, performance appraisals, Staff deliverables etc.                                        |                                       |                                          |                       |                                                                                                                                                                                                                                                                   |
| <b>Output 2:<br/>Financial support enables local governments to operate</b> | <p><i>Output Indicator 2.1:</i><br/>Value (in \$) of resources expended by district administrations.</p> <p><i>Baseline:</i> \$50,000<br/><i>Target:</i> \$100,000</p> <p><i>Output Indicator 2.2:</i><br/>Number of fiduciary monitoring visits with reports and recommendations for improvement</p> <p><i>Baseline:</i> 10<br/><i>Target:</i> 15</p> <p><i>Output Indicator 2.3:</i><br/># of financial procedures adopted and implemented.</p> <p><i>Baseline:</i> adopted and implemented 4 sets of the PBF financial procedures</p> | <p>Field verifications visits</p> <p>Internal project monitoring;</p> | Reports of Fiduciary monitoring Agent-financial verifications of government executed PBF funds. | One field visit per district.         | UNDP and MOIFAR Project Team             | \$80,000              | <p>No harmonized intergovernmental fiscal transfer procedures.</p> <p>The fiduciary agent / TPM consultant may have difficulties in accessing for the targeted districts due security.</p> <p>Challenges in obtaining supporting documents from the partners.</p> |

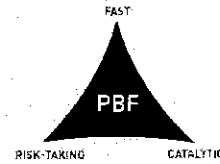
| Expected Results<br>(Outcomes & Outputs)             | Indicators, Baselines and<br>Targets                                                                        | Monitoring Event and Data Collection Plan |                                                                                      |                                       |                                          |                       |                                                            |
|------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|-------------------------------------------|--------------------------------------------------------------------------------------|---------------------------------------|------------------------------------------|-----------------------|------------------------------------------------------------|
|                                                      |                                                                                                             | Monitoring<br>Action                      | Source/ Method of<br>Collection                                                      | Due Dates                             | Responsible<br>Staff                     | Resources (\$)        | Risks and Assumptions                                      |
| <i>Obtained from the project Result's Framework.</i> | <i>Obtained from the Project Result's Framework)</i>                                                        | <i>Monitoring action</i>                  | <i>Specific publication, evaluation, survey, field observation, interviews, etc.</i> | <i>Specific dates for each period</i> | <i>for collecting and reporting data</i> | <i>Estimated cost</i> | <i>Any risks or assumptions concerning data collection</i> |
|                                                      | Target: fully adopted, implemented FGS's PFM procedures and functional Inter-governmental fiscal transfers_ |                                           |                                                                                      |                                       |                                          |                       |                                                            |

#### Annex D: Checklist of project implementation readiness

| Question                                                                                                                                                  | Yes | No | Comment |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|---------|
| 1. Have all implementing partners been identified?                                                                                                        | x   |    |         |
| 2. Have TORs for key project staff been finalized and ready to advertise?                                                                                 | x   |    |         |
| 3. Have project sites been identified?                                                                                                                    | x   |    |         |
| 4. Have local communities and government offices been consulted/ sensitized on the existence of the project?                                              | x   |    |         |
| 5. Has any preliminary analysis/ identification of lessons learned/ existing activities been done?                                                        | x   |    |         |
| 6. Have beneficiary criteria been identified?                                                                                                             | x   |    |         |
| 7. Have any agreements been made with the relevant Government counterparts relating to project implementation sites, approaches, Government contribution? | x   |    |         |
| 8. Have clear arrangements been made on project implementing approach between project recipient organizations?                                            | x   |    |         |
| 9. What other preparatory activities need to be undertaken before actual project implementation can begin and how long will this take?                    | N/A |    |         |

# IRF – REVISED PROJECT DOCUMENT

# TEMPLATE 2.2



## United Nations Peacebuilding Support Office (PBSO)/ Peacebuilding Fund (PBF)

## IRF REVISED PROJECT DOCUMENT<sup>1</sup>

|                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Project Title:</b> Support to Stabilization (S2S)                                                                                                                                                                                                                                                                                                                            | <b>Initial Recipient UN Organization(s):</b> UNDP and Somalia UNMPTF National Window<br><b>Revised Recipient UN Organization(s) (if applicable):</b> N/A                                                                                                                                                                      |
| <b>Project Contact:</b> Iain Paterson<br>Address: United Nations Assistance Mission in Somalia, Mogadishu Head Office<br>Telephone:<br>E-mail : paterson@un.org                                                                                                                                                                                                                 | <b>Implementing Partner(s) – name &amp; type (Government, CSO, etc.):</b> Federal Government of Somalia, Ministry of Interior and Federalism; and State Governments; District Governments; Interim District Administrations; and Civil Society Organizations                                                                  |
| <b>Project Number:</b><br>00095366 (Gateway ID)                                                                                                                                                                                                                                                                                                                                 | <b>Project Location:</b> Somalia (Jubbaland State, South West State, Galmudug State, HirShabelle State)                                                                                                                                                                                                                       |
| <b>Project Description:</b><br>The project supports stabilization efforts, in line with the Government Stabilization Strategy, in newly recovered areas of Somalia through establishment of interim local administrations capable of leading an inclusive dialogue towards the formation of permanent and representative governance structures and of promoting reconciliation. | <b>Initial approved PBF budget:</b> US\$ 4,123,420<br><b>Additional PBF budget requested:</b> N/A<br><b>Additional Government contribution:</b> N/A<br><b>Additional Other contribution:</b> US\$ 273,058<br><b>Total PBF Project Budget Increase:</b> N/A<br><b>Total with Additional Other Contribution:</b> US\$ 4,396,478 |
|                                                                                                                                                                                                                                                                                                                                                                                 | <b>Project Start Date:</b> June 2015<br><b>Initial Project End Date:</b> December 2016<br><b>Revised End Date:</b> December 2017                                                                                                                                                                                              |
| <b>Gender Marker Score<sup>2</sup>:</b> <u>2</u>                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                               |

<sup>1</sup> Use this template ONLY if (i) there is an increase to the project budget; or (ii) if there is a substantive change to the project scope/outcomes.

<sup>2</sup>PBSO monitors the inclusion of gender equality and women's empowerment all PBF projects, in line with SC Resolutions 1325, 1888, 1889, 1960 and 2122, and as mandated by the Secretary-General in his Seven-Point Action Plan on Gender Responsive Peacebuilding.







**Project Outcomes:**

Proposed new outcomes:

**Outcome 1:** Federal, State and District-level administrations have capacity to oversee, coordinate and implement stabilization activities**Outcome 2:** An enabling environment conducive to social cohesion, trust, civic participation and development led by the community is established in accessible districts**PBF Focus Area<sup>3</sup>** which best summarizes the focus of the project (*Select only one focus area*):  
(4.2) extension of state authority/local administration

| <i>(for IRF-funded projects)</i>                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Recipient UN Organization(s)</b>                                                                                                                                                                                                           | <b>Representative of National Authorities</b>                                                                                                                                                                                                                                                                                                                         |
| <i>Michael Keating</i><br>SRS<br>UNSOM<br>Mogadishu, Somalia<br><i>Date &amp; Seal</i>                                                                                                                                                        | <i>Cabdirixman Mohamed Hussein</i><br>Minister<br>Minister of Interior and Federalism<br>Mogadishu, Somalia<br><i>Date &amp; Seal</i>                                                                                                                                                                                                                                 |
| <b>Peacebuilding Support Office (PBSO)</b>                                                                                                                                                                                                    | <b>Resident Coordinator (RC) a.i.</b>                                                                                                                                                                                                                                                                                                                                 |
| <br><i>Oscar Fernandez-Taranco</i><br>ASG for Peacebuilding Support<br>Peacebuilding Support Office,<br>UN, New York<br><i>Date &amp; Seal 27 JAN 2017</i> | <br><i>George Conway</i><br>UNDP Somalia Country Director<br>Mogadishu, Somalia<br><i>Date &amp; Seal</i><br>Digitally signed by George Conway<br>DN: cn=George Conway, o=UNDP,<br>ou=UNDP Somalia,<br>email=george.conway@undp.org,<br>c=SO<br>Date: 2017.01.19 12:53:42 +03'00' |

<sup>3</sup> PBF Focus Areas:

1: Support the implementation of peace agreements and political dialogue (Priority Area 1):

(1.1) SSR; (1.2) RoL; (1.3) DDR; (1.4) Political Dialogue;

2: Promote coexistence and peaceful resolution of conflicts (Priority Area 2):

(2.1) National reconciliation; (2.1) Democratic Governance; (2.3) Conflict prevention/management;

3: Revitalize the economy and generate immediate peace dividends (Priority Area 3);

(3.1) Employment; (3.2) Equitable access to social services

4) (Re)-establish essential administrative services (Priority Area 4)

(4.1) Strengthening of essential national state capacity; (4.2) extension of state authority/local administration; (4.3)

Governance of peacebuilding resources (including JSC Secretariats)



## **PROJECT COMPONENTS:**

### **I. Peacebuilding Context and Rationale for PBF support**

#### **a) Changes to peacebuilding context:**

The institutional, conceptual and situational context of Southern Somalia has evolved significantly since the design and launch of the Government Strategy for Stabilization in the years 2013/2014 and the subsequent inception of this project in the first half of 2014.

In the first instance, the federalization process has advanced considerably with the formation of new Federal Member States (FMS), namely the States of Jubbaland, South West, Galmudug and Hirshabelle. With this new level of governance, closer to citizens living in the concerned areas, the relationship between Government and the population is changing, offering new space for coordination and prioritization of governance interventions at the district governance level.

Additionally, in 2016 the FGS launched the Wadajir National Framework for Local Governance that articulates a four component process that articulates a process to create an enabling environment as prerequisites for launching the formation (clan-based elections) of district councils/governments. The four components are social reconciliation, peace dividends, civic engagement and local governance/district government formation. Merging the support of this Support to Stabilization project with the Wadajir Framework for Local Governance (WF) is the required and logical course of action.

In terms of territorial control and access, the offensives by the Somalia National Army (SNA) and the African Union Mission in Somalia (AMISOM) forces against Al-Shabaab (AS) have delivered mixed results. From the 25 districts targeted under the 2014 offensives, 15 are considered liberated while two, that had been liberated, have fallen back in the hands of AS. However, even in liberated areas, access and security remain challenging with some districts encircled and blockaded by AS and/or under direct threat. This situation complicates access for government and project staff as well as security on the ground, with air travel often the only option to reach certain districts. Furthermore, police deployment to the target areas has been problematic due to lack of equipment and facilities, which were expected to be provided from sources other than this project.

With the formation of the States, the Federal Government appointed District Caretaker Administrations, have been replaced by State Government appointed Interim District Administrations. This has rendered the distinction between caretaker and interim administrations less relevant and requires the project to adapt our support accordingly. Consequently, the project revision will provide for support to the transitioning of the appointed interim administrations to elected district governments. This support will be in line with the Somali Governments' Wadajir Framework on Local Governance and particularly component 4 "District Council Formation" of said Wadajir Framework.

With the formation of the States and the establishment of the WF the FGS, led by the Ministry of Interior and Federal Affairs/Federalism (MOIFA) and the State Governments, led the respective Ministries of Interior (MOIs) undertook a consultative process that resulted in the identification of 26 districts where the formation of district

councils/governments would be / is prioritized. The implementation of the WF was also prioritized in this target districts. The recently SDRF approved PBF funded Daldhis (Build Your Country) programme documents also utilizes these identified in which the programme draws its' geographic focus.

With the above articulated factors has led to an expansion of programmes into the States and priority districts. Among those are the UN Joint Programme on Local Governance (JPLG), the UN Joint Programme on Rule of Law or the UN Joint Programme on Youth Employment, which have all included the prioritized districts in the geographic scope of intervention under their 2016 to 2020 annual work plans. Important national and international actors increasingly target these areas with projects directly related to the support to stabilization. This is the case for instance of the US State Department; USAID with its ongoing TIS+ programme<sup>4</sup> and its OTI programme<sup>5</sup>; the Somalia Stability Fund, currently planning its second phase of implementation; or the European Union. These donors all support peace dividend projects, reconciliation initiatives and district council formation activities in the newly the prioritized liberated districts.

At the same time, while alternative administrative arrangements had to be put in place at the initial stages of this project; as a measure of liability<sup>6</sup>, the use of the National Window financial procedures by the project is now a reality and has shown its potential for building government reach, legitimacy and accountability. To realize this potential effort are having been implemented over the past 18 months to further improve and adjust the implementation of these procedures taking into account the reality on the ground, including the FGS launch of the Governments' Public Finance Management (PFM) policy and the corresponding State Government PFM guidelines. In addition, the PBF Ministry of Finance / UNSOM supported \$2 million funded project PIU/SFF (Somalia

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<sup>4</sup> USAID's TIS+ (Transition Initiatives for Stabilization +) aims to increase Somalia's stability through participatory processes that promote good governance and community cohesion with a continued focus on quick impact stabilization activities at the district and community levels in the newly emerging states, specifically Jubbaland and South West States at first. At the same time, TIS+ aims to support Somalia's goal of moving from crisis response and stabilization to medium and longer-term development by facilitating joint planning between community, government and private sector actors on shared goals. TIS+ boasts a funding level of US\$ 66.9 million for the period May 2015 to May 2020.

<sup>5</sup> USAID's OTI provides timely, post-military offensive interventions that address immediate recovery in communities following their liberation from al-Shabaab. It helps deliver the "security dividend" of tangible results to districts, including equipment for local administrations, youth activities, reconciliation events, etc. Activities aim to enter a new area after it is recovered from AS, and lay the groundwork for the TIS+ community-driven development model.

<sup>6</sup> The Government component of the S2S project was originally meant to be financed through the National Window whereby funds from the PBF were to go directly to the Treasury of the FGS; and structurally managed through the SDRF – UNMPTF national stream, taking advantage of the arrangements in place between the Multi-Partners Trust Fund Office (MPTF Office) and the Ministry of Finance of Somalia, as well as the exception agreed between PBSO and MPTF Office to channel PBF resources through the government National Window utilizing Government financial systems. Expenditure would then follow the processes agreed with the Central Bank. After negotiations on the appointment of a fiduciary agent initially stalled, a decision was taken in May 2015 to have the totality of the PBF funds transferred to UNDP which, in turn, would serve as managing agent for the Government funds utilizing the modality of a Letter of Agreement (LoA) between UNDP and the FGS Ministry of Interior and Federal Affairs. However, once UNDP transfers funds to the Central Bank, the Government financial procedures for project expenditures remain the same. The Federal Ministry of Interior and Federal Affairs and UNDP Somalia have now concluded that the project funding process should return to the original funds transfer modality (PBSO-Treasury of the FGS) from MPTF Office to Federal Government of Somalia effective 1 January 2017.

Financial Facility) as well as other projects have started utilizing the National Window financial support modality, testing financial flows between various governance levels and ultimately contributing to the establishment of a financially functional and accountable federal system.

The policy and conceptual framework for stabilization in Somalia has also significantly expanded since 2013/14. Firstly, at national level and as mentioned above, the *National Framework for Local Governance* or *Wadajir Framework* (WF) was officially launched by the President of Somalia on 19 March 2016 after extensive consultations led by the Federal Ministry of Interior and Federal Affairs (MoIFA) with national counterparts and relevant partners. The WF presents four separate but interconnected and complementary components – Social Reconciliation, Peace Dividends, Civic Engagement, Local Governance and a fifth cross-cutting component of Communication – as a framework to guide the process of building citizen-owned and supported inclusive local reconciliation and social cohesion efforts and related governance structures in the form of district councils in Somalia and hence contribute to achieving peace and security. It is broadly understood that the WF does not address the important sectors of security, rule of law, service delivery or economic recovery, yet the WF does incorporate the various aspects of the government's Stabilization Strategy, such as community social healing/reconciliation and support to peace committees. Furthermore, the WF does provide a sequence and additional steps for the establishment of functioning permanent local government councils and administrations. With the launch of the Framework effectively offering guiding principles and new perspectives of sustainability for ongoing stabilization efforts in the field of governance, including under this project, MoIFA and its partners have felt the need to update the Government Stabilization Strategy. While it is currently under discussion at the highest levels of Government, this revised policy is expected to move away from the military geared strategy that was predominant when it was first drafted in 2013/14. In doing so, the revised strategy will increasingly reflect the principles of engagement around community recovery and extension of state authority / accountability also adopted by the United Nations in Somalia (see below). In doing so it will address the recent establishment of the State authorities and launch of the WF, progress on the use of the National Window, revised policies and lessons learnt in relevant areas such as deployment and training of police. Given that the WF does not include programmes related to policing/rule of law and only limited socio-economic interventions, it does not represent a whole of Government approach and therefore the value of re-aligning the formal Government Strategy is to provide a capstone document to support coordination with other line ministries and stakeholders.

At the UN level, the integrated office of the RC/DSRSG has up-scaled its approach and capacity in terms of stabilization. The new Community Recovery and Extension of State Authority / Accountability (CRESTA/A) unit's approach looks at linking top down state-building with bottom up, community led recovery. As an approach, CRESTA/A represents a significant break in terms of the previous stabilization efforts, both in terms of the strategic narrative it articulates and the activities and operational aspects of the CRESTA/A unit's work. The principle supporting Somali owned and Somali led processes remains nevertheless central to the new approach.

The change is, first and foremost, in the context and intent: stabilization was based around supporting military operations led by AMISOM and Somali forces to assist the FGS and its member states in providing rapid deliverables around early recovery in

governance / peace dividends for the local population from the civilian side. As explained above, these military efforts have yielded fragile and reversible results while at the same time several Federal Member States have emerged in these areas, changing the relationship between Government (at different levels now) and the population in the districts. As a result, taking into account the changes in programmatic context (WF) and practical concerns over security, the new approach is not limited to a list of areas designated by the military but instead focusses on all areas under (nominal) control of the authorities. This is not to say military operations are disregarded, but that they represent one variable in a broader understanding of fragility and how fragility relates to community recovery and the state-building process. This in turn translates to a broad continuum and range of related programme interventions across a range of stakeholders. For the CRESTA/A unit, the main point of engagement with the FGS remains MoIFA and its state level counterparts. Aside from the Somali authorities and communities, AMISOM remains the largest actor in terms of influence and footprint in south central Somalia that CRESTA/A engages. Military operations in south central areas will continue to be a significant influence on the centre of gravity in terms of programme planning around community recovery and the continuum of programme interventions. The RC/DSRSG office acknowledges there is an expectation on CRESTA/A by key stakeholders to help support both effective policy engagement and coherence with AMISOM.

Based on these factors, three interconnected areas of engagement have been identified for the CRESTA/A unit's work; (i) *Coordination role*, (ii) *Analytical role*, and (iii) *Catalytic role*. Underpinning these three areas is the intent to promote the use of evidence based policy approach to support and inform decision making and shape programme interventions. In doing so CRESTA/A seeks to link both upstream policy coordination with community based efforts to extend the role and accountability of the state by promoting convergence in programmes to sustain progress made to date. In doing so, the overarching goal remains to support Somalis to develop social compact between citizens and their Government.

#### **b) Rationale for and impact of this project revision:**

The objective of the current project revision is twofold. Firstly, it provides increased clarity and accountability in the logical framework of the project with improved outcomes, outputs and targets, which will greatly facilitate the monitoring and reporting of the project's impact. The revision also addresses adjustments in the management of the project made necessary by the alternative administrative arrangements put in place to accommodate the issues faced in the setting-up of the National Window (see footnote above). In doing so, the intent is to promote both the principle of Somali ownership and utilize the experience and capacity gained during the initial phase of the project to enhance its overall management. Thereby moving beyond what was originally deemed appropriate during the start-up of the project to more closely match the original project concept.

Secondly, and most importantly, this revision aims to factor in the important changes in context, as described above, as well as some of the lessons learnt since the inception of the project and thereby maintain, but also increase, project relevance and impact. Issues with access and security, but also the emergence of new federal governance structures at

sub-national level, underline the need for a more clustered and sustainable approach geographically. With the further development of new, specific programmatic/conceptual frameworks for action as well as the increased number of actors active or ready to play a role in the newly liberated areas, the necessity grows for more focused, effective and catalytic interventions by the project to continue to be a central piece in stabilization efforts in Somalia. The current revision proposes to do this by creating direct linkages and aligning the project with the WF and some of its components on the one hand and the CRESTA/A approach on the other.

Concretely, this means that the project will focus on creating and supporting local district governance structures in areas of South Central Somalia recently liberated in line with the WF and the PBF Daldhis. This will entail that, in 2017, the project targets 14 of the 26 priority districts that have been identified by MOIFA and FMS MOIs. Creating and/or strengthening community-representative bodies in the government priority district areas, through a participative process and training that is in line with, the WF component 1. Creating and supporting district council formation conferences by using the existing project funding for district conference to be utilized for the pre-formation of district councils (in line with WF component 4) (originally these conferences were to transition the Caretaker Administrations to Interim Administrations). Increasing the capacity of the different levels of government in managing and coordinating stabilization effort, in particular in terms of reconciliation. The use of the National Window modality for the provision of running costs to districts will remain and be extended, with an increased role for the new State-level of governance (i.e.: the FMS), to continue contributing to building government reach, legitimacy and accountability and to establishing a financially functional and accountable federal system. Related to this, given the importance of maintaining continuity of support to fragile districts until such time when their administrations can be considered as legitimate and stable district authorities – mainly after a process of participative and representative (s)election – more flexibility will be introduced in the duration of running costs support to districts<sup>7</sup>. Indeed, one of the lessons learnt so far from the initial implementation of the project and the observation of the evolving situation on the ground is that the process of building legitimate district councils after the initial nomination of a caretaker administration cannot fit neatly into a fixed timeline with time-bound benchmarks. Rather, the progress of local authorities on the path to fully-fledged district councils should be measured in terms of their mandate and degree of legitimacy vis-à-vis their population. Hence, the project will continue to support existing and new interim administrations in South Central Somalia until other actors, either national or international, can take over support in view of the fully-fledged status of district authorities. This increase in duration and number of districts receiving running cost support will be moderated by the lowering of monthly allocations to districts based on the experience to date regarding adequate levels of funds needed for the running of district administrations (see activity description in section II a) below).

In addition, due to the lack of control over police deployment which requires greater operational, material and financial support beyond this project's capacity and reach, all support to police deployment and training will be removed from project activities in efforts to rationalize spending and impact. Similarly, support to the Ministry of Public Works will be discontinued under this no-cost extension; also noting that the objectives

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<sup>7</sup> As a reminder, a decision had already been taken by the Project Board in January 2015 and approved by PBSO to extend district administrations' running cost support from an initial 3 months up to 8 months.



of the initial support are considered reached. However, coordination with these actors, and in particular with the sectors of security and rule of law, will be ensured by MoIFA and the CRESTA/A unit under their coordination role. In this regard, it is in fact important to highlight that the project is meant to bring catalytic support to stabilization efforts in Somalia but in no way is meant to take responsibility and implement activities in all areas related to stabilization. This is also the reason why the project will continue to support building the capacity of the Government in terms of promoting reconciliation at community level, but reduce the amount of financial and operational support for the implementation of community-based reconciliation and trauma-healing activities. In this regard, it reduces the risk of duplication of effort with other stakeholders, given other important international actors such as the European Union and the US State Department are already supporting these efforts.

In addition, the project will link with the Government's WF by supporting the development of government actors' capacity – in particular MoIFA – in the implementation of activities which are explicitly part of its Social Healing, Peace Dividends and Civic Dialogues components – and of the Government Stabilization Strategy as noted above – while also contributing to its Local Governance component. The project will also fit explicitly into the CRESTA/A approach advocating for improved convergence and sequencing of programme activities. Indeed, by providing support to district administrations in recovered/fragile areas using a national window financial modality, the project is at the core of the approach in supporting efforts that merge the community recovery side (bottom up approaches) with the state authority / accountability side (more top down approaches).

## **II. Objectives of PBF support and proposed implementation**

### **a) New Project outcomes, theory of change, activities, targets and sequencing:**

As explained above in Section I b), one of the objectives of the current revision is to provide increased clarity and accountability in the logical framework of the project through improved outcomes, outputs and targets. Therefore, all the outcomes and outputs presented below are revised/new. However, in essence, the logic in the implementation strategy of the project remains unchanged with two main components. The first one equates in practice to the "Programme Enabler" or "National Component" of the original project proposal and translates now, under the updated project logical framework, into the first of the 2 new outcomes. The second component equates to the "Empowerment and Local Governance" or "UNDP Component" and is reflected in the second of the new outcomes.

It is noted that the component on "Revival of State-Citizen Social Contract through Peace Dividends" of the original project proposal is not reflected into a new outcome. This is because activities under this component are to be funded outside the project by other international donors and for this reason, the project cannot be held accountable for its achievement nor include it in a logframe meant for monitoring. However, the spirit of this component remains within the project as the community-based and representative bodies it seeks to establish in target districts will be used by international partners, such as

USAID's TIS+, for the implementation of their peace dividends programmes thanks to appropriate MoIFA and CRESTA/A coordination efforts<sup>8</sup>.

Below is the list of new Outcomes and Outputs of the project with a summary description of the activities they entail. The updated logframe further provides for targets and indicators related to each Output.

- Outcome 1: Federal, State and District-level administrations have capacity to oversee, coordinate and implement stabilization activities.

This outcome is focused on enabling the capacity by government authorities to manage and coordinate stabilization efforts. Support is entailed through the use of national funding streams, thereby strengthening accountability and legitimacy of government authorities. In effect, the outcome corresponds to the "National Window" or Component.

- Output 1.1: A coordinated and functional Stabilization team is in place at Federal and district levels

This output provides for the establishment of technical capacity at the Federal Government and district levels to undertake the planned stabilization activities through recruitment and training of staff as well as operational/logistical support.

- Output 1.2: Financial procedures for the flow of funds between the various levels of governments are implemented and allow for financial support to caretaker district administrations.

This output provides support for the oversight and accountability of transfer financial support to administration at district level (provision of running cost for district councils). Thus an external fiduciary agent will be maintained to assess the implementation of the financial management procedures developed by the Ministry of Finance

- Output 1.3: Coordination mechanisms for stabilization efforts are established with relevant stakeholders at national, state and district level

This output provides for the establishment of the coordination mechanism to undertake the support for the planned meeting and communication to ensure the relations and a defined set of roles and functions on issues pertaining to stabilization.

- Outcome 2: An enabling environment conducive to social cohesion, trust, civic participation and development led by the community is established in accessible districts.

- Output 2.1: Community representative District Peace and Stability Committees (DPSCs) are established and strengthened

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<sup>8</sup> In fact, project reporting will include information in this sense, in particular under Output Indicator 2.1.2 "“# of coordination meetings between DPSCs and peace dividend providers”".

This support provides for the establishment of the capacity building of DPSCs at district level to undertake their role as a framework for stabilizing districts through reconciliation, community meeting and training activities

- Output 2.2: Civic dialogue and consultations are held to ensure community participation in the formation of new district governing structures

This output provides support for the public awareness activities of the community on formation of district local councils through community dialogue session, district wide reconciling conferences, printed material, and radio web-based publicity/arts based publicity, (e.g., drama song art)

- Output 2.3: Interim district administration capable of addressing the community needs and enhancing citizen engagement through social contract by delivering reconciliation for all are established

This output provides for formation of local district council through provision of support to the (pre)conference for formation of district council (originally these conferences were aimed at transitioning the Caretaker Administrations to Interim Administrations), training for district administration, recompilation, public awareness

- Output 3: Project effectively managed

This last output was introduced to better reflect the management costs and implications for UNDP in oversight and manage some of the project activities, including those related to the UNDP contracting of a Third Party Monitor/Fiduciary Agent for the monitoring of funds and Governments' use of the National Window.

The PBF/IRF support will enable access for the government to immediately engage with the local communities in the newly recovered areas with proper preparation and capacity. The project will further support the outreach and dialogue process that will bring the community together to establish a system that will enable disputes to be resolved through established mechanism and resource to be shared to the neediest. This will enable the international community to catalyze their support on state building.

With the project strategy and approach basically unchanged, the Theory of Change remains valid. Through linkages and close collaboration with the authorities in charge of the WF, this project is expected to contribute to the Theory of Change laid out by the WF: "Rebuilding cohesion amongst communities, while instituting a governance mechanism trusted and desired by the population, and rebuilding a private sector that benefits all versus a select few is not something that can be accomplished in a few months. These are long-term processes. What is well known is that new efforts cannot mimic top down approaches used during past periods which proved unsuccessful. As the new FGS and the FMS / IRAs, AMISOM and bi-lateral fighters continue to gain ground and open physical space, an opportunity to 'get it right' – across all of southern and central Somalia – exists today. But to achieve this means working from the bottom up to

create a system that breaks down societal cleavages and reconstitutes the notion of working for the common good". (WF, p. 40)

**b) Revised Budget:**

The attached updated version of annex C provides detailed description of budget changes for each activity as well as amounts already expensed.

Table 1 below indicates the distribution of project budget per Output including the additional \$ 273,058 funding provided by UNDP TRAC to cover certain project management costs

**Table 1: Indicative Project Activity Revised Budget**

| Output number                                                                                                                                                           | Output name                                                                                                                                                                                                                  | Output budget by RUNO               |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
| Outcome 1: Federal, State and District-level administrations oversee, coordinate and implement stabilization activities                                                 |                                                                                                                                                                                                                              |                                     |
| Output 1.1                                                                                                                                                              | A coordinated Stabilization team is functional at Federal and district levels                                                                                                                                                | MoIFA: \$144,909<br>UNDP: \$158,679 |
| Output 1.2                                                                                                                                                              | Financial procedures for the flow of funds between the various levels of governments are implemented and allow for financial support to caretaker district administrations                                                   | MoIFA: \$577,177                    |
| Output 1.3                                                                                                                                                              | Coordination mechanisms for stabilization efforts are established with relevant stakeholders at national, state and district level<br><br>National, state and district level stakeholders coordinating stabilization efforts | MoIFA:<br>UNDP:                     |
| Outcome 2: An enabling environment conducive to social cohesion, trust, civic participation and development led by the community is established in accessible districts |                                                                                                                                                                                                                              |                                     |

|            |                                                                                                                                                                                 |                                       |
|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| Output 2.1 | Community representative District Peace and Stability Committees (DPSCs) are established and strengthened                                                                       | MolFA: \$ 62,528                      |
| Output 2.2 | Civic dialogue and consultations are held to ensure community participation in the formation of new district governing structures                                               | MolFA: \$ 300,434                     |
| Output 2.3 | District administration capable of addressing the community needs and enhancing citizen engagement through social contract by delivering reconciliation for all are established | MolFA: \$ 367,451<br>UNDP: \$ 161,639 |
| Output 3   | Project effectively managed                                                                                                                                                     | UNDP: \$ 1318658                      |
| Total      |                                                                                                                                                                                 | \$ 4,396,478                          |

The next table provides information on the changes to the project budget per category and per component ("National" and "UNDP"). It must be noted that the amounts only refer to PBF funding and do not take into account additional funding provided by UNDP TRAC and PPP.







Table 2: Project budget by UN categories by RUNO

|                                                                |                    |                  |                    |                    |                    |                    |                    |             |                    |
|----------------------------------------------------------------|--------------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------|--------------------|
|                                                                |                    |                  |                    |                    |                    |                    |                    |             |                    |
| 1. Staff and other personnel                                   | \$894,600          | \$118,700        | \$1,013,300        | \$151,008          | \$175,913          | \$326,921          | \$1,045,608        | \$294,613   | \$1,340,221        |
| 2. Supplies, commodities, and materials                        | \$842,900          | \$82,500         | \$925,400          | \$425,539          | (\$175,913)        | \$249,625          | \$1,268,439        | (\$93,413)  | \$1,175,025        |
| 3. Equipment, vehicles, and furniture (including depreciation) | \$0                | \$50,000         | \$50,000           | \$0                | \$0                | \$0                | \$0                | \$50,000    | \$50,000           |
| 4. Contractual services                                        | \$0                | \$593,087        | \$593,087          | \$1,231,065        | (\$870,000)        | \$361,065          | \$1,231,065        | (\$276,913) | \$954,152          |
| 5. Travel                                                      | \$150,000          |                  | \$150,000          | \$71,348           |                    | \$71,348           | \$221,348          | \$0         | \$221,348          |
| 6. Transfers and grants to counterparts                        | \$0                | \$0              | \$0                | \$0                | \$0                | \$0                | \$0                | \$0         | \$0                |
| 7. General operating and other direct costs                    | \$0                | \$25,713         | \$25,713           | \$87,205           | \$0                | \$87,205           | \$87,205           | \$25,713    | \$112,918          |
| Sub-Total Project Costs                                        | \$1,887,500        | \$870,000        | \$2,757,500        | \$1,966,164        | (\$870,000)        | \$1,096,164        | \$3,853,664        | \$0         | \$3,853,664        |
| 8. Indirect Support Costs                                      | \$0                | \$0              | \$0                | \$269,756          | \$0                | \$269,756          | \$269,756          | \$0         | \$269,756          |
| <b>TOTAL</b>                                                   | <b>\$1,887,500</b> | <b>\$870,000</b> | <b>\$2,757,500</b> | <b>\$2,235,920</b> | <b>(\$870,000)</b> | <b>\$1,365,920</b> | <b>\$4,123,420</b> | <b>\$0</b>  | <b>\$4,123,420</b> |

- c) **Capacity of any new RUNO(s) and implementing partners:**

### III. Management and coordination

- a) **Project management:** *This section outlines any changes to the project management and coordination system and the rationale for it.*

While under the original proposal, project activities under the responsibility of UNDP Somalia were meant to be managed and implemented by the teams of two projects under its portfolio, namely the Community Security Project and the Local Governance Project, the UNDP Country Office was required to establish a dedicated team in order to manage and guide the implementation of the national window funds given the temporary arrangements agreed with MoIFA and PBSO. A return to the “fully-fledged” national window modality is agreed but the need for a UNDP team to provide guidance in implementation and quality insurance will remain, justifying its upholding during the length of the project.

- b) **Risk management:** *This section outlines any new risks, their likelihood and risk management strategies. Please reflect these in the table below. Please include any new Do No Harm issues in selecting specific target groups and geographic areas.*

c) **Risk management:** This section outlines any new risks, their likelihood and risk management strategies. Please reflect these in the table below. Please include any new Do No Harm issues in selecting specific target groups and geographic areas.

**Table 3 – Risk management matrix**

| Stabilization Project - Risk Analysis         |                                                                                                                                                                                                                                                   |                                                                                         |                                                                                                                                                                                                                                                                                                         |                         |                                                                                                                                                                                                                                                                                                                                    |
|-----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Risk                                          | Risk Analysis                                                                                                                                                                                                                                     | Likelihood (*)                                                                          | Impact/<br>Consequences (**)                                                                                                                                                                                                                                                                            | Risk rating             | Mitigating Strategy                                                                                                                                                                                                                                                                                                                |
| <b>"Enabler" FGS Budget Support Component</b> |                                                                                                                                                                                                                                                   |                                                                                         |                                                                                                                                                                                                                                                                                                         |                         |                                                                                                                                                                                                                                                                                                                                    |
| Political risks<br>(Contextual)               | Elections, state formations, and the establishment of a new government in Mogadishu, may lead to increased political uncertainty. With the recent creation of Federal Member States, coordination between FGS and this level might be problematic | Possible (3)                                                                            | Moderate (3)<br><br>Implications for the project<br>- Slow delivery of the programs<br>- additional demands from new administrations (FGS, FMS and District) may slow the pace of project delivery.<br>- increased cost for project implementation due the engagement of different levels of government | Risk rating (9)<br>High | The project will closely coordinate with the FGS (MOIFA) and FM States (MOIs) on their agreed joint meetings to ensure the engagement of the all level and the management of stabilization efforts<br>The project will also communicate with the project partners and other joint programme and coordinate the mitigation efforts. |
| Misappropriation of funds                     |                                                                                                                                                                                                                                                   | Activities and payments might be difficult to control especially in the newly recovered | High                                                                                                                                                                                                                                                                                                    |                         | As in the Last year the project will engage third party monitor/fiduciary to implement and monitor and scrutinize the project funds on behalf of UN agencies.                                                                                                                                                                      |

|                                                     |                                                                                                                                                                                                                       |                     |                                                                                                                                                                              |                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-----------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                     |                                                                                                                                                                                                                       | areas.<br>(Medium). |                                                                                                                                                                              |                           | UNDP Project Staffs will work closely and support MOIFA at EGS level in management of project financial flow and as well as will support Third Party Monitor/Fiduciary Agent to assess whether and to what extent project funds have been administered according to the criteria agreed to by the donor and the recipient in line with the UN Peacebuilding Fund Support Office (PBSO).                                                                                                            |
| Operational risks<br>(Category:<br>Operational)     | There is a possibility that government officials not have enough capacity experience in their mandate to deployment and training and well as basic functionality in district (equipment, buildings, transport, etc.). | Unlikely (2)        | Moderate (3)<br><br>Delay of sending quarterly narrative reports<br>- Insufficient provision of financial supporting<br>- Poorly managed to PBSO agreed financial procedures | Risk rating (6)<br>Medium | The project is providing capacity building development activities to all duty bearers at federal and district level and are leading the stabilization and governance structure in the district to contribute to the project's goal and to enhance operational and technical capacity of the duty bearers.<br><br>(How will the project contribute to strengthen basic functionality????<br>Perhaps you may need to mention specific capacity building activities that are relevant to the project. |
| Unclear or untraceable expenditure<br>(Operational) | Explain the environment and the circumstances this may happen, and why (i.e. lack of internal controls, lack of the systems, and the capacity)                                                                        | Likely (4)          | Moderate (3)                                                                                                                                                                 | Risk rating 12<br>(high)  | Share standardized voucher form and provide budget<br>The project will provide training on the financial management, templates, monitoring activities, spot checkered)                                                                                                                                                                                                                                                                                                                             |
| UNDP Component                                      |                                                                                                                                                                                                                       |                     |                                                                                                                                                                              |                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Security risk<br>(Contextual)                       | Restricted of access to targeted areas remains an issue with certain districts circled and blockaded by Al-Shabaab and/or under direct threat                                                                         | Likely (4)          | Major (4)<br>Implications on the project<br>- Slow delivery of the programs                                                                                                  | High (16) High            | The project closely coordinates with UN Department of Safety and Security (UNDSS) and its counterparts and partners, where                                                                                                                                                                                                                                                                                                                                                                         |

|  |                                                                                                                                                                                                                                                                        |  |                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>As in the last year the project remained with negotiation with competent UN authorities the provision of UN/AMISOM facilitated air transport to areas where no public transport is available but minimum security conditions exist to allow for such transport.</p> |  | <p>- increased cost of the programs due to additional resources required to upgrade offices (MOSS) and accommodations (MORSS), armoured vehicles, re-scheduling activities, organizing high level activities out of the country etc. therefore less funds allocated to programmatic activities</p> <p>- risk of sub-standard quality of data and project implementation on the ground</p> | <p>possible, in teams to implement and monitor activities.</p> <p>The project will use other safe locations to conduct project activities (whenever possible) and will plan the activities well in advance in order to ensure timely and proper security measures to be undertaken. Please see below</p> <p>While we can have little influence at this contextual level, there are measure as that can be under the control of the UN/WB or Government at the programme and operations level to mitigate the risk and continue implementation of programs and projects. Such measures include:</p> <ol style="list-style-type: none"> <li>1. Closely coordinate the activities with the Security, UNPOL, AMISOM and government counterparts at different levels, as well as other partners; (UN/WB respectively - programs and projects, monitoring missions etc.)</li> <li>2. Whenever possible, in some instances activities, meetings, workshops take place within the secured locations, or out of the country (high level activities); (program operations)</li> <li>3. Outsourced monitoring of activities - third party monitoring;</li> <li>4. GPS monitoring of the activities</li> <li>5. Security cost embedded in the project/program budget development to ensure sufficient funds are allocated to support security related support, which enable continuity of the programs and projects.</li> </ol> |
|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                            |                                                                                               |              |                                                                                          |                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|--------------|------------------------------------------------------------------------------------------|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                            |                                                                                               |              |                                                                                          |                           | 6. Recruitment of security advisers (Support to Electoral Process) for national security electoral operational planning and execution (program level)<br>7. More engagement with CSOs; (programs and projects)<br>8. More funds allocated through the national systems (NFS) - transferring greater implementation responsibilities to Somali partners (UN)                                                                                       |
| Project delay due to political dispute among the communities (Operational) | Situation analysis to be provided                                                             | Likely (4)   | Moderate (3)                                                                             | Risk rating (12)<br>High  | Rushed conclusion of results will negatively affect the peace in long run. It is better to limit the funding and give time for local process to mature.<br>(what mitigation measures shall the project undertake in order to reduce the residual risk? – i.e. monitoring the activities, additional support required to implement the activities in order to ensure the implementation of the activities within the duration of the project etc.) |
| Exclusion of some marginal groups (Operational)                            | To be explained why this may happen considering gender, physically challenged and minorities) | Possibly (3) | Major (4)<br><br>this will have inter communal conflict if some the marginal groups left | Risk Rating (12)<br>High  | Extensive local assessment and intervention<br><br>What mitigation measures does the project foresee to be undertaken in order to include the marginal groups to benefit from the project???                                                                                                                                                                                                                                                      |
| UNSO Component                                                             |                                                                                               |              |                                                                                          |                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| local communities fail to embrace caretaker administrators (operational)   | Situation analysis to be described here                                                       | Possibly (3) | Major (4)<br><br>This will have a financial and time impact on the                       | Risk rating (12)<br>High) | What specific mitigation measures the project will require in addition to financial resources                                                                                                                                                                                                                                                                                                                                                     |

|                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |              |                                                                                                                                                                                                                                                                                                                                                                                          |                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |              | project as more time and resource for community consultation and reconciliation will be required                                                                                                                                                                                                                                                                                         |                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Misappropriation of funds (operational) | In the Somalia context this risk This risk is assessed as High (Risk Score of [16]) and trajectory remains steady. While it is assessed that the likelihood of diversion occurring is Likely, at this stage, there is no evidence suggesting that funds are being diverted. That said, all identified drivers of such fiduciary risks (see monitoring plan) remain extant and increased disbursements have the potential to provide incentives for diversionary activities. Implementation of some preventive measures may offset reputational or partner management (organization/ stakeholder/donor) risk | Possible (3) | Major (4)<br>•Failure to meet project/fund objectives (Funds do not meet intended beneficiaries)<br>•Potential Reputational risks to Fund Administrators in potential mismanagement of public funds, donors for failing to monitor, and government for failing to implement transparent measures and systems.<br>•Potential donor backlash for failure to implement preventive measures. | Risk rating (12)<br>High | All expenditure will be closely scrutinized in the High Level Partnership Forum<br>•Continued development towards building government capacity with regards to financial management procedures, but seek innovative short and medium term solutions to maintain transparency and limit vulnerability.<br>• Information sharing between fund recipients and fund administrators in recording of fraud cases and other indicators<br>•Continued monitoring and project reporting including remote monitoring supported by harmonized TPM approaches<br>• Increased messaging and training in due diligence and fraud reporting across the aid community in Somalia, including government<br>Information sharing between fund recipients of best practices in fraud detection/reporting and enhanced due diligence procedures<br>• Sustained / Tailored risk management technical assistance to IPs (UN agencies, NGOs) |
| Delays in establishing systems          | Situation analysis that may cause the risk – what are the risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Possible (3) | Major (4)<br>This will have time                                                                                                                                                                                                                                                                                                                                                         | Risk rating (12)<br>High | Alternative mechanisms will be required for CA and IA to access funds for local                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

|                                                       |          |  |                                                                                        |  |                                                           |
|-------------------------------------------------------|----------|--|----------------------------------------------------------------------------------------|--|-----------------------------------------------------------|
| for funds flow to regions/district levels (strategic) | sources? |  | impact on the implementation and intended use of National window will not be effective |  | administrations<br>What alternative mechanisms – explain. |
|                                                       |          |  |                                                                                        |  |                                                           |

Risk Category: Contextual, Strategic, Operational

Likelihood: Rare (1), Unlikely (2), Possibly (3), likely (4) and Very Likely (5)

Consequences: Insignificant (1), Minor (2), Moderate (3), Major (4), Extreme (5)



See attached annex: UNDP Format M&E Plan.

**d) Administrative arrangements:**(This section uses standard wording – please do not remove)

The UNDP MPTF Office serves as the Administrative Agent (AA) of the PBF and is responsible for the receipt of donor contributions, the transfer of funds to Recipient UN Organizations, the consolidation of narrative and financial reports and the submission of these to the PBSO and the PBF donors. As the Administrative Agent of the PBF, MPTF Office transfers funds to RUNOS on the basis of the signed Memorandum of Understanding between each RUNO and the MPTF Office.

**AA Functions**

On behalf of the Participating Organizations, and in accordance with the UNDG-approved “Protocol on the Administrative Agent for Multi Donor Trust Funds and Joint Programmes, and One UN funds” (2008), the MPTF Office as the AA of the PBF will:

- Disburse funds to each of the RUNO in accordance with instructions from the PBSO. The AA will normally make each disbursement within three (3) to five (5) business days after having received instructions from the PBSO along with the relevant Submission form and Project document signed by all participants concerned;
- Consolidate narrative reports and financial statements (Annual and Final), based on submissions provided to the AA by RUNOS and provide the PBF consolidated progress reports to the donors and the PBSO;
- Proceed with the operational and financial closure of the project in the MPTF Office system once the completion is notified by the RUNO (accompanied by the final narrative report, the final certified financial statement and the balance refund);
- Disburse funds to any RUNO for any costs extension that the PBSO may decide in accordance with the PBF rules & regulations.

**Accountability, transparency and reporting of the Recipient United Nations Organizations**

Recipient United Nations Organizations will assume full programmatic and financial accountability for the funds disbursed to them by the Administrative Agent. Such funds will be administered by each RUNO in accordance with its own regulations, rules, directives and procedures.

Each RUNO shall establish a separate ledger account for the receipt and administration of the funds disbursed to it by the Administrative Agent from the PBF account. This separate ledger account shall be administered by each RUNO in accordance with its own regulations, rules, directives and procedures, including those relating to interest. The separate ledger account shall be subject exclusively to the internal and external auditing procedures laid down in the financial regulations, rules, directives and procedures applicable to the RUNO.

Each RUNO will provide the Administrative Agent and the PBSO (for narrative reports only) with:

- Bi-annual progress reports to be provide no later than 15 July;

- Annual and final narrative reports, to be provided no later than three months (31 March) after the end of the calendar year;
- Annual financial statements as of 31 December with respect to the funds disbursed to it from the PBF, to be provided no later than four months (30 April) after the end of the calendar year;
- Certified final financial statements after the completion of the activities in the approved programmatic document, to be provided no later than six months (30 June) of the year following the completion of the activities.
- Unspent Balance at the closure of the project would have to be refunded and a notification sent to the MPTF Office, no later than six months (30 June) of the year following the completion of the activities.

### **Ownership of Equipment, Supplies and Other Property**

Ownership of equipment, supplies and other property financed from the PBF shall vest in the RUNO undertaking the activities. Matters relating to the transfer of ownership by the RUNO shall be determined in accordance with its own applicable policies and procedures.

### **Public Disclosure**

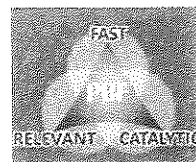
The PBSO and Administrative Agent will ensure that operations of the PBF are publicly disclosed on the PBF website (<http://unpbf.org>) and the Administrative Agent's website (<http://mptf.undp.org>).

| IRF Revised Results Framework                                                                                                                                                                                                                                                                                        |                                                                                                                           |                                                                                                                                                                                   |                  |        |        |            |  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|--------|--------|------------|--|
| Country name: Somalia                                                                                                                                                                                                                                                                                                |                                                                                                                           |                                                                                                                                                                                   |                  |        |        |            |  |
| Project Effective Dates: 01 January 2016 – 31 December 2017                                                                                                                                                                                                                                                          |                                                                                                                           |                                                                                                                                                                                   |                  |        |        |            |  |
| PBF Focus Area: Somalia (Jubbaland State, South West State, Galmudug State, HirShabelle State)                                                                                                                                                                                                                       |                                                                                                                           |                                                                                                                                                                                   |                  |        |        |            |  |
| IRF Theory of Change:                                                                                                                                                                                                                                                                                                |                                                                                                                           |                                                                                                                                                                                   |                  |        |        |            |  |
| Outcomes                                                                                                                                                                                                                                                                                                             | Outputs                                                                                                                   | Indicators                                                                                                                                                                        | Progress to date | Year 1 | Year 2 | Milestones |  |
| <b>Original Outcome 1:</b><br><br>Federal, State and District-level administrations have capacity to oversee, coordinate and implement stabilization activities<br><br><b>Revised Outcome 1:</b><br><br>Federal, State and District-level administrations oversee, coordinate and implement stabilization activities |                                                                                                                           | <b>Outcome Indicator 1 a</b><br><br>Existence of a National Window for the flow of funds between the various levels of government (Y/N)<br><br>Baseline: N<br>Target: Y           |                  |        |        |            |  |
|                                                                                                                                                                                                                                                                                                                      |                                                                                                                           | <b>Outcome Indicator 1 b</b><br>Value (in \$) of resources channeled through the national window.<br><br>Baseline: \$0<br>Target: \$100,000                                       |                  |        |        |            |  |
|                                                                                                                                                                                                                                                                                                                      |                                                                                                                           | <b>Outcome Indicator 1c</b><br><br>Baseline:<br>Target:                                                                                                                           |                  |        |        |            |  |
|                                                                                                                                                                                                                                                                                                                      | <b>Original Output 1.1</b><br>A coordinated and functional Stabilization team is in place at Federal and district levels. | <b>Output Indicator 1.1.1</b><br># of Staff at district and federal level in place to support stabilization.<br><br>Baseline: Target: 1 staff per district and 5 at Federal level |                  |        |        |            |  |
|                                                                                                                                                                                                                                                                                                                      | <b>Revised Output 1.1</b><br>A coordinated Stabilization team is functional at Federal and district levels                | <b>Output Indicator 1.1.2</b><br>Frequency of activity reports by staff working on stabilization<br><br>Baseline: 0                                                               |                  |        |        |            |  |
|                                                                                                                                                                                                                                                                                                                      |                                                                                                                           |                                                                                                                                                                                   |                  |        |        |            |  |



[illegible]









## United Nations Peacebuilding Support Office (PBSO)/Peacebuilding Fund (PBF)

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                      |                     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <b>Project Title:</b> Support to the Federal Government of Somalia in Stabilization in Newly Recovered Areas                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>Recipient UN Organization(s):</b> UNDP and Somalia UNMPTF National Window                                                                                                                                         |                     |
| <b>Project Contact:</b> Sofia Carrondo<br>Address: United Nations Assistance Mission in Somalia, Mogadishu Head Office<br>Telephone:<br>E-mail: carrondo@un.org                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>Implementing Partner(s) – name &amp; type (Government, CSO, etc):</b> Federal Government of Somalia, Ministry of Interior and Federalism; UNDP (in partnership with civil society organisations and women groups) |                     |
| <b>Project Number:</b><br><i>To be completed by UNDP MPTF Office</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>Project Location:</b> South Central Somalia                                                                                                                                                                       |                     |
| <b>Project Description:</b><br>The project will support the FGS in its stabilization efforts in the newly recovered areas, through establishment of caretaker and interim local administrations capable of leading an inclusive dialogue towards the formation of governance structures and promoting reconciliation.                                                                                                                                                                                                                                                                                  | <b>Total Project Cost:</b><br><b>FGS Stabilisation Strategy:</b>                                                                                                                                                     | <b>\$28,600,000</b> |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Peacebuilding Fund:                                                                                                                                                                                                  | \$4,205,295         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Government Input:                                                                                                                                                                                                    | \$1,700,000         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Others:                                                                                                                                                                                                              | \$6,020,000         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>Total:</b>                                                                                                                                                                                                        | <b>\$11,925,295</b> |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>Shortfall:</b>                                                                                                                                                                                                    | <b>\$16,688,705</b> |
| <b>Gender Marker Score<sup>1</sup>:</b> <u>2</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                      |                     |
| <b>PBF Outcomes<sup>2</sup></b> (from an existing National Planning Framework or, if it does not exist, then PBF specific/ related to peacebuilding): PBF Outcomes across 2.1, 2.2 and 2.3<br>To deliver tangible and visible peace dividends to all Somali citizens<br><b>Milestones:</b> <ol style="list-style-type: none"> <li>1. Four stabilisation programmes endorsed and discussion with development partners on alignment behind these programmes;</li> <li>2. Action plans for agreed geographic priority areas finalised</li> <li>3. Implementation of agreed workplans initiated</li> </ol> |                                                                                                                                                                                                                      |                     |
| <b>Project Outputs and key Activities:</b> Caretaker Administration is established in the 25 newly recovered areas that will oversee the peaceful establishment of interim local administration through inclusive dialogue process, including through empowerment of youth and women; initial law enforcement presence in newly recovered areas ensured.                                                                                                                                                                                                                                               |                                                                                                                                                                                                                      |                     |

<sup>1</sup> The PBSO monitors the inclusion of women and girls in all PBF projects in line with SC Resolutions 1325, 1612, 1888, 1889.

## PROJECT DOCUMENT COVER SHEET

| <i>(for IRF-funded projects)</i>                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Recipient UN Organization(s)</b></p> <div style="text-align: center; margin-top: 20px;">  </div> <p>Nicholas Kay<br/>SRSG<br/>UNSOM<br/>Mogadishu, Somalia<br/>19 November 2014</p>                                              | <p><b>Representative of National Authorities</b></p> <div style="text-align: center; margin-top: 20px;">  </div> <p>Abdullahi Godah Barre<br/>Minister<br/>Minister of Interior and Federalism<br/>Mogadishu, Somalia<br/>19 November 2014</p> |
| <p><b>Peacebuilding Support Office (PBSO)</b></p> <div style="text-align: center; margin-top: 20px;">  </div> <p>Oscar Fernandez-Taranco<br/>ASG for Peacebuilding Support<br/>Peacebuilding Support Office, NY<br/>November 2014</p> | <p><b>Resident Coordinator (RC)</b></p> <div style="text-align: center; margin-top: 20px;">  </div> <p>Philippe Lazzarini<br/>DSRSG/RC/HC/RR<br/>UNSOM<br/>Mogadishu, Somalia<br/>19 November 2014</p>                                        |



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## SECTION 1: (The “WHY”)

### **a) Situation analysis and problem statement, financial gap analysis and assessment of critical peacebuilding needs**

#### a1) General

Somalia's eight years of political transition ended in September 2012 when the 825 members of the Constituent Assembly, including the 24% women members, adopted the new provisional Federal Constitution of the Federal Republic of Somalia, the selection of the new Parliament, and the inauguration of President Hassan Sheikh Mohamud. The end of the transition ushered in a period of opportunity and great optimism in Somalia. The interim period (2012-2016) is widely seen as the best chance in a generation for sustainable peace and development in Somalia. It presents a new phase of peace consolidation, leading to finalization of a permanent Constitution and conduct of elections by 2016.

The Federal Government of Somalia (FGS) and the international community formally endorsed the Somali Compact at the Brussels Conference in September 2013. The Compact reflects the priorities for the period 2013-2016 under five Peacebuilding and Statebuilding Goals (PSGs).

Based on the New Deal principles of engagement, the priorities and principles presented in the Compact were developed on the basis of consultations with citizens, at the national level and with international partners. Citizens, civil society and parliament were consulted in Mogadishu, Baidoa, Galkayo and Garowe, culminating in a multi-stakeholder consultative meeting (September 2013) in Mogadishu, where validation of the Compact took place. The international community was part and parcel of providing support and input.

The Compact presents specific priorities drawn from the Six Pillar Programme of the FGS, and further defined through consultative processes. It also reflects Puntland's commitment to contribute to peaceful, just and productive life for the whole of Somalia and its top priorities, drawn from the Puntland's second Five-year Development Plan. The Compact incorporates a Special Arrangement for Somaliland, which represents Somaliland's PSG priorities and is the result of several consultations. These priorities are framed by the five Peacebuilding and Statebuilding Goals (PSGs) of the New Deal and represent agreement on what is required to move towards peace and recovery. **The Compact aims to foster the resilience of Somali people and institutions, restoring the Somali people's trust in the state and its ability to protect and serve their basic needs for inclusive politics, security, justice, an economic foundation and revenue and services, in full respect of human rights.**

Gender is crosscutting within the New Deal Compact, in recognition of women's crucial roles in Somali society as peace-builders, economic actors, and centrality to the promotion of community stability and social cohesion. However, women have a circumscribed role and face specific challenges due to religious and clan based systems, the impact of conflict and the humanitarian crisis. The Compact commits to enhancing women's roles in Somali society and specifically spells out the need that 'key interventions will ensure equitable participation of women, youth and other marginalized groups in national political processes, and should respond directly to the acute challenges contributing to sustained gender disparities across multiple sectors.' It further commits to 'address contributing factors perpetuating gender inequality through strategic priorities under all PSGs, including emphasis on improved participation in political and decision-making fora, access to justice and protection from sexual and gender-based violence, economic empowerment, and access to basic services such as health and education, particularly for the most vulnerable populations e.g. female-headed households.'

In addition, the FGS convened a Vision 2016 Conference in Mogadishu (September 2013) to advance the political process by engaging the Somali people on the constitutional review and the process of transitioning to democratic legitimacy. The FGS is currently finalising the framework for action for implementation of the Vision 2016. Furthermore, following the formation of the new cabinet in February 2014, the FGS developed its workplan for 2014, which is aligned with the Compact.

The challenges that Somalia faces are complex, multifaceted and differ according to various political, social and regional contexts. The strategy to address these challenges and effectively lead Somalia on a path of recovery, development and durable peace, must include: focused and committed leadership, solid government structures capable of delivering basic services, peoples' trust, mediation and community participation, sound civic dialogue, and good and friendly international relations based on mutual respect.

Substantive progress has been made since 2012 in tackling the different challenges faced by Somalia, the political and security gains of the post transition period are real, but require consolidation. Much of the country, especially rural areas, is still under the influence of Al-Shabaab, while recently recovered areas, including several blockaded towns, are extremely volatile. The human rights situation remains concerning, although the Government has committed to building its capacity to protect the rights of its citizens.

In regards to the socio-economic situation<sup>3</sup>, Somalia is one of the poorest countries in the world; about 43% of the population lives on less than 1 US dollar a day, about 24% of those found in urban areas and 54% live in rural areas<sup>4</sup>. However, despite experiencing civil unrest, Somalia has maintained a relatively healthy informal economy, based mainly on livestock, remittance/money transfer companies and telecommunications. In 2012 over 2 million Somalis faced acute food insecurity, of which 73% resided in the South<sup>5</sup>. Most Somalis live in rural areas and only 7% of those have access to water sources; only 23% have access to sanitation facilities<sup>6</sup>. The nutritional status of the population is very poor.

In addition to gender disparities across socio-economic indicators, demonstrating the disadvantaged situation of women, youth are also disadvantaged. Over 70% of the population is under 30 years old, and most of those youth have not received proper education, skills training or employment, leaving them poorly equipped to engage in social and economic activities and extremely vulnerable to be mobilised to the armed conflict. Almost one-third of young women is neither in school nor employed<sup>7</sup>.

The humanitarian situation remains dire, with a sizable number of Somalis continuing to require life-saving assistance. Delivery of assistance is made difficult due to limited access and endemic threats. In addition, there are an estimated 1.1 million internally displaced Somalis and one million Somalis registered refugees in neighbouring countries<sup>8</sup>.

The Somalia conflict analysis undertaken by Ken Menkhaus (January 2013) identified a number of underlying factors and causes of conflict in Somalia. **Contestation over state resources and power has consistently been a major underlying factor in the armed conflict in Somalia.** Resource scarcity in the countryside, exacerbated by reduced mobility and access, is another driver of communal conflict over pasture and wells. Outstanding disputes over land and property in both rural areas and in cities are serious and are linked to wider unresolved debates over identity, rights, and land. The political and economic dominance of some clans are also conflict drivers.

<sup>3</sup>Source: Human Development Report <add year/reference>, Somalia Economic Recovery Plan.

<sup>4</sup>Source: Central Bank of Somalia – Economy and Finance, 2011

<sup>5</sup>Source: UNOCHA 2012

<sup>6</sup>Source: Human Development Index 2012

<sup>7</sup>Source: Human Development Report 2012

<sup>8</sup>See below for information on the humanitarian impact of the military offensive.

The mentioned analysis further indicates that clannism is not a conflict driver per se, but manipulation of clans by political entrepreneurs has consistently contributed to armed conflict. Furthermore, the protracted nature of the Somali crisis has produced a political economy in which others have an interest in perpetuating conditions of lawlessness and disorder. Moreover, the analysis identified **the selection or election of leadership of local and national governmental institutions as a potential trigger of armed conflict**, while the introduction of new and valuable resources also has the potential to spark conflicts.

Thus, the conflict analysis underlines the paramount importance of governance and statebuilding for the peace consolidation in Somalia.

#### a2) Stabilisation

The last two years have seen major strides in the Somalia stabilisation process. Major security gains in Somalia over this period created an enabling environment for the successful completion of the transitional period and the establishment of the Federal Government of Somalia. These developments presented a strategic opportunity for the international community to support the Federal Government of Somalia to consolidate the peace process. The new political reality and the military gains against the Al Shabaab, such as their ejection from Mogadishu in August 2011 and from Kismayo in October 2012, provided the Federal Government of Somalia, the African Union (AU) and the international community with a strategic opportunity to consolidate the political and security gains made thus far, by investing in the restoration and extension of state authority through effective governance, rule of law and the delivery of peace dividends.

Against this background, and following the adoption of the UN Security Council Resolutions 2073(2012) and 2124(2013), the Somalia National Army (SNA) forces and the African Union Mission in Somalia (AMISOM) have, in March 2014, renewed offensives to retake control of the territory from Al-Shabaab. To date, the offensives have recovered 8 districts, Waajid, Xudur, Rab Dhuure (Bakool), Bulo Burto, Mahaas (Hiraan), Ceel Buur (Galgadud), Warsheikh (Middle Shabelle), and Qoriyoley (Lower Shabelle).

In parallel, the government developed and presented a strategy for stabilisation (Annex A), focusing on the establishment of administrations, initiating the process of dialogue and reconciliation and addressing immediate needs in each location.

The government strategy envisages a gradual process for the establishment of temporary administrations and law enforcement, coupled with establishment of a reconciliation and dialogue process with citizens, through the establishment of District Peace and Stability Committees (DPSCs).

The action plan derived from the strategy also identifies immediate support needs for the functioning of the administration, as well as the addressing citizens' immediate needs and urgent infrastructure needs (such as administrative buildings and police stations).

This strategy and the action plan have been presented to the international community and discussed with partners, in order to ensure coordination of efforts. To date, several partners have pledged support, mainly for community level projects, in different locations.

One month after the military operations have been initiated, six regions had been directly impacted: Bakool, Galgaduud, Gedo, Hiraan, Lower and Middle Shabelle. To date, the situation remains fluid with continued reports of temporary movements. According to UNHCR, between 40,000 to 44,000 persons have been on the move since the start of the offensive. Reports from humanitarian partners and local authorities indicate that people have returned to some towns, which they had left as a precautionary

measure, for example, in Bulo Burto and Maaxas in Hiraan region and Waajid in Bakool region. Al Shabaab continues to restrict movement of people and control of supply routes to most of the recovered areas, according to local authorities and humanitarian partners. This has negatively impacted the availability of basic commodities in local markets in Bulo Burto, Burr Dhuubo, Rab Dhuure, Waajid and Xudur and has resulted in an uptake in prices of food items and other consumables. According to local authorities, shallow wells had been filled with sand and cement and mines planted around borehole generations.

## **B) Project (Portfolio) Justification**

Regaining territorial control is paramount for the extension of State authority and the establishment of a peaceful Somalia, providing opportunities to all its citizens. To this aim, the military gains must be accompanied by extension of state apparatus to the citizens, coupled with reconciliation and dialogue, leading to the formation of governance structures.

For the FGS, administration of these areas raises fundamental and unresolved questions about federalism and decentralization, and over who holds authority to form local governments in liberated zones. For local communities, newly liberated areas offer the promise of prosperity and peace, after years of Shabaab control, but may also ignite tensions over competing clan claims on towns and cities.

This brings a triple challenge of (i) developing state structures and presence in each district; (ii) initiating the process of reconciliation and dialogue and (iii) addressing immediate needs of the population.

The government strategy to address these three challenges is progressive and based upon the immediate deployment of administration, coupled with a process of dialogue and reconciliation which is linked to the establishment of governance structures complemented by the implementation of community based projects, as well as refurbishment of basic administrative infrastructure<sup>9</sup>.

The strategy envisages the immediate nomination and deployment of a caretaker administration, which will lay the foundation for establishing an interim administration. The interim administration will then lead to the establishment of a permanent local administration. This process is envisaged through creating space for inclusive dialogue and reconciliation, through the establishment of District Peace and Stability Committee (DPSC).

The FGS conducted a process for identification and nomination of the members of caretaker administrations. Where, pre-existing legitimate administrations existed (for example in Xudur), these are being reinstated. The FGS efforts in deployment of these administrations have been seriously hindered by the lack of resources for their training, deployment, and basic functionality in the district (equipment, buildings, transport, etc.). At the end of May, the training of the members of the caretaker administration was completed. Currently, administrations are in place in Xudur, Waajid, Warsheikh, Qoriooley and Bulo Burto.

In parallel, efforts are ongoing to ensure the deployment of a basic civilian law enforcement capacity. The approach is to deploy 10 officers of the existing force (2 commanders and 8 field officers) of the Somalia Police Force (SPF), and to locally recruit 35 community security officers in each districts. This would then be followed by a structure build-up of police force, ensuring that the force is built from local agents, in order to ensure acceptance with the community and inclusiveness of different clans.

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<sup>9</sup>Further details on the government approach can be found in Annex 1

The deployment of police is paramount in ensuring the rule of law in this volatile locations, and paramount for the regain of trust and confidence of the population, thus fostering peace and statebuilding.

The reconciliation process must also be accompanied by visibly erasing the scars of the conflict from the city environments and ensuring that infrastructure is built and rehabilitated in a conflict sensitive manner. This requires preparation and building the capacity of the Ministry of Public Works, in order to ensure that the government has the necessary expertise and capacity to prepare urban infrastructure and roads projects which can contribute to the reconciliation and the peacebuilding process.

The FGS has led since February 2013 discussions with international partners on the support requirements for the newly recovered areas where there are urgent security and governance requirements and humanitarian and livelihoods needs. To date, several pledges have been received for outreach activities and community projects, albeit not yet covering all requirements for all 25 districts. However, pledges to support the administrative capacity have been lacking. Similarly, resources are lacking in ensuring that the necessary training of police officers is in place, in order for them to deploy to newly recovered areas, as well as the training of forces to be recruited locally, as well as for building the basis for the government's capacity of developing conflict-sensitive urban infrastructure projects.

It is thus suggested that the PBF support focus on addressing the critical gaps of the overall needs for the newly recovered areas, with a strong focus on the areas which are critical to ensure the basic presence of the government in these areas and its capacity to conduct the dialogue process leading to the establishment of local governments, as well as complementary support to the urgent need of ensuring law enforcement agents are in place in these locations. This would be accompanied by an initial assistance on the development of conflict-sensitive infrastructure projects. For example, the FGS intends to prioritise the rehabilitation of the Mogadishu-Afgooye and Mogadishu-Balcad-Jowhar roads, pending additional funding.

The project will cover all the 20 districts to be recovered through the military offensives, both those already recovered to date, as well as those still to be recovered, through the offensives later in 2014. It will target the conflict driver of local political contestation over resource and power in the demise of Al-Shabaab. Prevention of dangerous clan clashes over newly recovered areas is imperative and requires close and sustained cooperation and dialogue between international security and political actors, the FGS, and local political actors.

Women face challenges in the recovered areas, related to reduced social mobility, exclusion from decision making processes and exposure to sexual and gender based violence, due to the control of Al-Shabaab. Taking this into account, the project will have a specific component to ensure a meaningful participation of women in processes leading to the establishment of caretaker administrations. In compliance with national commitments undertaken within New Deal Compact, it will be ensured that women form a minimum of 30% of District Peace and Stability Committees, interim and permanent local administrations. The project will provide specific support to women representatives for their consultation with local women, as well as training activities and briefings on the political and peace-building processes, in order to enable a meaningful and fully informed participation of women.

### **C) Funding gap analysis:**

At the London Conference in May 2013, US\$390 million was pledged to Somalia by the international community. At the Brussels Conference in September 2013, US\$2.4 billion was pledged. These pledges capture both existing and new activities. However, efforts are still required in giving the government the necessary visibility and oversight of the use of ODA. A renewed effort in ensuring

availability of the data is currently ongoing, and the expectation is to have a functional mapping of all existing activities towards the second half of 2014.

As recognised by the Paris declaration on aid effectiveness and the Principles of Engagement in Fragile States and the New Deal outcome document, use of government systems should be the preferred channel for ODA. In the Somalia context, the Compact enshrines a commitment to the progressive use of national systems. However, progress in this regard is slow and there is a need to build the confidence of international partners on the national systems and the financial accountability of the government. The Special Financing Facility (SFF) funded by Norway has assisted in developing systems and mechanisms to allow for better financial management and accountability of use of funds by the government. This is complemented by the establishment of the Financial Governance Committee (FGC), which is independent and reviews procurement processes above a certain threshold.

Specifically regarding stabilisation, a donor mapping prepared by the Ministry of Interior and Federalism (MoIF) indicates critical funding gaps in a number of the important activities (Annex B).

It is in this context that PBF was considered to provide fast and risk tolerant funding for Somalis in support of peacebuilding in the newly recovered areas, and in the longer-term to catalyze assistance to Somalia's compact with the wider international community. Moreover, the channelling of part of the funds (component 1) through national systems will build upon the systems and mechanisms developed by the SFF and contribute to building the necessary systems and accountability of national systems, thus contributing to increase donor confidence in the use of national systems.

## **SECTION 2: (the "What")**

### **a) Project strategy/focus and target groups**

This project strategy aims to assist the FGS to rebuild its relationship with citizens, through the re-establishment of administrative structures/systems and capacities in the newly recovered areas of South Central Somalia, to be achieved through consultative and inclusive peace building efforts. Through components 2& 3 Empowerment and Local Governance & Enablers<sup>10</sup>, the project focuses on capacitating local administration, and providing support to its peace consolidation activities in the newly recovered areas, in addition to contributing to the deployment of police capacity to the newly recovered areas.

The following is a detailed explanation of the proposed activities, outcome and target groups of the two Components (see diagram below).

### **Component 1 "Revival of State-Citizen Social Contract through Peace Dividends"**

This component will not be funded by PBF/IRF. However, the PBF funded components will make a crucial contribution in ensuring the capacity of the government and the activities on reconciliation, consultation and governance at the local level which will provide the necessary capacity and enabling environment for the delivery of peace dividends. Community projects will be funded by other sources (SSF, SFF, TIS programme, EU<sup>11</sup>).

According to the government strategy on stabilisation, the identification and decision making of community projects should be done through the DPSCs, in order to ensure the linkages between the

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<sup>10</sup> see Diagram below

<sup>11</sup> See annex 2 for a mapping of support by other partners

dialogue and governance structures and the decisions on how to address the needs of the community. This, however, requires the formation and training of the DPSCs.

This approach will ensure that the PBF has a catalytic effect in the distribution of peace dividends to the population. This component also requires large financial resource that will enable the delivery of basic social service in 20 of the newly recovered areas. International partners have traditionally been comfortable in funding projects at this level and also have the comparative advantage in mobilizing large sum of fund. Thus UN support will be at the coordination support to the government.

### Component 2 “Empowerment and Local Governance”

Statebuilding efforts must start through peacebuilding at the local level. This entails FGS engagement in community-based dialogues, establishment of community based interim administration and empowerment of marginalized groups that will enable dialogue on peaceful negotiation of disputes and allocation of resource. Without this component, allocation of peace dividends from international donors will risk sparking a local power contestation over limited aid resources. UNSOM and UNDP will jointly provide technical support to the component through drawing financial resource from PBF/IRF to the project. UN support will mainly be on support to functioning of the Caretaker Administration (CA), public communication, outreach, dialogue and Interim Administration (IA) formation and training.

This will lead to the provision of necessary capacity of both the administration and communities at large, which constitutes the foundation of an enabling environment for the larger scale nation and statebuilding.

Under this component, assistance will also be provided in conducting the training of the 10 officers per district, as well as the training of 35 locally recruited community security officers per district. Activities in this regard have been initiated by UNDP and UNSOM, in cooperation with AMISOM, for 10 districts (regarding the training of the officers) and 5 districts (regarding the training of the locally recruited 35 community security officers). The PBF funding will complement these efforts, by supporting the training for the remainder districts (15 for the officers and 20 for the locally recruited community security officers).

This component will also place technical assistance within the Ministry of Public Works, in view of initiating capacity building for the development of conflict-sensitive urban infrastructure projects. This will also assist in developing concrete proposals that can be funded subsequently, by the UN or bilateral donors. The terms of reference of an Infrastructure Technical Advisor are indicated in Annex G.

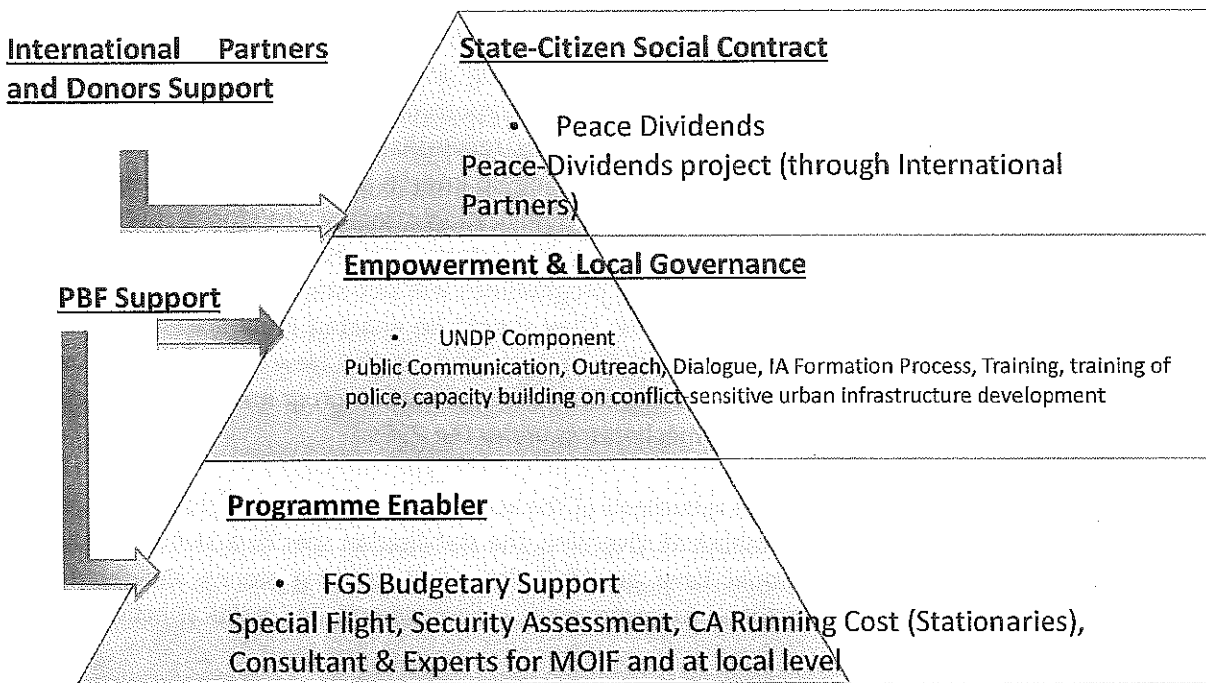
### Component 3 “Enabler”

In this component UN will provide direct budgetary support from the PBF/IRF to the FGS, MoIF, through the Somali Development and Reconstruction Facility/UN MPTF national stream. The component will focus on financial support to the MoIF where it has comparative advantage in the arrangement and where systems are being developed, with embedded monitoring of expenditures.

The focus of the component will be basic running costs for the caretaker administration (equipment and stationary) and hiring of consultant and experts by the MoIF, in support of the Ministry's capacity to oversee and implement the overall stabilisation activities. This component will also enable the FGS, jointly with UNDP, to place technical advisors in each district, to assist with the implementation of all activities and reporting back to the MoIF. This component also foresees the hiring of a project manager for the PBF project, to be done jointly by UN and MoIF and who will oversee both components supported by PBF.



In addition, through this component, a contribution will be made to assist the government in accessing the necessary air assets to be present in the newly recovered areas. Most of these districts are only accessible by helicopters, which need to be chartered to this aim. These air assets will be used for the deployment of the administration, visits by the federal government, as well as transport of food and other items to respond to the needs of the population.



*Component 1 on State – Citizen Social Contract is outside of the PBF/IRF scope.*

This component will focus on two groups, the caretaker administration and the civil society. Somali civil society is a major source of resilience to conflict and women's groups are an especially important part of civic peacebuilding. A gender focus in the project is essential in this context. Women, especially from weak social groups, are among the principal victims of conflict, violence, and sexual assault in Somalia. Moreover, women play a complex role in conflict itself, as peace-builders in some contexts, but also as fund-raisers. The fact that a growing percentage of Somali households are female-headed means that peace-building strategies addressing community-level, household dynamics, and socialization of youth must prioritise the roles, perceptions, and interests of women.

While women have crucial economic and social roles in Somali society, they are underrepresented in formal reconciliation, dialogue and peacebuilding initiatives, as well as in decision-making levels at government structures. As such, their interests, needs and perspectives are not taken into account in peace and state building. The current project will take these aspects into account by creating opportunities and building an enabling environment for women to voice their concerns and play an active part in peace and state building.

The project includes targeted activities aiming at ensuring that women are fully engaged and prepared for an effective participation and representation in the stabilization process in the 20 districts. These activities will focus in promoting discussions and capacity building of women groups on their roles in the local governance process, sensitizing them to the roles of the local administration and having targeted reconciliation efforts for women.

## **b) Theory of Changes: linking activities to results**

As stated in the Somali Compact, the long-term objective of re-building citizen-state relations can only be achieved by building confidence and trust in public institutions and through broad-based and inclusive consultative processes with the participation of an empowered civil society and Somali citizens. In the short-term the state needs to deliver tangible and visible peace dividends to all Somali citizens. In recognition of this challenge, the FGS has developed a stabilization strategy intrinsically related to statebuilding and the reestablishment of a social contract, towards a Somalia in peace and offering equal opportunities to all its citizens. This strategy is composed of four critical strands covering security, reconciliation, basic service delivery and the establishment of government authority by setting up interim administrations at district and regional levels. The four critical strands of the stabilization strategy are closely aligned with priorities under the five PSGs. In consultation with partners, the FGS has developed priority programmes for each of these strands. These programmes will kick-start implementation of the first phase of the Compact at the local level. They should be enacted immediately, leading to action plans for priority geographic areas. Over time and as the New Deal Architecture is established, a process will be initiated to transition the stabilization programmes and structures into overall implementation plans and mechanisms under the PSGs.

Stabilisation is thus conceived as the spearhead of the activities under each PSG that allow for the platform for this process to be established. Overtime, the stabilisation specific activities should no longer be required, as they would have provided the initial stepping stones allowing for a mainstreamed and inclusive approach to governance, socio-economic and political activities and strategies.

The PBF/IRF support will enable access for the government to immediately engage with the local communities in the newly recovered areas with proper preparation and capacity. The project will further support the outreach and dialogue process that will bring the community together to establish a system that will enable disputes to be resolved through established mechanism and resource to be shared to the neediest. This will enable the international community to catalyze their support on statebuilding.

## **SECTION 3: (the “How” or Implementation Strategy)**

### **a) Implementation approach**

#### **Bringing tangible results to people:**

The project will immediately start in 8 of the newly recovered areas in South Central Somalia and thereafter follow the AMISOM expansion into Al-Shabaab held areas. The progress of the project will depend on the complexity of the local environment, such size and geography, clan diversity, and existence of disputes, and risk posed by Al-Shabaab.

Most activities under the project will be implemented at the local level, with the exception of the consultants being deployed within the Ministry of Interior and Federalism.

Implementation in each modality will generally follow the sequence below:

1. Access to the area by FGS MoIF (Component 3)
2. Security assessment in the area (Component 3)
3. CA Running cost (Component 3)
4. CA Outreach activity (Component 2)

5. CA empowerment and dialogue activity (Component 2)
6. Establishment of Interim Administration through dialogue (Component 2)
7. Training of interim administration (Component 2)

Peace dividends and statebuilding activities through IA (Component 1) will be implemented concomitantly.

The component 2 and 3 of the project will be implemented through different modalities. A project management selected jointly by the MoIF and the UN (UNSOM and UNDP) will oversee and coordinate the project. The project manager will report to a coordination board, composed of one senior representative of the Ministry of Interior and Federalism, one representative of UNDP and one representative of UNSOM. Terms of reference for the project manager and coordination board will be drafted and agreed upon by the three partners.

The enabler (component 3) will be implemented through direct budget support to the government. Implementing partner will be the MoIF. The fund transferred from PBF will go through the SDRF – UNMPTF national window, thus enabling transparency and coordination of the fund at the highest level of the government. The use of this modality will take advantage of the arrangements already in place between the Multi-Partners Trust Fund Office (MPTF Office) and the Ministry of Finance of Somalia for the functioning of the National window, and the exception agreed between PBSO and MPTF Office to channel PBF resources through the government systems. Specific operating procedures will be put in place for the disbursements to be made at the district level (including petty cash rules). Expenditure will follow the processes in place with the Central Bank, developed with the assistance of SFF. Arrangement for oversight and accountability of the funds, including the possibility of using an external fiduciary agent, mirroring the SFF arrangements will be put in place and agreed upon, ahead of the funds being channelled through the UNMPTF national window.

The empowerment and local governance (component 3) will be implemented through UNDP.

Decisions on terms of reference of consultants to be recruited for the project will be taken by all partners jointly. All partners shall participate in the recruitment and selection process of consultants.

UNSOM New Deal and Stabilization Team will support the FGS to coordinate the overall stabilization strategy and ensure coherence with AMISOM and other international partners.

## **b) Budget**

The FGS estimates that the total funding needs for the stabilization initiative covering the 25 districts in South Central Somalia will be about US\$28.6 million, i.e. based on a budget of \$1,144,000 per district. The PBF contribution from the IRF facility will be \$4,191, 295 million. Additional funding comes from government resources and other partners. As per the project budget, Component 2 to be channeled through the UNMPTF-national window will receive an allocation of \$1,887,500 and Component 3 (UNDP) an allocation of \$2,303,795.

UNDP budget explanation: UNDP will support Component 2 through its Community Security Project (National Project Team Leader (SC10) through 40% of time; Project Manager (P4) through 20% of time and Project Assistant (SC6) through 20% of time. It will also be supported and oversight provided through the Governance and Rule of Law Programme Senior National Officer (NOC) through 30% of time. Public relation, awareness, sensitization materials and

activities will be procured and through the services of local NGOs, community based organizations, and contractors the implementation of the proposed activities will be ensured.

| PBF PROJECT BUDGET (US\$)                                                                                                                   |                                       |                    |                    |
|---------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|--------------------|--------------------|
| CATEGORIES                                                                                                                                  | Somalia<br>MPTF<br>National<br>Window | UNDP               | TOTAL              |
| 1. Staff and other personnel                                                                                                                | \$894,600                             | \$151,008          | \$1,045,608        |
| 2. Supplies, commodities, and materials                                                                                                     | \$842,900                             | \$425,539          | \$1,268,439        |
| 3. Equipment, vehicles, and furniture<br>(including depreciation)                                                                           | -                                     | -                  | -                  |
| 4. Contractual services*                                                                                                                    | -                                     | \$1,431,065        | \$1,431,065        |
| 5. Travel                                                                                                                                   | \$150,000                             | \$71,348           | \$221,348          |
| 6. Transfers and grants to counterparts                                                                                                     | -                                     | -                  | -                  |
| 7. General operating and other direct<br>costs                                                                                              | -                                     | \$87,205           | \$87,205           |
| Sub-Total Project Costs                                                                                                                     | \$1,887,500                           | \$2,166,164        | \$4,053,664        |
| 8. Indirect Support Costs                                                                                                                   | -                                     | \$151,631          | \$151,631          |
| <b>TOTAL</b>                                                                                                                                | <b>\$1,887,500</b>                    | <b>\$2,317,795</b> | <b>\$4,205,295</b> |
| *Includes fee of \$200,000 for contracting a fiduciary agent for portion of the contribution going through the Somalia MPTF National Window |                                       |                    |                    |

#### Use of the national system for budget support:

The challenge in Somalia is not only weak national systems, but also lack of a banking system. Through the SFF work, systems are being developed that allow money flows on the short term and build the basis for the future.

For now, the Central Bank is acting as a bank, receiving and distributing money flows. The budget control (budget check and approval of expenditure) is centralized in the Ministry of Finance. Other ministries ask for expenditure through vouchers, to Ministry of Finance, who approves and sends to the Central Bank for disbursement. The Central Bank then issues checks or pays vendors directly, for salaries payment is done directly by the Central Bank, with use of biometrics controls.

The system to flow resources from Federal to State, Region and District levels is not yet in place. The PBF will help build on the SFF work to develop those systems. At the beginning, money will flow from Federal to District level but this exercise will also explore some form of involvement of State (where existing) and regional level, even if only for information purposes. Consideration is underway for the system to fund operational costs (petty cash) for the administrations at local level in the newly recovered areas. The rules for use and accountability for will also be considered in this process.

On the operational side, allocated project funds will move to a holding account at the Central Bank, from there, upon request and approval by the Ministry of Interior and Federalism (co-

signed by the Ministry of Finance) the money would be moved within the treasury as required for expenditure. This allows for all concerned project parties to keep the money trail, while channeling the money through the treasury. The details financial procedures which describe the process whereby the funds channeled through treasury will be spent are as described in Annex D.

For the support to be channeled to the districts, through the project will then either use the Hawala system or have case disbursements under the accountability of the MoIF. The case disbursements would only be until the Hawala licensing is finalized. The project would have to accompany this with a registry and rifles for petty case at the district level (for the operating costs).

The transfer of the PBF funds to treasury will be based on the Memorandum of Agreement (MoA) between the MPTF Office and the Ministry of Finance, and facilitated by an Letter of Agreement between PBSO and MPTF Office to channel PBF funds through the government systems (also referred to as the Exception Agreement) [Annex E]. Upon endorsement by the MPTF Office of these agreements, the PBF's funds will be transferred by the MPTF Office [acting as fiscal agent to the Somalia UN MPTF national funding stream at no cost]. Based on the Somalia UN MPTF operational arrangement for the fast track window, the MPTF Office, as Administrative Agent (AA) of the UN MPTF, will transfer the funds to the Central Bank, upon receipt of a formal transfer request with Central Bank account details.

The project will transfer the budget support payment in one tranche.

The transfer of the PBF funds on treasury is based on the Memorandum of Agreement (MoA) between the MPTFO and the Ministry of Finance. Based on the Somalia UN MPTF operational arrangement for the fast track window, the MPTF Office, as Administrative Agent (AA) of the UN MPTF, will transfer the funds to the Central Bank, upon receipt of:

- I. Approved fund transfer request, which will clearly note the national budget line(s) against which this support is being directed. Once the funds are received, the Central Bank will move the funds to a dedicated holding account. For support to be channeled to the districts, the Central Bank will either use the Hawala system or have cash disbursement under the accountability of the Ministry of Interior and Federalism. The cash disbursements under the accountability of the Ministry of Interior and Federalism are only to be used until such a time as the Hawala licensing is finalized by the Central Bank of Somalia.
- II. The project will transfer the budget support payment in one tranche. The internal government processes (developed with the support of the Somalia Financing Facility – SFF) will be used to ensure proper oversight and accountability of the flow of resources from the Central Bank to the districts, as well as accountability of districts for the use of the allocated resources.

The money channeled through the treasury will be under the supervision and control services of a Monitoring Agent. The oversight by the monitoring agent will be done as follows:

#### **1. Monitoring of flow of funds and FGS payment processing**

- a. Carry out review of all funds received by the FGS, from the time the funds reach the specified Designated Account (DA) of the Government's Treasury Single Account (TSA) at the Central Bank of Somalia (CBS) to the time the funds are disbursed to the authorized representative of the

Ministry of Interior and Federalism (MoIF) or to beneficial recipients, as is expected to the case with individuals remunerated under activity 3.3.

b. Carry out review of flow of funds and related controls with procedures to be performed every second month, beginning at month three, in order to allow for adequate time for spending during each two month period, as well as preparation and submission of required reporting. The following will be considered:

- i. Within the approved budget according to the FGS Appropriation Act, plus supplementary budget information as presented in the FGS centralized budget management system;
- ii. Authorized for transfer from the Designated Account (DA) to the Treasury Single Account (TSA) by MoIF (co-signed by MoF);
- iii. Processed by way of Payment Vouchers authorized by the MoIF and Accountant General;
- iv. Paid by the Central Bank of Somalia (CBS) per FGS instructions, as evidenced by the FGS bank statement received from the CBS, to an authorized representative of MoIF or to the beneficial recipient.

c. Carry out review of documentation providing evidence of funds received by authorized representative of District Administration, whether by cash disbursement or by licensed commercial bank or money transfer agent. This will be done by comparing the name and signature on the evidence of receipt of funds by the district administration to specimen signature records maintained by the MoIF.

d. Review and provide advisory opinion on the adequacy of payment process and controls.

**I. Monitoring of payments to consultants and experts (budget activity 3.3)**

- a. Examine contracts for four consultants and experts to determine if payments made are consistent with the contract with respect to period of time, payee, and amount;
- b. Perform enquiries and procedures to assess whether payments were made to individuals contracted;

**II. Monitoring in the field: site visits to districts**

- a. Carry out three site visits to selected districts over the life of the project, one visit every second month, beginning at month two, in order to allow for adequate time for the districts to spend against their allocated funds and prepare and submit required reporting;
- b. Perform enquiries and procedures to assess whether cumulative expenditures made against running costs are consistent with the appropriate budget for each line item;
- c. Perform enquiries and procedures to assess how expenditures are documented and authorized;
- d. Examine supporting documentation for payments to MoIF Liaison and Community Liaison's as well as procedures to determine if payments made are consistent with the contract with respect to period of time, payee, and amount.

### c) Sustainability

The purpose of the PBF/IRF component of the support to the government led stabilization approach is cementing peace in the aftermath of the AMISOM/SNA liberation of an area from Al-Shabaab, laying the foundations for dialogue, reconciliation, and local governance. The project will create an environment conducive for other donors to support a peace dividends projects and ensure their linkage with the dialogue, reconciliation and governance processes. Many donors, including USAID, UK, and EU, have shown interest in supporting such projects. In addition, successful implementation of the first component of the project through direct budget support, will contribute to increasing the confidence of donors in using national systems to channel ODA.

Successful implementation of the project in 20 of the 25 districts will largely depend on the successful AMISOM military campaign against Al-Shabaab.

### d) Risk management

The overall risk involved in stabilization activities is inherently high. However, this risk is largely compensated by the consequences of non-action. Without the swift establishment of governance and law enforcement capacity and dialogue and reconciliation processes the military gains cannot be consolidated, citizens will not receive services and statebuilding will be jeopardized.

| Stabilization Project - Risk Analysis                             |                                        |                                                         |                                                                                                                                                         |
|-------------------------------------------------------------------|----------------------------------------|---------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| Risk                                                              | Likelihood<br>(high,<br>medium<br>low) | Severity of impact<br>on project (high,<br>medium, low) | Mitigating Strategy                                                                                                                                     |
| <b>"Enabler" FGS Budget Support Component</b>                     |                                        |                                                         |                                                                                                                                                         |
| Misappropriation of funds                                         | Medium                                 | High                                                    | All expenditure will be closely scrutinized in the High Level Partnership Forum                                                                         |
| Incompetency of hired experts                                     | Low                                    | Medium                                                  | Prior consensus on experience and duration of a contract                                                                                                |
| Unclear or untraceable expenditure                                | High                                   | Medium                                                  | Share standardized voucher form and provide budget                                                                                                      |
| "Empowerment and Local Governance"                                |                                        |                                                         |                                                                                                                                                         |
| <b>UNDP Component</b>                                             |                                        |                                                         |                                                                                                                                                         |
| Renewed Al-Shabaab attack and/or threats to communities           | Medium                                 | High                                                    | Security Assessment                                                                                                                                     |
| Project delay due to political dispute among the communities      | High                                   | Medium                                                  | Rushed conclusion of results will negatively affect the peace in long run. It is better to limit the funding and give time for local process to mature. |
| Exclusion of some marginal groups                                 | Medium                                 | High                                                    | Extensive local assessment and intervention                                                                                                             |
| Humanitarian and food crisis associated with the military offense | High                                   | High                                                    | Efforts will be made to harmonize humanitarian and political efforts in severe crisis situations                                                        |

| UNSOM Component                                                          |        |      |                                                                                                 |
|--------------------------------------------------------------------------|--------|------|-------------------------------------------------------------------------------------------------|
| local communities fail to embrace caretaker administrators               | Medium | High | More time and resource for community consultation and reconciliation will be required           |
| Misappropriation of funds                                                | Medium | High | All expenditure will be closely scrutinized in the High Level Partnership Forum                 |
| Delays in establishing systems for funds flow to regions/district levels | Medium | High | Alternative mechanisms will be required for CA and IA to access funds for local administrations |
| Lack of progress on Federalism process                                   | Medium | High |                                                                                                 |

### e) Results framework and monitoring and evaluation

The MoIF will report to the SDRF on the activities of stabilization support efforts, including the PBF. At the project level, the project evaluation and monitoring functions will be the responsibility of the Project Coordination Board, composed of one representative of MoIF, one representative of UNDP and one representative of UNSOM. The project manager will have the day-to-day role of tracking and monitoring progress. The project M&E will use the Project Results Framework (Annex E).

## SECTION 4: (The “Who”)

### a) Implementing Agencies and their capacity

UNSOM capacity: On 26 February, the United Nations signed the Status of Mission Agreement (SOMA) with the Federal Government of Somalia in Mogadishu. As of 28 April, a total of 316 international staff and 972 national staff members from UNSOM, and the United Nations agencies, funds and programmes were deployed: 379 staff in Mogadishu, 65 in Hargeisa, 13 in Boosaaso, 41 in Garoowe, and nine in Gaalkacyo was deployed. In South-Central Somalia, the presence of international staff remained limited, with eight in Baidoa, three in Dollow, and four in Kismaayo. UNSOM deployment strength stood at 66 international and 19 national staff. The United Nations is now operating as an integrated presence and an Integrated Strategic Framework (ISF) is being developed as the United Nations response and contribution to the implementation of the Somali Compact. The strategic component of the ISF is expected to be finalized by August 2014, whereas its operational component will be completed in tandem with the finalization of the Peace-building and State-building Goals’ action plans.

Since 1991, the United Nations Development Programme (UNDP) has been working in Somalia, in the areas of peacebuilding and conflict management, people-centred governance and law, economic recovery and environmental protection, and protecting and empowering women. It carries out its work through two main programmes: Governance and Rule of Law (GROL) and Poverty Reduction and Environmental Protection (PREP). In South Central Regions, UNDP has offices in Mogadishu and Baidoa with more than a dozen internationals and over two-dozen national staff. UNDP is a key partner of the Federal Government of Somalia and has an



established relationship with the Ministry of Interior and Federalism. UNDP support the Ministry with the provision of technical expertise.

Through its operational mechanism, such as the Letter and Micro Capital Grant Agreements, UNDP is able to place consultants and staff promptly and provide substantial support to areas of difficult accessibility. This mechanism provides substantial flexibility that enables UNDP to scale up if required and reach out to additional areas, resources allowing.

In addition, from 2006 to 2008 UNDP implemented two projects (namely the District Based Peace Building Project and the Community Based Peace Support Project) with the Transitional Federal Government and local communities toward the establishment of community based local councils and administration in South Central Regions of Somalia. This project resulted in the establishment of eighteen elected district councils. The community based process for 2006-2008 served as inspiration for the governance approach of the current FGS Stabilization strategy.

## **b) Institutional structures and project management arrangements and coordination**

### **b1. Institutional structures:**

Under the New Deal Framework, the High Level Partnership Forum (HLPF) is the main platform for dialogue and policy discussion on Compact implementation and a central mechanism for strategic coordination and information-sharing. Under the chairmanship of the President of Somalia, the Forum meets quarterly in Mogadishu in plenary format, monthly in its executive format, and at least once a year at ministerial or senior official level with development partner participation from headquarters to ensure constant political attention and review overall performance in implementing the compact, including PSG milestones and partnership principles. Under the HLPF lies the SDRF - Steering Committee (SC) that is the authority that provides strategic oversight and guidance for the Somalia Development and Reconstruction Facility (SDRF) and the implementation of the New Deal Compact, including commitments related to policy, financing and aid delivery. Based in Mogadishu, the Steering Committee is chaired by the Prime Minister of the Federal Government of Somalia and will be composed of representatives from relevant FGS Ministries, the Parliament, Civil Society, contributing donors, the UN, the Organization of the Islamic Conference, World Bank, and the African Development Bank.

The stabilization strategy is coordinated under the SDRF as one of the cross cutting issue in the New Deal Compact. The MoIF is the main focal point on stabilization within the government with some related capacity in the Prime Minister's office Stabilization Support Unit and Ministry of Finance TIU. The MoIF hosts a bi-weekly meeting with the government counterparts and international community, including the UN and AMISOM. Besides the bi-weekly meeting there are daily interaction between MoIF and UNSOM New Deal and Stabilization team on coordination. This forum will become the main conduit for coordination of the project in coherence with international support.

The FGS developed SDRF brings together under a common governance framework several funds, including the Somalia UN MPTF, the World Bank Multi Partner Fund for Somalia, a Somalia Fund managed by the African Development Bank, and the Special Financing Facility (SFF). The Somalia Multi-Partner Trust Fund has been established to receive funding from donors to finance activities undertaken through two separate funding streams: the United Nations Multi-Partner Trust Fund for Somalia (the "Somalia UN MPTF"), established by the participating UN organizations to finance activities of participating UN organizations; and the Somalia Multi-

Partner Trust Fund National Funding Stream (the “Somalia National Funding Stream”), established by the Government to finance activities of National Entities. Funding for Component 3 of the project is channelled through the Somalia MPTF National Funding Stream (Annex F).

The UN MPTF Office as AA for the PBF and Somalia UN MPTF, will transfer funds from the PBF to the Somalia UN MPTF National Funding Stream. The Somalia Multi-Partner Trust Fund National Funding Stream Account and the UN Somalia MPTF will be reflected as recipient organisations as per article 4.4 of the TOR of the Peacebuilding Fund of 13 August 2009 and complemented by the exception agreement between PBSO and MPTF Office (Annex E). These two new recipients will assume full programmatic and financial accountability for the funds disbursed to them by the MPTF Office. In particular, the Ministry of Finance uses the funds on the basis of the National Regulatory Framework and assumes full programmatic and financial accountability for the funds disbursed to it by the MPTF Office.

## **B2. Project management:**

As mentioned above, the day-to-day project management will be done by a project manager jointly selected by FGS and the UN, and with the support a technical team who terms of references are attached in Annex G. S/he will report to the project coordination board. The Project will not establish a new mechanism to coordinate/manage the project but rather strengthen the existing structure under the new deal framework and stabilization strategy to manage the project in coherence with the international community support.

Liaison at the policy and/or funding levels with PBSO and the UNDP Multi-Partner Trust Fund Office (MPTF Office) will be the responsibility of the SRSG, working in close consultation with the Minister of Interior and Federalism. On a day-to-day basis the Project Manager will provide information and clarifications as requested by PBSO and/or MDTF Office pertaining to project implementation status and progress.

## **c) Administrative Arrangements**

Recipient UN organization (RUNOs) and the Government of Somalia will assume full programmatic and financial accountability for the funds disbursed to them by the Administrative Agent (AA). In line with the PBF Memorandum of Understanding (MOU) and Somalia MOA, such funds will be administered by each RUNO and the Government of Somalia in accordance with its own regulations, rules, directives and procedures.

## **Accountability, transparency and reporting of the Recipient United Nations Organizations and the Federal Government of Somalia**

Recipient United Nations Organizations and the Federal Government of Somalia (hereafter referred to as “recipient organisations”) will assume full programmatic and financial accountability for the funds disbursed to them by the Administrative Agent. Such funds will be administered by each recipient organisation in accordance with its own regulations, rules, directives and procedures.

Each recipient organization shall establish a separate ledger account for the receipt and administration of the funds disbursed to it by the Administrative Agent from the PBF account. This separate ledger account shall be administered by each recipient organization in accordance with its own regulations, rules, directives and procedures, including those relating to interest.

The separate ledger account shall be subject exclusively to the internal and external auditing procedures laid down in the financial regulations, rules, directives and procedures applicable to the recipient organization.

Each recipient organization will provide the Administrative Agent and the PBSO (for narrative reports only) with:

- Bi-annual progress reports to be provided no later than July 31st;
- Annual narrative progress reports, to be provided no later than three months (31 March) after the end of the calendar year;
- Annual financial statements as of 31 December with respect to the funds disbursed to it from the PBF, to be provided no later than four months (30 April) after the end of the calendar year;
- Final narrative reports, after the completion of the activities in the approved programmatic document, to be provided no later than four months (30 April) of the year following the completion of the activities. The final report will give a summary of results and achievements compared to the goals and objectives of the PBF; and
- Certified final financial statements after the completion of the activities in the approved programmatic document, to be provided no later than six months (30 June) of the year following the completion of the activities.
- Unspent Balance at the closure of the project would have to be refunded and a notification sent to the MPTF Office, no later than six months (30 June) of the year following the completion of the activities.

#### **Ownership of Equipment, Supplies and Other Property**

Ownership of equipment, supplies and other property financed from the PBF shall vest in the recipient organization undertaking the activities. Matters relating to the transfer of ownership by the recipient organization shall be determined in accordance with its own applicable policies and procedures. Although there are no assets envisaged in this tranche of funding, any assets procured in the event of additional funding would be transferred to the FGS upon the completion of the project.

#### **Public Disclosure**

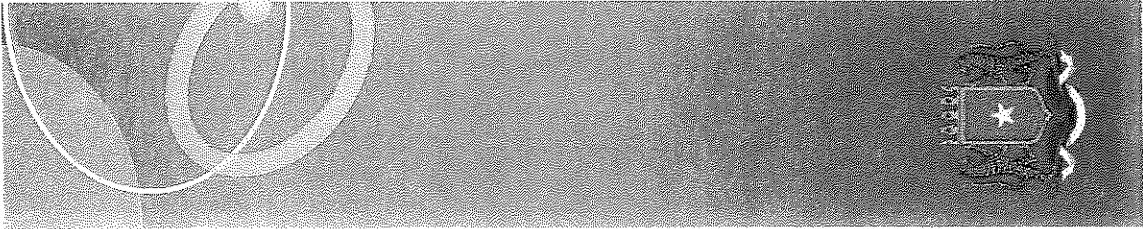
The PBSO and Administrative Agent will ensure that operations of the PBF are publicly disclosed on the PBF website (<http://unpbf.org>) and the Administrative Agent's website (<http://mptf.undp.org>).

## SECTION 5: Annexes

### Annex A: FGS stabilisation strategy and approach

# Somalia: Stabilization of the Newly Accessible Areas

Approach and coordination





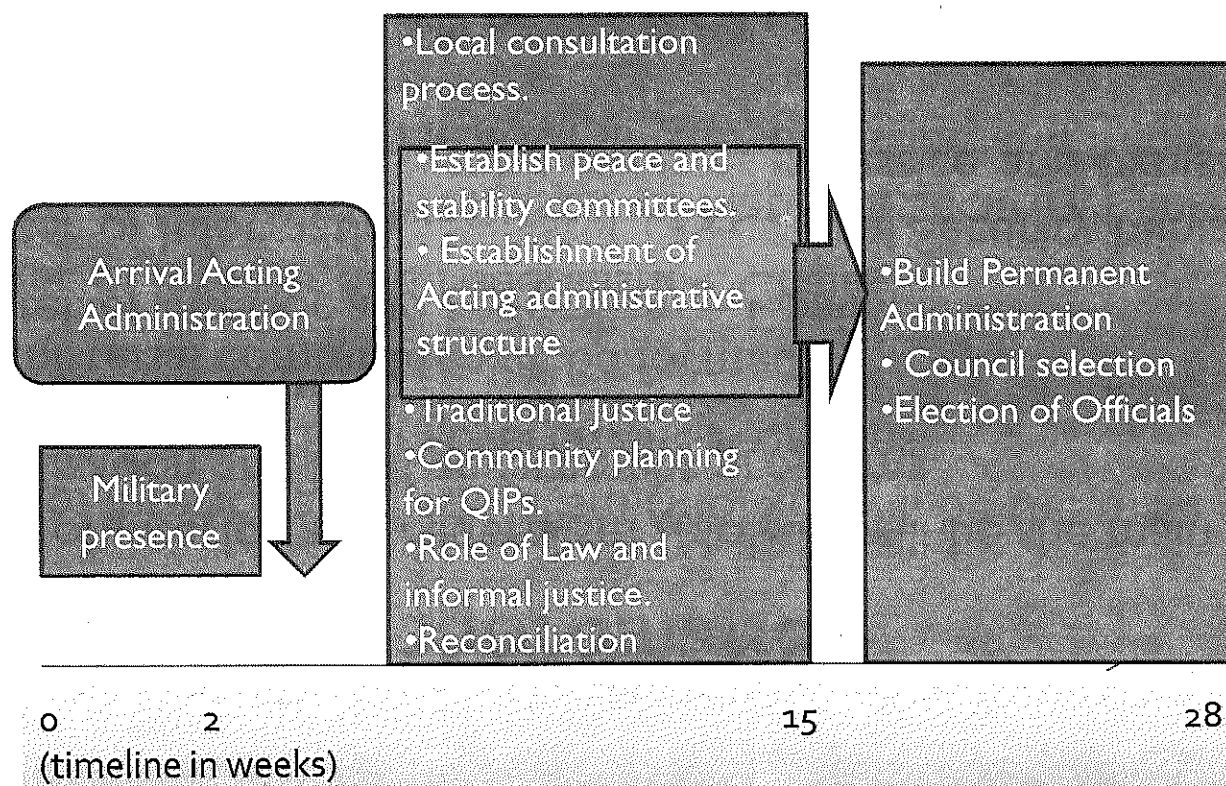
## Structure for dialogue with the partners

- Strategic level coordination mechanism with international partners, TOR is being finalized and will be shared.
- Operational level coordination mechanism with international partners, TOR is being finalized and will be shared.

# Structure for coordination

- Ministry of Interior and Federalism (Mol&F) will be the main entry point for stabilization and local government programs.
- Inter-ministerial committee will be formed:
  - Minister of Interior and Federalism – Chair
  - Minister of Information, Minister of National Security, Minister of Education, Minister of Health, Minister of Justice, and Minister of Finance)
- Stabilization Secretariat will be the focal point for partners. The Secretariat will consist:
  - Existing SSU team
  - Inter-ministerial committee.

# Approach and interventions







# Approach and interventions

- The overall stabilization strategy addresses 5 strands of work which cover:
  - Public awareness campaign
  - Peace and security
  - Acting administration: create a conducive environment District Peace and Stability Committees (DPSC)
  - Justice and public security initiatives.
  - Infrastructure rehabilitation and service delivery.
  - Reconciliation and community dialogue towards development of sustainable governance structures applying a bottom-up approach.



# Acting Administration Officials

- In consultation with MPs and elders from each location, pre-identify and nominate interim administration. The Acting administrator will be in office maximum of 3 month.
  - Acting administrator/head of local peace and stability committee.
  - Assistant Acting Administrator (Social affairs)
  - Assistant Acting Administrator (Security).



## Scope of work: Acting Administration

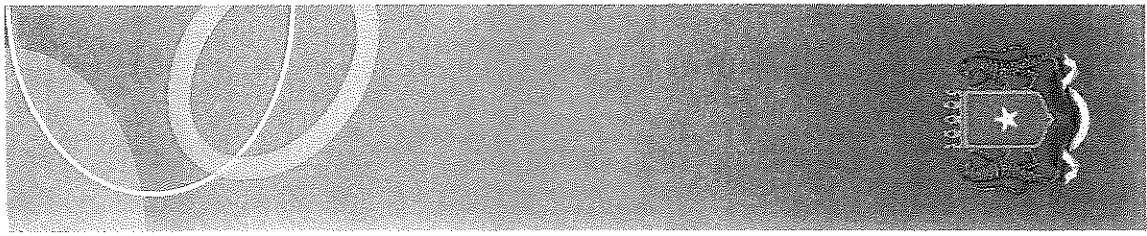
- Facilitate establishment of District Peace & Stability Committees (DPSC)
- Security, maintaining law & order
- Advancing government policy on good governance.
- Community engagement
- Basic Service delivery
- Creating awareness on the government's planned establishment of all inclusive permanent local district & regional administrations through bottom up approach.



## Functions of DPSC

- Act as an advisory body to the Acting administration
- Prioritize community needs
- Assist security and peace building.
- Community dialogue & traditional reconciliation
- Awareness creation among own community:  
ownership/participation of community governance.
- Community engagements towards permanent administrations

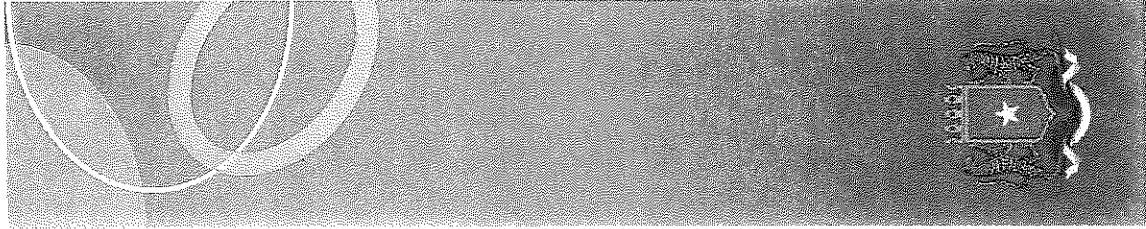
# Immediate Needs





# Areas where immediate support is required

- Development of Community awareness campaign
- Training for Acting administration and DPSC
- Logistic support for deployment of Acting administration
- Administrative support for Acting administration
  - Office equipment
  - Transports needs for Acting Admin
- Advisory teams at MOI: need for support related to:
  - Expert on local governance and administration.
  - Expert on community engagement and community reconciliation.



## Rehabilitation of administration buildings & other utilities.

- Administration buildings;
- Court;
- Police station;
- School;
- Hospital;
- Borehole;



# Management of Deliverables

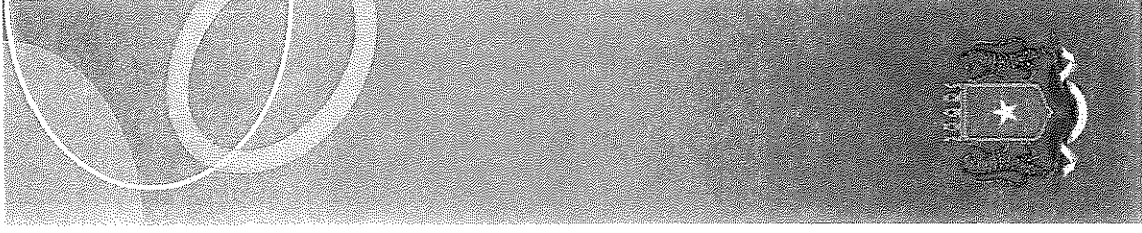
- Prioritize & identification of projects through consultative mechanism.
- Projects will be tracked through operational level coordination mechanism.
- Project visibility must be linked to empowerment of local consultative process and government (both local and Federal levels).



# Contributions already identified

## Federal Government:

- Salaries for the Acting Administration
- Running cost
- Communication and utilities expenses



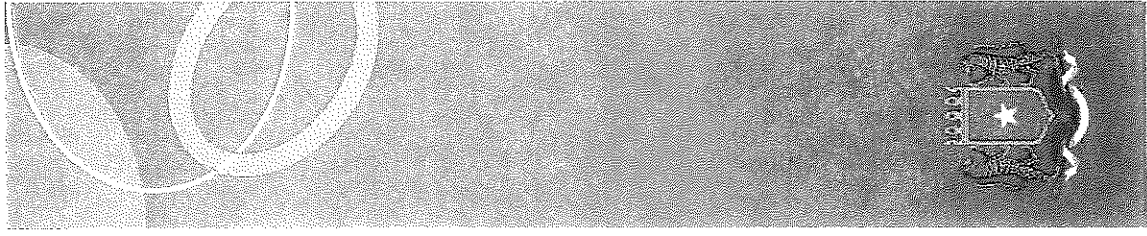


## Next Steps

- Finalize identification of administrators
- Finalize preparation of training
- Logistic preparation for deployment
- Working with partners to identify what support is already available or soon to be available.
- Identification with partners of who can deliver what, where and within what timeframes (delivery process and channels) on peace dividends

END

THANK YOU



ANNEX B: Matrix of FGoS Stabilisation 'Project' Strategy in Regions (10) and Districts (25)

updated as of 10.06.2014

| No. | Region          | No. | District     | Status                                                     | Administration Building           | Court | Police Station | School | Health Center | Other (CDPD)<br>(Donor / Partner / Amount)                                                                        | Comments                 |
|-----|-----------------|-----|--------------|------------------------------------------------------------|-----------------------------------|-------|----------------|--------|---------------|-------------------------------------------------------------------------------------------------------------------|--------------------------|
| 1   | Bay             | 1   | Dinsoor      |                                                            | SSF - partner TBD - amount \$200k |       |                |        |               | SSF - partner TBD - amount \$200k                                                                                 |                          |
| 2   | Bakool          | 2   | Tiyeglow     |                                                            | SSF                               |       |                |        |               | SSF                                                                                                               |                          |
|     |                 | 3   | Wajjid       | AMISOM/SNA liberated in March 2014<br>Interim DC appointed | SSF - partner NIS - amount \$200k |       |                |        |               | SSF - partner NIS - amount \$200k                                                                                 |                          |
|     |                 | 4   | Rab Dhaure   | AMISOM/SNA liberated in March 2014<br>Interim DC appointed |                                   |       |                |        |               |                                                                                                                   |                          |
|     |                 | 5   | Xudur        | AMISOM/SNA liberated in March 2014<br>Interim DC appointed | SSF - partner TBD - amount \$200k |       |                |        |               | SSF - partner TBD - amount \$200k<br>USAID TIS program has allocated \$500k for Xudur Planning session June 2014. |                          |
|     |                 | 6   | Jalalaqsi    |                                                            | SSF                               |       |                |        |               | SSF                                                                                                               |                          |
| 3   | Hiraan          | 7   | Bulo Burto   | AMISOM/SNA liberated in March 2014<br>Interim DC appointed | SSF - partner TBD - amount \$200k |       |                |        |               | SSF - partner TBD - amount \$200k                                                                                 |                          |
|     |                 | 8   | Mahaas       | AMISOM/SNA liberated in March 2014                         |                                   |       |                |        |               |                                                                                                                   |                          |
|     |                 | 9   | Hararddheere |                                                            |                                   |       |                |        |               |                                                                                                                   |                          |
| 4   | Mudug           | 10  | Galhaarere   |                                                            |                                   |       |                |        |               |                                                                                                                   |                          |
| 5   | Galgadud        | 11  | Ceel Buur    | AMISOM/SNA liberated in March 2014                         | SSF - partner NIS - amount \$200k |       |                |        |               | SSF - partner NIS - amount \$200k                                                                                 |                          |
|     |                 | 12  | Ceel Dheere  |                                                            |                                   |       |                |        |               |                                                                                                                   |                          |
|     |                 | 13  | Cadale       |                                                            | SSF - partner TBD - amount \$200k |       |                |        |               | SSF - partner TBD - amount \$200k                                                                                 |                          |
| 6   | Middle Shabelle | 14  | Warshilkh    | AMISOM/SNA liberated in March 2014<br>Interim DC appointed |                                   |       |                |        |               |                                                                                                                   |                          |
|     |                 | 15  | Adan Yabaal  |                                                            | SSF                               |       |                |        |               | SSF                                                                                                               |                          |
|     |                 | 16  | Baraawe      |                                                            | SSF - partner TBD - amount \$200k |       |                |        |               | SSF - partner TBD - amount \$200k                                                                                 |                          |
| 7   | Lower Shabelle  | 17  | Kurtunwaarey |                                                            |                                   |       |                |        |               |                                                                                                                   |                          |
|     |                 | 18  | Qorilooley   | AMISOM/SNA liberated in March 2014<br>Interim DC appointed | SSF - partner TBD - amount \$200k |       |                |        |               | SSF - partner TBD - amount \$200k                                                                                 | USAID TIS exploring CDPD |
|     |                 | 19  | Awdegle      |                                                            |                                   |       |                |        |               |                                                                                                                   |                          |
|     |                 | 20  | Sablaale     |                                                            |                                   |       |                |        |               |                                                                                                                   |                          |
|     |                 | 21  | Baardheere   |                                                            | SSF - partner TBD - amount \$200k |       |                |        |               | SSF - partner TBD - amount \$200k                                                                                 |                          |
| 9   | Middle Juba     | 22  | Buale        |                                                            | SSF                               |       |                |        |               | SSF                                                                                                               |                          |
|     |                 | 23  | Jilib        |                                                            | SSF - partner TBD - amount \$200k |       |                |        |               | SSF - partner TBD - amount \$200k                                                                                 |                          |
|     |                 | 24  | Sakow        |                                                            |                                   |       |                |        |               |                                                                                                                   |                          |
|     |                 | 25  | Jamaame      |                                                            | SSF                               |       |                |        |               | SSF                                                                                                               |                          |

Comments:

- = regional capital
- = to be recovered area, as of date at top of sheet
- = recently recovered during the new AMISOM/SNA offensive
- = pending funding

- SFF TIU has allocated \$750,000 per region. The identification of projects utilising this funding is conducted using a community prioritization approach. To date, SFF TIU have conducted consultations in Bendair (road rehabilitation and solar street lights), Hiraan (district and regional administration office reconstruction, and rehabilitation of public market(s), and Galgadud (regional governor's office/residence, rehabilitation of livestock market, and bush clearing (short term employment generation)
- The USG has indicated it can expand the TIS program to 4 newly recovered districts, and also support police stations and courts in 4 districts - specific districts have not yet been decided (Xudur and Qorilooley being explored).

### Annex C: Somalia IRF Stabilization Project Detailed Budget

| Activity                                                                                                                               | Unit     | # of Unit | Cost/Unit   | Unit2                                 | Total Government | Total UNDP | GRAND TOTAL COST USD | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|----------------------------------------------------------------------------------------------------------------------------------------|----------|-----------|-------------|---------------------------------------|------------------|------------|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1. Formation and Capacitating of Caretaker Administrations (CA) and police deployment</b>                                           |          |           |             |                                       |                  |            |                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 1.1 MIF, MNS, MJC joint consultations with district MPs/elders to agree on composition & nomination of a Caretaker Administration (CA) |          |           |             |                                       |                  |            |                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 1.2 Mobilizing of CA to Mogadishu                                                                                                      |          |           |             |                                       |                  |            |                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 1.3 Training of CA at police training academy                                                                                          |          |           |             |                                       |                  |            |                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 1.4 MNS deployment of police & intelligence forces                                                                                     |          |           |             |                                       |                  |            |                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 1.5 FGoS / UNSOM conduct joint security assessment                                                                                     |          |           |             |                                       |                  |            |                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 1.6 Deployment of CA to districts and transport of humanitarian assistance from government                                             | lumpsum  | Lumpsum   | lumpsum     | lumpsum                               | \$150,000.00     |            | \$150,000.00         | Transportation of the Caretaker Administrations and as needed for delivery of humanitarian goods. Including \$25,000 for deployment of police commanders.                                                                                                                                                                                                                                                                                                                                                |
| 1.6.1 Project Office running cost                                                                                                      | lumpsum  | Lumpsum   | lumpsum     | lumpsum                               | \$42,900.00      |            | \$ 42,900.00         | Breakdown:<br>1) Setting up Project office:\$6,900 is for computers, printer for the office.<br>2) \$36,000 (\$2,000 month x 18months) for running cost including office utilities- electricity, Internet, stationery.                                                                                                                                                                                                                                                                                   |
| 1.7 Running Costs for CA                                                                                                               | months   | 8         | \$5,000.00  | districts x 20                        | \$800,000.00     |            | \$800,000.00         | In summary: \$5000 per month per district: breakdown would include:<br>1) Utilities \$1,000<br>2) Fuel and lubricants \$ 1,000<br>3) Office equipment, materials \$ 1,500<br>4) Other specialized materials and services (Administrative Support) \$ 1,000<br>5) Other expenses \$ 500<br>Government Budget Revision: \$50,000 allocated from 1.7 to Line 3.1 to cover staff 18 month salary of CLO and LG. (i) 1.7 Number of units increased for 6 units. In total 8 months support to CA running costs |
| 1.8 Public awareness of the role and responsibilities of the CA                                                                        | district | 20        | \$ 2,500.00 | 50,000 - 42,500 (SSF) net total 7,500 |                  | \$7,500    | \$7,500.00           | Specific awareness raising materials are developed and printed for women (Out of the \$7,500 the total of \$2,500 is allocated for this purpose)                                                                                                                                                                                                                                                                                                                                                         |
| 1.9 Consultations to select District Peace & Stability Committee (DPSC)                                                                |          |           |             |                                       |                  |            |                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

### Annex C: Somalia IRF Stabilization Project Detailed Budget

| Activity                                                                                                                                                                                                                                                                                                                                                                                                | Unit     | # of Unit | Cost/Unit  | Unit2 | Total Government     | Total UNDP          | GRAND TOTAL COST USD   | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-----------|------------|-------|----------------------|---------------------|------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.10 MIF, CA, and implementing partners (IP) to conduct training for DPSCs                                                                                                                                                                                                                                                                                                                              | district | 20        | \$5,000.00 |       |                      | \$100,000.00        | \$ 100,000.00          | (CSP) Estimated training costs for the District Peace and Stability Committees include engaging an implementing partner with experience in administration capacity building to work alongside the MoI&F. \$5,000 per district includes fees and costs to deploy local experts from the IP to the districts (transport, accommodation, per diem), as well as preparation of training materials & Refreshments. If required amount for training is higher and other donors' contributions added, MoI&F will ensure that the process is one and the same. |
| <b>Subtotal 1</b>                                                                                                                                                                                                                                                                                                                                                                                       |          |           |            |       | <b>\$ 992,900.00</b> | <b>\$107,500.00</b> | <b>\$ 1,100,400.00</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>2. Formation and Capacitating of Interim Local District Administrations (IA)</b>                                                                                                                                                                                                                                                                                                                     |          |           |            |       |                      |                     |                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 2.1 MIF / CA / DPSC conduct consultations to choose delegates who will select Interim Local District Administration (IA)                                                                                                                                                                                                                                                                                |          |           |            |       |                      |                     |                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 2.2 Wider community consultations                                                                                                                                                                                                                                                                                                                                                                       |          |           |            |       |                      |                     |                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 2.3 Host conference (50-75 delegates, including MPs, elders, clerics, youth, women, political leaders, etc.) - IA to be comprised of 9 individuals (4 community selected / 5 nominated)<br>2.3.1. Specific dialogue sessions designed only for women for political empowerment and participation (minimum 50 women / dialogue / district). Out of the \$187,500 the total of \$40,000 will be allocated | district | 20        | \$7,500.00 |       |                      | \$150,000.00        | \$150,000.00           | (LG) Assumes that per district, there will be costs associated with mobilizing individuals to be present for the IA selection process, travel costs (\$2,000), accommodation and per diem (\$2,000), materials for conducting the conference (\$1,000), banners and publicity materials (\$1,000) & facilitation charges for IP (\$1500).                                                                                                                                                                                                              |
| 2.4 1-week induction training for IA                                                                                                                                                                                                                                                                                                                                                                    | district | 20        | \$5,000    |       |                      | \$100,000.00        | \$100,000.00           | (LG) Same cost assumptions as in 1.10 above.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

### Annex C: Somalia IRF Stabilization Project Detailed Budget

| Activity                                                                                                          | Unit     | # of Unit | Cost/Unit   | Unit2                       | Total Government | Total UNDP         | GRAND TOTAL COST USD | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-------------------------------------------------------------------------------------------------------------------|----------|-----------|-------------|-----------------------------|------------------|--------------------|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2.5 Reconciliation and ongoing public awareness                                                                   | district | 20        | \$45,000.00 |                             |                  | \$900,000.00       | \$900,000.00         | Breakdown of the \$900,000<br>Trauma Healing session targeting only women (minimum 20 women / district) - \$45,000<br>1. Dialogue session for women on primary needs (minimum 30 women / district) - \$25,000<br>2. Traditional story-telling among women (minimum 30 women / district) - \$ 20,000<br>(CSP) SSF funded FCA/CRD program can support reconciliation efforts in central regions – Mudug, Galgadud, Hiraan. Further support required for additional regions / districts. Reconciliation work will be primarily sub-contracted to an experienced implementing partner agency. Costs include an estimated \$45,000 per district for reconciliation - human resources for IP, travel and accommodation costs per district (for IP and for non-IP stakeholders such as SFG officials), hosting reconciliation forums (intra- and inter-clan per district) - and \$20,000 per district for public awareness activities (\$5,000 for media coverage, \$5,000 for printed materials / banners, \$5,000 for print, radio, and web-based publicity, and \$5,000 for arts based publicity, e.g. drama, song, art). Work ongoing to ensure that methodology for consultation implemented by different partners is these same throughout |
| 2.6 training and deployment of command officers                                                                   | officers | 2         |             | per district (15 districts) |                  | \$33,930           | \$33,930.00          | (Police)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 2.7 traininf of field training officers                                                                           | officers | 8         |             | per district (15 districts) |                  | \$90,480.00        | \$90,480.00          | (Police)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 2.8 training of community security officers                                                                       | officers | 35        |             | per district (20 districts) |                  | \$28,275.00        | \$28,275.00          | (Police)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 2.9 Running Costs for IA - (not including salaries - see HR requirements)                                         |          |           |             |                             |                  |                    |                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Subtotal 2</b>                                                                                                 |          |           |             |                             | <b>\$0</b>       | <b>\$1,302,685</b> | <b>\$1,302,685</b>   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>3. Human Resource Needs</b>                                                                                    |          |           |             |                             |                  |                    |                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 3.1 Provision of a Local Governance Technician (MIF liaison for each district) and community liaison per district | months   | 18        | \$ 750.00   | 2 per district x 20         | \$540,000.00     |                    | \$540,000.00         | Profiles and hiring of the two persons to be discussed between UNDP and the government and overseen by both.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 3.3 3 profiles to assist MoIF with overall stabilisation work + 1 project manager for PBF.                        | months   | 1         |             | 18 months                   | \$333,000.00     |                    | \$333,000.00         | Project manager to be hired by government, overseeing all project (both components) and reporting to project board composed of MoIF, UNDP and UNSOM                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 3.3.1 administrative assistant to support clerical and administrative duties.                                     | months   | 1         | \$ 1,200.00 | 18                          | \$21,600         |                    | \$21,600.00          | Project admin assistant salary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 3.4 technical assistance to Ministry of Public Works on developing conflict-sensitive infrastructure projects     | months   | 8         |             |                             |                  | \$133,610.00       | \$133,610.00         | (UNOPS)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

### Annex C: Somalia IRF Stabilization Project Detailed Budget

| Activity                                                                                          | Unit     | # of Unit | Cost/Unit   | Unit2 | Total Government   | Total UNDP          | GRAND TOTAL COST USD | Comments                                                                                                                                                                                                                                                                                                                                                                                      |
|---------------------------------------------------------------------------------------------------|----------|-----------|-------------|-------|--------------------|---------------------|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3.5 Caretaker Administrations (7 persons x 2 months)                                              |          |           |             |       |                    |                     |                      |                                                                                                                                                                                                                                                                                                                                                                                               |
| 3.6 Interim Administrations (9 persons x 6 months)                                                |          |           |             |       |                    |                     |                      |                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Subtotal 3</b>                                                                                 |          |           |             |       | <b>\$894,600</b>   | <b>\$133,610</b>    | <b>\$1,028,210</b>   |                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>4. Formation of Interim Local Administrations</b>                                              |          |           |             |       |                    |                     |                      |                                                                                                                                                                                                                                                                                                                                                                                               |
| 4.1 Assessments and awareness creation on formation of Interim Local District Administrations     | district | 20        | \$10,000.00 |       |                    | \$200,000.00        | \$200,000.00         | (LG) Assumes approximately \$3000 for Assessment cost, \$4,000 for media (television, print, radio, web) and \$3,000 for arts-based public awareness (drama, song, art) accompanying each permanent administration. Specific dialogue for women for political empowerment and participation (minimum 50 women / dialogue / district). Out of the \$200,000 the total of \$50,000 is allocated |
| 4.2 District-wide reconciliation conference                                                       | district | 20        | \$18,000.00 |       |                    | \$360,000.00        | \$360,000.00         | (LG)                                                                                                                                                                                                                                                                                                                                                                                          |
| 4.3 Conduct initial district consultative meeting to select delegates (100/150)                   |          |           |             |       |                    |                     |                      |                                                                                                                                                                                                                                                                                                                                                                                               |
| 4.4 Conduct District Conference - selection of District Council (21/27) & election of DC/Deputies |          |           |             |       |                    |                     |                      |                                                                                                                                                                                                                                                                                                                                                                                               |
| 4.5 Contracting of fiduciary agent                                                                |          |           |             |       |                    | \$200,000.00        | \$200,000.00         | Contracting of fiduciary agent for portion of the contribution going through the national window                                                                                                                                                                                                                                                                                              |
| <b>Subtotal 4</b>                                                                                 |          |           |             |       | <b>\$ -</b>        | <b>\$760,000.00</b> | <b>\$760,000.00</b>  |                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>TOTAL</b>                                                                                      |          |           |             |       | <b>\$1,887,500</b> | <b>\$ 2,303,795</b> | <b>\$4,191,295</b>   |                                                                                                                                                                                                                                                                                                                                                                                               |



| <b>Annex C1: Somalia IRF Stabilization Budget of Ministry of Interior &amp; Federalism</b> |                                 |                  |                     |                  |                   |                                                                                              |
|--------------------------------------------------------------------------------------------|---------------------------------|------------------|---------------------|------------------|-------------------|----------------------------------------------------------------------------------------------|
| <b>Sl No.</b>                                                                              | <b>Costs</b>                    | <b>Unit Type</b> | <b>No. of Units</b> | <b>Unit Cost</b> | <b>Value US\$</b> | <b>Comments</b>                                                                              |
| <b>1</b>                                                                                   | <b>Personnel Costs</b>          |                  |                     |                  |                   |                                                                                              |
| 1.2                                                                                        | Infrastructure Specialist       | Month            | 8                   | 9,800            | 78,400            | 3rd party contract fees and access to UNOPS systems                                          |
| <b>1.4</b>                                                                                 | <b>Subtotal Personnel Costs</b> |                  |                     |                  | <b>78,400</b>     |                                                                                              |
| <b>2</b>                                                                                   | <b>Project Costs</b>            |                  |                     |                  |                   |                                                                                              |
| 2.1                                                                                        | Comms and other IT equipment    | Lumpsum          | 1                   | 9,000            | 9,000             | Laptops, satellite, phones, printer/scanners, PPEs etc.                                      |
| 2.4                                                                                        | Travel and DSA                  | per person       | 1                   | 18,000           | 18,000            | This includes travel from point of origin, travel within Somalia and internationally and DSA |
| <b>2.9</b>                                                                                 | <b>Subtotal Project Costs</b>   |                  |                     |                  | <b>27,000</b>     |                                                                                              |
| 3                                                                                          | Direct Support Costs            |                  |                     |                  | 11,300            |                                                                                              |
| <b>4</b>                                                                                   | <b>Subtotal Direct Costs</b>    |                  |                     |                  | <b>116,700</b>    |                                                                                              |
| 5                                                                                          | Implementation support fee (7%) |                  |                     |                  | 8,169             |                                                                                              |
| <b>6</b>                                                                                   | <b>SUB-TOTAL</b>                |                  |                     |                  | <b>124,869</b>    |                                                                                              |
| <b>7</b>                                                                                   | <b>UNDP GMS</b>                 |                  |                     |                  | <b>8,741</b>      |                                                                                              |
| <b>8</b>                                                                                   | <b>GRAND TOTAL</b>              |                  |                     |                  | <b>133,610</b>    |                                                                                              |

## **Annex D: Financial procedures and oversight for disbursements**

### **Section 1: Introduction**

1. The PBF support to stabilisation focuses on addressing the critical gaps of the overall needs for the newly recovered areas, with a strong focus on the areas which are critical to ensure the basic presence of the government in these areas and its capacity to conduct the dialogue process leading to the establishment of local governments, as well as complementary support to the urgent need of ensuring law enforcement agents are in place in these locations. This would be accompanied by an initial assistance on the development of conflict-sensitive infrastructure projects.
2. The project will support the capacity of the Ministry of Interior and Federalism in its coordination and oversight role of stabilisation activities. It will also cover needs at the district level. The project covers all the 25 districts to be recovered through the military offensives. The activities to be covered are described in the project document, signed by the UN and Ministry of Interior and Federalism on 19 November 2014.
3. PBF activities will be implemented by the UN and by the Ministry of Interior and Federalism. Part of the allocation (US\$1,887,500 million) is to be channelled through treasury.
4. The present document describes the process whereby the funds channelled through treasury will be spent, including the financial procedure and oversight roles. The funds will be overseen by the same processes developed through the work of the Somalia special Funding Facility (SFF), and procedures developed by the World Bank.

### **Section 2: Expenditures Eligible for Financing by the Fund**

The following expenditure items are eligible for financing by the PBF for the whole duration of the project, initially envisaged for 18 months from release of funds. The release of funds will be considered as the date the funds are credited in the account of the Central Bank of Somalia (CBS):

#### **A. Recurrent Costs**

1. **Salaries or consultants remunerations for technical experts** under key institutions to address the capacity gaps identified by the Ministry of Interior, as per project document:

- a. Ministry of Interior
- b. District level community liaison officers

**2. District Administration eligible expenses** incurred within the limits established in the Ministry of Interior budget

- Payment to District offices will be based on a set of budget items totaling \$5000, as per attached standard budget for districts, predetermined and approved by the Ministry of Interior.
- The breakdown of the \$5000 per month per district includes \$1,500 for non-expendable equipment, \$500 for expendable supplies, and \$3000 for fuel and vehicle operating costs.
- The Ministry of Interior will provide a budget template with approved list of items eligible to be covered under the PBF. This includes office supplies and/or equipment as needed. Equipment will be limited to no more than 30% of the monthly allotment, and could be used for office items such as computers and/or printers. Supplies include expendable office supplies. Running costs includes fuel costs for vehicles.

**Section 3: Financial Management Procedures**

**3.1 Financial management guidelines for Salaries & Expenses**

The budget and payment process for salaries and expenses will be based on the established system in the Ministry of Finance and aligned to the SFF procedures, which is as follows:

Step 1: Ministry/Agency submits proposed payroll and expenses to the Director of Budget

Step 2: The Director of Budget cross-checks to budget before authorizing the payment

Step 3: Ministry/Agency submits an expenditure warrant to the Accountant General, requesting payment against the authorized pay list.

Step 4: The Accountant General submits the expenditure warrant to Auditor General for verification before approving the warrant

Step 5: Ministry/Agency submits a payment voucher to the Accountant General against the approved warrant and pay list. There are two signatories to the payment voucher at the Ministry/Agency level: the Director General and the Director of Administration & Finance

Step 6: Accountant General signs against the payment voucher, authorizes payment.

**3.2 Payment system for Salaries**

Payments will be processed by the CBS. Initially, payments will be processed via check by the CBS, until such time that commercial banks can be used as payment agents (targeting January 2015).

Step 1: Ministry of Finance submits approved payment voucher to CBS for processing

Step 2: CBS Director of Accounting reviews payment voucher and authorizes funds to be transferred from the Single Treasury Account to the Ministry of Interior account

Step 3: Ministry of Interior issues checks based on the payment voucher to technical experts for salary payments

In January 2015, the salary payments will be deposited into the local commercial bank accounts of the technical experts rather than issuing checks.

### 3.3 Payment system for District Administrations Expenses (\$5000)

Payment to District offices will be based on a set of budget items totaling \$5000, predetermined and approved by the Ministry of Interior.

Step 1: Ministry of Finance submits approved payment voucher to the Central Bank of Somalia (CBS) for processing

Step 2: CBS Director of Accounting reviews payment voucher and authorizes funds to be transferred from the Single Treasury Account to the Ministry of Interior account

Step 3: Funds (\$5000) are transferred from the Ministry of Interior account to the district administration account held in a local commercial bank (Hawala branches).

Step 4: District Commissioner and Deputy District Commissioner to held signatures of the district account, can authorizes payments of the district account.

| Category                                                                                                                                                                                                                                                                                                                                                                                                           | Budget p/<br>Month | Budget p/Two<br>months | Total budget 20<br>Districts |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|------------------------|------------------------------|
| <b>Office Equipment</b> <ul style="list-style-type: none"> <li>• Computers</li> <li>• Printers</li> <li>• Furniture (desks, chairs, fridge, Air Conditioners, file cabinets</li> <li>• Generator (as required)</li> <li>• Safety deposit (for petty cash)</li> <li>• Camera (for evidence/reporting)</li> <li>• Fax machines (for reporting, where this no access to internet)</li> <li>• Mobile phones</li> </ul> | \$1,000.00         | \$8,000.00             | <b>\$800,000.00</b>          |
| <b>Office Supplies</b> <ul style="list-style-type: none"> <li>• Papers, file folders, note pads, binding folders, envelopes, post-it notes</li> <li>• General ledger templates, invoice templates, purchase order templates</li> <li>• Pens, pencils, highlighters</li> </ul>                                                                                                                                      | \$500.00           | \$4,000.00             |                              |

|                                                                                                                                                                                         |                   |                    |  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|--------------------|--|
| <ul style="list-style-type: none"> <li>• Staplers, paper clips, ink, etc.</li> <li>• Business cards</li> <li>• SIM cards, airtime</li> </ul>                                            |                   |                    |  |
| <b>Gas (fuel for transport)</b>                                                                                                                                                         | \$1,000.00        | \$8,000.00         |  |
| <b>Utilities</b> <ul style="list-style-type: none"> <li>• Water</li> <li>• Electricity</li> <li>• Internet, telecommunications</li> <li>• Rent of office space (as required)</li> </ul> | \$1,000.00        | \$8,000.00         |  |
| <b>Administration Support</b> <ul style="list-style-type: none"> <li>• Training</li> <li>• Logistical support</li> <li>• Travel</li> <li>• Car rental</li> </ul>                        | \$1,000.00        | \$8,000.00         |  |
| <b>Miscellaneous (patty cash):</b> Supplies, non- personal items, meals and /or light refreshments for meetings, emergency needs                                                        | \$500.00          | \$4,000.00         |  |
| <b>Total</b>                                                                                                                                                                            | <b>\$5,000.00</b> | <b>\$40,000.00</b> |  |

### 3.4 Processing Payments at the District Administrations

#### 3.4.1 Delegation of Authority:

- Level of Authorities for payments and signatories for approving expenditures and issuing checks to vendors have been identified
- Names and signatories on District Administration account held in local commercial bank are being established (See step 3)
- Secretariat District Local Government or/and District Deputy Commissioner will be trained in financial procedures and responsible for processing and reporting on expenditures

#### 3.4.2 Expenditure Procedures

- Expenditures will be approved and executed based on the prepared and approved budget
- General Ledgers will be maintained at the District level for basic book keeping to record all transactions
- Payments of running costs will be authorized to vendors with supporting documentation, i.e. invoices
- Payments will be made via check, to reduce the reliance on cash transaction and limit cash handling to petty cash, when possible

- Records will be maintained to track the authorization of transactions and the dates of authorization. The persons indicated must possess the necessary authority granted in accordance with the established financial authority regulations; and
- The dates the transaction will be posted to the books of account and the persons responsible for that posting.
- Regular (monthly) expenditure reporting in line with budget.

### 3.4.3 Basic Procurement

Basic procurement procedures to be followed for the purchase of eligible items in the budget, e.g. equipment, fuel, etc. Procurement must be carried out in accordance with FGS legal and regulatory framework that can include directives, circulars, and orders issued by the Minister of Finance.

#### 3.4.3.1 Procurement Methods and Proceedings

Depending on the value of the procurement, the different methods of procurement allowed under these guidelines are:

- A. Open Competitive Bidding
- B. Request for Quotations (Shopping Procedure) – Under \$50,000
- C. Single Source Selection – Under \$2000

#### 3.4.3.2 Supporting documentation requirements

Transactions must be supported by appropriate documentation and must include the documents below as appropriate.

- a) A payee invoice
- b) Evidence of receipt of goods or services;
- c) In cases of daily allowances for travel – boarding passes evidencing dates of travel;
- d) The relevant contract, when applicable
- e) Documentation evidencing the procurement process:
  - i. In case of single or sole sourcing;
    - An explanation indicating the justification for single or sole sourcing and the justification for vendor selection approved by the spending authority;
  - ii. In case of requests for quotations;
    - Copy of request for quotations;
    - Complete and authorized bid analysis form together with quotations submitted;
  - iii. In case of competitive bidding;
    - Photocopy or electronic copy of advertisements announcing bidding opportunity;
    - Request for proposal;
    - Register of bids received;
    - Bid evaluation meeting minutes documenting assessment of bids;
    - Award letter;
    - Photocopy or electronic copy of advertisements announcing award.

- Due to the budget and value of transactions under the PBF, procurement procedures will likely fall under single source selection. In addition, the districts are operating in an environment where there is not much selection of competition.

#### 3.4.4 Petty Cash

- Petty cash will be capped at \$500 dollars. Rules of petty cash are established in each district.
- Petty cash will be issued to Secretariat District Local Government. If such position is not available then issued to District Deputy Commissioner by the district commissioner.
- Petty cash will be kept in safe deposit box. A ledger will be maintained to track petty cash spending.
- A reconciliation of the petty cash is to be documented monthly by each district, and last day of the calendar month. This is to reconcile the total amount of petty cash issued to the amount of cash on hand.
- Show cross reference numbers to all the related documentation such as cheque numbers & bank accounts, supplier invoices received, purchase orders, delivery notes, invoices issued;

The above financial procedures will have been reviewed and approved by the Ministry of Finance, in coordination with the Ministry of Interior.

#### 3.5 Financial reports

Financial reporting will be done according to the process and regularity envisaged in the project document. The financial reports will be integrated in the expenditure reporting of the Treasury Single Account produced by the Accountant General

### Section 7: Monitoring

#### 7.1 Monitoring

The Ministry of Interior is responsible for expenditure verification at the District Administration level. These will take place as spot check paper-based verification. Paper-based verification will involve reviewing documentation for expenditures, and ensuring that procedures have been followed.

The Ministry of Finance (MoF) will have oversight of the fund and the overall expenditure and reporting. The monitoring role of the MoF is as follows:

- 1) As part of the country PFM systems, the MoF will receive the payment vouchers outlining the expenditure of the funds from the MoIF for approval. The Budget Director of the MoF will receive the payment voucher and review it against the budget prior to approval. Once approved by the Budget Director, the payment voucher will be submitted to the Accountant General for review and release of funds to MoIF.
- 2) The MoF will receive and review monthly expenditure reports on fund activity
- 3) The MoF will conduct periodic spot checks of expenditures

### Section 8: Evaluation & Audit

#### 8.1 Annual Audit

The execution of the PBF will be audited as part of the function of the Auditor General, as it is being channeled through the country systems, including treasury.

**Annex D1: Scope of Work – Fiduciary monitoring agent  
Peacebuilding fund support to stabilization**

**III. Background**

The Peacebuilding Fund of the United Nations (PBF) is supporting activities related to stabilization in Somalia for a total of US\$4,2051,295. A portion of these funds are to be channeled through the Somalia treasury, for a total of US\$1,887,500, over 18 months (of which approximately 1/3 is to be spent over the first 6 months' time frame of this scope of work).

The challenge in Somalia is not only weak national systems, but also lack of a banking system. Through the SFF work, systems are being developed that allow money flows on the short term and build the basis for the future.

For now, the Central Bank is acting as a bank, receiving and distributing money flows. The budget control (budget check and approval of expenditure) is centralized in the Ministry of Finance. Other ministries ask for expenditure through vouchers, to Ministry of Finance, who approves and sends to the Central Bank for disbursement. The Central Bank then issues checks or pays vendors directly, for salaries payment is done directly by the Central Bank, with use of biometrics controls.

The system to flow resources from Federal to State, Region and District levels is not yet in place. The PBF will help build on the SFF work to develop those systems. At the beginning, money will flow from Federal to District level but this exercise will also explore some form of involvement of State (where existing) and regional level, even if only for information purposes. Consideration is underway for the system to fund operational costs (petty cash) for the administrations at local level in the newly recovered areas. The rules for use and accountability for will also be considered in this process.

On the operational side, allocated project funds will move to a holding account at the Central Bank, from there, upon request and approval by the Ministry of Interior and Federalism (co-signed by the Ministry of Finance) the money would be moved within the treasury as required for expenditure. This allows for all concerned project parties to keep the money trail, while channeling the money through the treasury.

For the support to be channeled to the districts, the project will then either use the Hawala system or have cash disbursements under the accountability of the MoF. The cash disbursements would only be until the Hawala licensing is finalized. The project would have to accompany this with a registry and rules for petty cash at the district level (for the operating costs).

The transfer of the PBF funds on treasury is based on the Memorandum of Agreement (MoA) between the MPTFO and the Ministry of Finance. Based on the Somalia UN MPTF operational arrangement for the fast track window, the MPTF Office, as Administrative Agent (AA) of the UN MPTF, will transfer the funds to the Central Bank, upon receipt of:

- III. Approved fund transfer request, which will clearly note the national budget line(s) against which this support is being directed. Once the funds are received, the Central Bank will move the funds to a dedicated holding account. For support to be channeled to the districts, the Central Bank



will either use the Hawala system or have cash disbursement under the accountability of the Ministry of Interior and Federalism. The cash disbursements under the accountability of the Ministry of Interior and Federalism are only to be used until such a time as the Hawala licensing is finalized by the Central Bank of Somalia.

- IV. The project will transfer the budget support payment in one tranche. The internal government processes (developed with the support of the Somalia Financing Facility – SFF) will be used to ensure proper oversight and accountability of the flow of resources from the Central Bank to the districts, as well as accountability of districts for the use of the allocated resources.

The money channeled through the treasury will be under the supervision and control services of a Monitoring Agent.

#### **IV. Scope of work**

The monitoring work entails performing procedures to assess whether and to what extent project funds have been administered based on criteria agreed to by the donor and the recipient, as outlined above and in annex 1.

The scope of work encompasses project activities to be executed, over a 6 months period, by the Federal Government of Somalia (FGS), which includes expenditures for running costs for the districts' Caretaker Administrations (CA), and support for human resource needs. Budgeted amounts for these activities are presented as 1.7, 3.1, and 3.3 of Annex C to the Project Document.

The budget to the program document also foresees expenditures under activity 1.6 "Deployment of CA to districts and transport of humanitarian assistance from government" to be executed by FGS. No monitoring procedures are included in this description of services with respect to expenditures under this activity as amount is to be paid lump-sum without a requirement for subsequent reporting of expenditures. Flow of these funds from the donor to FGS is to be tracked.

Monitoring work is to be directed at amounts withdrawn by FGS from the project Designated Account (DA). Expenditures subject to monitoring procedures are to be presented in monthly reporting provided to the monitoring agent by the Ministry of Finance (MoF). It is foreseen that such reports are to be prepared by the Ministry of Interior and Federalism (MoIF) and subject to MoF review.

Monitoring procedures are to be carried out every two months, beginning in the third month after spending begins for in (month three). Monitoring work would therefore be scheduled for months three and six.

The scope of work is defined across the following work streams:

##### **1. Monitoring of flow of funds and FGS payment processing**

- a. Carry out review of all funds received from the donor to the FGS, from the time the funds reach the specified Designated Account (DA) of the Government's Treasury Single Account (TSA) at the Central

Bank of Somalia (CBS) to the time the funds are disbursed to the authorized representative of the Ministry of Interior and Federalism (MoIF) or to beneficial recipients, as is expected to the case with individuals remunerated under activity 3.3.

b. Carry out review of flow of funds and related controls with procedures to be performed every second month, beginning at month three, in order to allow for adequate time for spending during each two month period, as well as preparation and submission of required reporting. The following will be considered:

- v. Within the approved budget according to the FGS Appropriation Act, plus supplementary budget information as presented in the FGS centralized budget management system;
- vi. Authorized for transfer from the Designated Account (DA) to the Treasury Single Account (TSA) by MoIF (co-signed by MoF);
- vii. Processed by way of Payment Vouchers authorized by the MoIF and Accountant General;
- viii. Paid by the Central Bank of Somalia (CBS) per FGS instructions, as evidenced by the FGS bank statement received from the CBS, to an authorized representative of MoIF or to the beneficial recipient.

c. Carry out review of documentation providing evidence of funds received by authorized representative of District Administration, whether by cash disbursement or by licensed commercial bank or money transfer agent. This will be done by comparing the name and signature on the evidence of receipt of funds by the district administration to specimen signature records maintained by the MoIF.

d. Review and provide advisory opinion on the adequacy of payment process and controls.

**V. Monitoring of payments to consultants and experts (budget activity 3.3)**

- c. Examine contracts for four consultants and experts to determine if payments made are consistent with the contract with respect to period of time, payee, and amount;
- d. Perform enquiries and procedures to assess whether payments were made to individuals contracted;

**VI. Monitoring in the field: site visits to districts**

- e. Carry out three site visits to selected districts over the life of the project, one visit every second month, beginning at month two, in order to allow for adequate time for the districts to spend against their allocated funds and prepare and submit required reporting;

- f. Perform enquiries and procedures to assess whether cumulative expenditures made against running costs are consistent with the appropriate budget for each line item;
- g. Perform enquiries and procedures to assess how expenditures are documented and authorized;
- h. Examine supporting documentation for payments to MoF Liaison and Community Liaison's as well as procedures to determine if payments made are consistent with the contract with respect to period of time, payee, and amount.

## **VII. Capacity building**

- a. Assist the Ministry of Finance and Ministry of Interior in organizing a training session for the financial officers of the Ministry of Interior and Federalism and districts receiving funds (total of 25-30 participants) in how to follow the public finance manual and procedures established for expenditure at district level;
- b. Assist the Ministry of Finance in developing a manual for financial controls and fiduciary oversight of the contributions channeled to treasury through the UN MPTF National Window.

## **V. Reporting**

In addition to working closely with the Minister of Interior and Federalism and Ministry of Finance the fiduciary agent will report to the United Nations as follows:

- a. A total of three advisory reports, submitted every two months, with the first report to be made after monitoring work commences in month two, consistent with monitoring and district site visit schedule;
- b. Advisory reports with reimbursement advice covering all funds withdrawn from the specified Designated Account within the Scope of Work, to be submitted to the UN after all required supporting documentation from the Government is received.

# Financial Procedures Manual

## Federal Government of Somalia

| Version issue number and date  |
|--------------------------------|
| Version 1: Issued January 2015 |
|                                |
|                                |



Ministry of Finance  
Federal Government of Somalia

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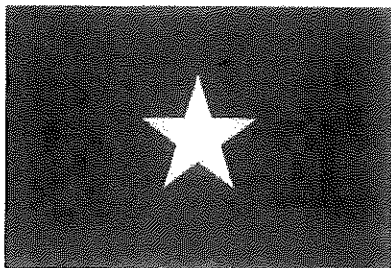
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**MEMORANDUM OF AGREEMENT**  
**FOR**  
**MANAGEMENT AND OTHER SUPPORT SERVICES**  
**RELATED TO**  
**THE SOMALIA UN MPTF'S NATIONAL STREAM**

**MEMORANDUM OF AGREEMENT**  
**between**  
**the Federal Government of Somalia**  
**and**  
**the United Nations Development Programme**  
**for**  
**Management and Other Support Services**  
**Related to the Somalia Multi-Partner Trust Fund (MPTF) National Funding Stream**

WHEREAS, the Federal Government of Somalia (hereinafter the "Government") has developed the Somalia Development and Reconstruction Facility (hereinafter the "Facility"). The Facility brings together under a common governance framework several funds, including the Somalia UN MPTF, the World Bank Multi Partner Fund for Somalia, a Somalia Fund managed by the African Development Bank, and the Special Financing Facility (SFF);

WHEREAS, a Somalia Multi-Partner Trust Fund has been established to receive funding from donors to finance activities undertaken through two separate funding streams: the United Nations Multi-Partner Trust Fund for Somalia (the "Somalia UN MPTF"), established by the Participating UN Organizations to finance activities of Participating UN Organizations; and the Somalia Multi-Partner Trust Fund National Funding Stream (the "Somalia National Funding Stream"), established by the Government to finance activities of National Entities (as such terms are defined and used herein);

WHEREAS, the Somalia UN MPTF was developed by Participating United Nations Organizations, starting on 1 September 2013 and ending on 31 December 2024, as part of their respective development cooperation with the Federal Government of Somalia, as more fully described in the Terms of Reference of the Somalia UN MPTF dated 19 March 2014, (hereinafter referred to as the "TOR", a copy of which is attached hereto as ANNEX A, and have agreed to adopt the Facility's coordination mechanism (hereinafter referred to as the "Steering Committee") to facilitate the effective and efficient collaboration between the Participating UN Organizations and the Federal Government of Somalia for the implementation of the Fund. The terms of the Somalia UN MPTF are set out in a Memorandum of Understanding entered into between the Participating UN Organizations and UNDP's Multi-Partner Trust Fund Office (MPTF Office), as the administrative agent of the Somalia UN MPTF;

WHEREAS, the Government has now requested the UNDP MPTF Office to serve as the Administrative Agent of the Somalia National Funding Stream and provide fund administration, management and other support services related to management of the Somalia National Funding Stream for funding activities undertaken by the National Entities, as more fully described in the Somalia MPTF National Funding Stream Terms of Reference, dated 19 March 2014 (hereinafter referred to as the "Somalia MPTF National Funding Stream TOR" or "TOR"), a copy of which is attached hereto as ANNEX B;

WHEREAS, UNDP agrees to serve as the Administrative Agent and provide the fund administration, through its MPTF Office (hereinafter "Administrative Agent-Somalia National Funding Stream"), as well as management and other support services for the Somalia National Funding Stream, pursuant to its Financial Regulations and Rules, and the terms and conditions set out in the Terms of Reference of the Somalia National Funding Stream;

WHEREAS, the Government has designated the Ministry of Finance (MOF) to coordinate the development and implementation of the Somalia National Funding Stream activities on behalf of the Government and assume full financial and programmatic accountability for the funds disbursed by the Administrative Agent to the government entities through MOF National Account, that shall implement the activities funded by the Somalia National Funding Stream (hereinafter the "National Entities"), and shall have such other responsibilities as set forth herein;

WHEREAS, UNDP as the Administrative Agent-Somalia National Funding Stream on behalf of the Government will conclude with the Contributors the Standard Administrative Arrangements for the Somalia National Funding Stream (hereinafter "SAA for Somalia National Funding Stream"), a template of which is annexed hereto as ANNEX C;

WHEREAS, this Memorandum of Agreement governs the relationship between UNDP and the Government, including MOF, as well as the related Agreements with the Contributors (ANNEX 3);

NOW, THEREFORE, the Government and the Administrative Agent (hereinafter "the Parties") agree as follows:

#### **Article 1**

##### **Establishment of the Somalia UN MPTF's National Stream**

1. The signature of this Memorandum of Agreement (hereinafter the "MOA") marks the commencement of the Somalia National Funding Stream. The establishment of the Somalia National Funding Stream shall facilitate the effective and efficient collaboration between the Government, Contributors, the Administrative Agent, and other stakeholders for the implementation of the Somalia National Funding Stream, as set out in the TOR. All terms defined in the TOR are used in this MOA in the same manner as though set out and defined in full herein.

2. The Somalia National Funding Stream shall be governed by the Steering Committee that will set the criteria and scope for approving programmes/projects, and determine the overarching priorities for the Somalia National Funding Stream. The Steering Committee will carry out the functions stated in the TOR, including prioritizing the programmes approved by the PSG Working Groups, making fund allocation decisions, and overseeing the effective

monitoring and evaluation of the Somalia National Funding Stream's financed activities.

3. The same Steering Committee will serve as the primary coordination and governance mechanism for the SDRF, as described in the SDRF Steering Committee TOR and the Somalia UN MPTF TOR.

4. A National Stream Secretariat will be set up within the Aid Coordination Unit to support the proper functioning of the Steering Committee and the High Level Partnership Forum. The Somalia National Funding Stream will designate dedicated staff to work on the Somalia National Funding Stream. The Secretariat will facilitate the preparation and conduct of the Steering Committee meetings, organize the vetting process of programmes submitted to funding decisions, and undertake Somalia National Funding Stream-level monitoring, reporting and evaluation.

5. Somalia National Funding Stream-financed activities undertaken by the National Entities shall be carried out on the basis of the applicable national laws, regulations and procedures (hereinafter referred to as the "National Regulatory Framework"), provided they do not contravene the principles set out in UNDP's regulations and rules.

6. The Government and UNDP shall consult closely with respect to the management and other support services provided under this MOA. The Government shall ensure that all necessary support is given by the relevant Somali authorities to UNDP to facilitate the activities to be carried out by UNDP under the Somalia National Funding Stream. The Steering Committee will approve the Operational Manual to detail its rules of procedure, processes, and templates, consistent with the TOR.

7. Resources from the Somalia National Funding Stream, including interest accrued to the National Stream Account, will be utilized for the purpose of meeting the direct and indirect costs of programmes undertaken by the National Entities, as well as meet the direct costs related to its administration, technical review tasks of the Secretariat and required Somalia National Funding Stream-wide evaluations. Details of such proposals, including respective budgets and description of the National Entities will be set out in the relevant programme documents and/or proposals, approved by the Steering Committee.

## **Article 2**

### **The Administrative Agent**

8. The Government hereby engages UNDP, through its MPTF Office, to administer the Somalia National Funding Stream on its behalf, in accordance with the TOR. UNDP shall use its multi-donor trust fund management mechanism adapted for the management support services arrangements described herein.

9. Upon signature of this MOA, UNDP will conclude on behalf of the Government an SAA for the Somalia National Funding Stream with the Contributors for the receipt of funds.

10. UNDP as Administrative Agent - Somalia National Funding Stream, through its MPTF Office, will carry out the following functions for the Somalia National Funding Stream:

- (a) Receive financial contributions from Contributors and deposit those in the Somalia National Funding Stream Account;
- (b) Administer the funds received, in accordance with UNDP regulations, rules, policies and procedures and the TOR;
- (c) In accordance with the decisions of the Steering Committee, and subject to availability of funds disburse the funds to National Entities through MOF upon instruction the Steering Committee, taking into account the budget set out in the approved programmatic document<sup>1</sup>, as amended in writing from time to time by the Steering Committee;
- (d) Consolidate statements and reports, based on submissions provided to the Administrative Agent by MOF, based on the submissions of each National Entity, as set forth in Article 5, and provide these to MOF, the Steering Committee and Contributors through the Secretariat;
- (e) As applicable, provide final reporting; and
- (f) Disburse funds to MOF and to any National Entity, through MOF, for any additional costs of the non-fund administration tasks that the Steering Committee may decide to allocate to any of the aforementioned in accordance with the TOR.

11. The Administrative Agent - Somalia National Funding Stream will conclude the SAA for the Somalia National Funding Stream with each Contributor that wishes to provide financial support to the Somalia National Funding Stream for activities undertaken by the National Entities. The Administrative Agent will not agree with the Contributor to amend the terms of ANNEX 3 without prior written agreement of MOF. The Administrative Agent- Somalia National Funding Stream and MOF will ensure the posting of a copy of the SAA - Somalia National Funding Stream, as well as information on contributions, on the website of the Administrative Agent - Somalia National Funding Stream (<http://mptf.undp.org>), as well as the website of the SDRF embedded in the New Deal for Somalia website (<http://www.newdeal.so>), as appropriate.

12. The Administrative Agent - Somalia National Funding Stream will be entitled to allocate an administrative fee of one percent (1%) of the amount contributed by each Contributor signing a SAA for the Somalia National Funding Stream to meet its costs of performing the functions described in this Memorandum of Agreement.

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<sup>1</sup> As used in this document, an approved programmatic document refers to projects or programmes which are approved by the Steering Committee for fund allocation purposes.

**Article 3**  
**Financial Matters**

**The Administrative Agent - Somalia National Funding Stream**

13. UNDP, as the Administrative Agent - Somalia National Funding Stream, will establish a separate ledger account (hereinafter, the "Somalia National Funding Stream Account") under its financial regulations and rules for the receipt and administration of the funds received pursuant to a SAA for the Somalia National Funding Stream. The Somalia National Funding Stream Account will be administered by the UNDP, in accordance with the UNDP's applicable regulations, rules, policies and procedures, including those relating to interest. The Somalia National Funding Stream Account will be subject exclusively to the internal and external auditing procedures laid down in the applicable UNDP financial regulations, rules, policies and procedures.

14. The Administrative Agent will not absorb gains or losses on currency exchanges which will increase or decrease the funds available for disbursements to MOF, and the National Entities.

15. Subject to the availability of funds, the Administrative Agent will make disbursements from the Somalia National Funding Stream Account based on decisions from the Steering Committee, in line with the budget set forth in the programmatic document, as amended from time to time by the Steering Committee.

16. The Administrative Agent - Somalia National Funding Stream will normally make each disbursement to the MOF within three (3) to five (5) business days after receipt of the relevant approved programmatic document and instruction from the Steering Committee and in line with the Somalia National Funding Stream TOR, along with a copy of the relevant approved programmatic document. The Administrative Agent - Somalia National Funding Stream will transfer funds through wire transfer. MOF will advise the Administrative Agent - Somalia National Funding Stream in writing of the bank account for transfers pursuant to this MOA. When making a transfer, the Administrative Agent - Somalia National Funding Stream will notify MOF, of the following: (a) the amount transferred, (b) the value date of the transfer, and (c) that the transfer is from the UNDP in respect of the Somalia National Funding Stream pursuant to this MOA.

17. Where the balance in the Somalia National Funding Stream Account on the date of a scheduled disbursement is insufficient to make that disbursement, the Administrative Agent - Somalia National Funding Stream will consult with the Steering Committee and make a disbursement, if any, in accordance with the Steering Committee's instructions.

**Ministry of Finance (MOF)**

18. The Government has designated MOF to serve as the primary interlocutor on all aspects of the Somalia National Funding Stream including with respect to the Administrative Agent - Somalia National Funding Stream. MOF assumes full programmatic and financial accountability for the funds disbursed to the MOF by the Administrative Agent - Somalia National Funding Stream.

19. In order to carry out activities financed by the Somalia National Funding Stream, National Entities shall be proposed by MOF, in consultation with relevant ministries, and approved by the Steering Committee, following assessments of financial, managerial and technical capacity by the Secretariat. The Steering Committee, chaired by MOF, shall review and approve the proposals recommended for funding. It is understood that National Entities will receive funds and carry out activities on the basis of the National Regulatory Framework, in accordance with Article 1, Paragraph 5.

20. MOF will establish a separate ledger account under its financial regulations and rules for the receipt and administration of the funds disbursed to it by the Administrative Agent - Somalia National Funding Stream from the Somalia National Funding Stream Account.

21. The National Entities, receiving funds directly from the Somalia National Funding Stream Account based on their respective agreements (hereinafter "NE Agreement") with the MOF, will establish a separate ledger account under their respective financial regulations and rules for the receipt and administration of the funds disbursed to them from the Somalia National Funding Stream Account. The Government Coordinating Entity assumes full programmatic and financial accountability for the funds disbursed to the National Entities by the Administrative Agent - Somalia National Funding Stream. That separate ledger account will be (i) administered by the National Entities in accordance with the "National Regulatory Framework", provided the laws, regulations and procedures under such frameworks do not contravene the principles set out in UNDP's regulations and rules, policies and procedures, and (ii) subject to reviews, and internal and external auditing requirements as set forth in the TOR.

22. MOF will use, and have the National Entities, use, the funds disbursed from the Administrative Agent - Somalia National Funding Stream to carry out the activities for which they are responsible as set out in the approved programmatic document. MOF, and through it the National Entities, will commence and continue to conduct operations for the programmatic activities only upon receipt of disbursements as instructed by the Steering Committee. MOF, and through it the National Entities, will not make any commitments above the approved budget in the approved programmatic document, as amended from time to time by the Steering Committee. If there is a need to exceed the budgeted amount, MOF will submit a supplementary budget request to the Steering Committee.

#### Contributors

23. The Contributors will make their contributions in accordance with the provisions of the SAA for the Somalia National Funding Stream.

**Article 4**  
**Activities of the National Stream**

**The Role of MOF**

24. Before the Administrative Agent will disburse funds to a National Entity through Somalia National Funding Stream Account, MOF will reach an agreement with each concerned National Entity setting out the terms and conditions regarding receipt of funds from the National Stream, consistent with this MOA and the TOR. MOF will ensure that each National Entity is responsible for the activities specified in its proposal, in accordance with the decisions of the Steering Committee and the National Regulatory Framework.

25. After approval by the Steering Committee of a National Entity's proposal, MOF will instruct the Administrative Agent - Somalia National Funding Stream to disburse the approved amount to the National Stream Account within MOF.

26. MOF through the Steering Committee will take the necessary steps to ensure that National Entities have the required capacities to accomplish their commitments in accordance the National Regulatory Framework.

27. Any modifications to the scope of the approved programmatic document, including as to its nature, content, sequencing or the duration thereof will be subject to mutual agreement in writing between MOF, the relevant National Entity and the Steering Committee. MOF will promptly notify the Administrative Agent of any change in the budget approved by the Steering Committee, as set out in the programmatic document of any National Entity. For Somalia National Funding Stream-financed activities undertaken by the National Entities, on the termination or expiration of this MOA, the ownership of equipment, supplies and other property financed from the Somalia National Funding Stream shall vest in the Government.

28. MOF will ensure that where a National Entity wishes to carry out its activities through or in collaboration with third parties, it will be responsible for discharging all commitments and obligations with such third parties, and the Administrative Agent - Somalia National Funding Stream will not be responsible for doing so.

29. In carrying out their activities, neither MOF nor the National Entity will be considered as an agent of the Administrative Agent - Somalia National Funding Stream, nor will the personnel of one be considered as staff members, personnel or agents of the other. Without restricting the generality of the preceding sentence, the Administrative Agent - Somalia National Funding Stream will not be liable for the acts or omissions of MOF, the National Entities, or their personnel, or of persons performing services on their behalf.



30. MOF will advise the Administrative Agent - Somalia National Funding Stream in writing when all activities for which the National Entities are responsible under the respective approved programmatic document have been completed.

31. MOF recognizes that the Contributors reserve the right to discontinue future contributions if reporting obligations are not met as set forth in the SAA for the Somalia National Funding Stream or if there are substantial deviations from agreed plans and budgets. If it is agreed among the Steering Committee, MOF, Contributors and the Administrative Agent - Somalia National Funding Stream that there is evidence of improper use of funds by National Entities, MOF will repay an amount equivalent to the amount of the funds found to have been misused, into the Fund's Account from its own resources. Should repayment to the Fund Account not occur within a reasonable period of time as shall be established by the Steering Committee, the Contributors may elect to terminate any further fund transfer to the programmatic activity in question.

32. In cases of serious or wide-spread fraud that are judged to be harmful to the reputation of the Fund, the Contributors in consultation with the Steering Committee will suspend all further fund transfers until adequate remedial measures have been taken. Once actions have been taken, the case will be presented to and discussed with the Steering Committee. In cases where the Government, Contributors and Administrative Agent are unable to reach consensus on a corrective course of action, final decision-making in relation to the future disbursement will lie with the donors, and final decision-making in relation to sanctioning individuals under Somali law will lie with the Government and will be based on the National Regulatory Framework.

#### The Contributors

33. The Contributors will participate in the Somalia National Funding Stream in accordance with the Somalia National Funding Stream TOR.

#### Article 5 Reporting

34. The National Entities through MOF, will provide the Administrative Agent - Somalia National Funding Stream with the following statements and reports for funds received from the Somalia National Funding Stream Account, as set forth in the Somalia National Funding Stream TOR:

- (a) Annual narrative progress reports, to be provided no later than three months (31 March) after the end of the calendar year;
- (b) Annual financial statements and reports as of 31 December with respect to the funds disbursed to it from the Somalia National Funding Stream Account, to be provided no later than four months (30 April) after the end of the calendar year;

- (c) Final narrative reports, after the completion of the activities in the approved programmatic document and including the final year of the activities in the approved programmatic document, to be provided no later than four months (30 April) of the year following the financial closing of the funded programme. The final report will give a summary of results and achievements compared to the goals and objectives of the programme;
- (d) Mid-year progress updates that will allow the Government and the Steering Committee to assess project implementation progress on an on-going basis; and
- (e) Certified final financial statements and final financial reports after the completion of the activities in the approved programmatic document and including the final year of the activities in the approved programmatic document, to be provided no later than six months (30 June) of the year following the financial closing of the programme.

35. The Administrative Agent - Somalia National Funding Stream will prepare consolidated narrative and financial reports, based on the reports referred to in Paragraph 33 (a) to (e) above, and will provide those consolidated reports to MOF, the Steering Committee, and each Contributor to the Somalia National Funding Stream Account, through the Secretariat, by 31 May of each year.

36. The Administrative Agent - Somalia National Funding Stream will also provide MOF, Steering Committee and Contributors through the Secretariat with the following statements on its activities:

- (a) Certified annual financial statement ("Source and Use of Funds") to be provided no later than five months (31 May) after the end of the calendar year; and
- (b) As applicable, certified final financial statement ("Source and Use of Funds") to be provided no later than seven months (31 July) of the year following the financial closing of the National Stream.

37. Consolidated reports and related documents will be posted on the websites of the Government (<http://www.newdeal.so>) and the Administrative Agent - Somalia National Funding Stream (<http://mptf.undp.org>).

#### **Article 6** **Monitoring and Evaluation**

38. Monitoring and evaluation of the Somalia National Funding Stream including, as necessary and appropriate, joint evaluation by the Government, MOF, the Contributors, the Administrative Agent - Somalia National Funding Stream, and other partners, will be undertaken in accordance with the provisions contained in the Somalia National Funding Stream TOR.

39. MOF, the Secretariat, the National Entities, Contributors, and the Administrative Agent - Somalia National Funding Stream, through the Steering Committee, will hold annual consultations, as appropriate, to review the status of the Somalia National Funding Stream.

#### **Article 7**

##### **Audit**

40. The National Entities will be audited through the Ministry of Finance, in accordance with the Somalia national audit framework, and subject to external auditing requirements as set in their respective NE agreement. The Administrative Agent - Somalia National Funding Stream will be audited in accordance with its own Financial Regulations and Rules.

#### **Article 8**

##### **Joint Communication**

41. MOF will take appropriate measures to publicize the Somalia National Funding Stream and to give due credit to the other stakeholders. Information given to the press, to the beneficiaries of the Somalia National Funding Stream, all related publicity material, official notices, reports and publications, will acknowledge the leading role of the Government, the Contributors, MOF, the Administrative Agent - Somalia National Funding Stream and any other relevant entities. In particular, the Administrative Agent - Somalia National Funding Stream will include and ensure due recognition of the role of the Government, MOF, national partners, National Entities, and Contributors in all external communications relating to the Somalia National Funding Stream.

42. The Administrative Agent - Somalia National Funding Stream in consultation with MOF will ensure that decisions regarding the review and approval of the National Stream's projects, periodic reports on the progress of Fund-financed activities and associated external evaluation are posted, where appropriate, for public information on the websites of the Somalia National Funding Stream (<http://www.newdeal.so>) and the Administrative Agent - Somalia National Funding Stream (<http://mpif.undp.org>). Such reports and documents may include Steering Committee approved programmes and programmes awaiting approval, Somalia National Funding Stream-level annual financial and progress reports and external evaluations, as appropriate.

#### **Article 9**

##### **Entry into Force, Expiration, Modification**

43. This MOA will come into effect upon signature by authorized representatives of the Parties and will continue in full force and effect until it is terminated.

44. The Somalia National Funding Stream has a termination date of 31 December 2024.

45. This MOA will expire upon the winding up of the Somalia National Funding Stream or upon its termination by the Government, in accordance with paragraph 43 above, subject to the continuance in force of paragraph 46 below for the purposes therein stated. In addition, the MOA may be terminated upon 180 day notice, upon mutual agreement of the Parties, subject to the continuance in force of paragraph 46 below for the purposes therein stated.

46. This MOA may be modified only by written agreement between the Parties.

47. Commitments assumed by the Parties under this MOA will survive the expiration or termination of this MOA to the extent necessary to permit the orderly conclusion of the activities and the completion of final reports, the withdrawal of personnel, funds and property, the settlement of accounts between the Parties hereto and the settlement of contractual liabilities that are required in respect of any subcontractors, consultants or suppliers. Any balance remaining in the Somalia National Funding Stream Account, in MOF, or in individual National Entity's separate ledger accounts upon winding up of the Somalia National Funding Stream will be used for a purpose as decided by the Steering Committee and Contributors or returned to the Contributor(s) in proportion to their contribution to the Somalia National Funding Stream as decided upon by the Contributor and Steering Committee.

#### **Article 10**

##### **Notices**

48. Any action required or permitted to be taken under this MOA may be taken on behalf of the Government, by the Minister of Finance, or his designated representative, and on behalf of the Administrative Agent - Somalia National Funding Stream, by the Executive Coordinator of the UNDP MPTF Office, or his designated representative.

49. Any notice or request required or permitted to be given or made in this MOA will be in writing. Such notice or request will be deemed to be duly given or made when it will have been delivered by hand, mail or any other agreed means of communication to the party to which it is required to be given or made, at such party's address specified below or at such other address as the party will have specified in writing to the party giving such notice or making such request.

*For the Government:*

Name: Hussein Abdi Halane  
Title: Minister, Ministry of Finance  
Address: Mogadishu

Telephone:  
Facsimile:  
Electronic mail: hhalane55@gmail.com

*For the Administrative Agent:*

Name: Yannick Glemarec  
Title: Executive Coordinator, MPTF Office, UNDP  
Address: 730 Third Avenue, 20<sup>th</sup> Floor, New York, NY 10017, USA  
Telephone: +1 212 906 6880  
Facsimile: +1 212 906 6990  
Electronic mail: [yannick.glemarec@undp.org](mailto:yannick.glemarec@undp.org)

**Article 11**  
**General Provisions**

50. In the event of any controversy, claim or dispute between the Parties arising out of this MOA or the breach thereof, the Parties shall seek an amicable resolution thereof through good faith direct negotiations.

51. The Government agrees that the provisions of the Agreement between UNDP and the Government, relating to UNDP's assistance to the country signed on 16 May 1977 (SBAA) shall apply to UNDP and its personnel carrying out the management and other support services provided hereunder, except that the funds contributed shall be deemed resources of the Government.

52. In accordance with the SBAA, the Government shall bear all risks of operations arising under this Agreement and shall be responsible for dealing with claims which may be brought by third parties against UNDP, its officials or other persons performing services on its behalf, and shall hold them and UNDP harmless in respect of claims or liabilities arising from operations under this Agreement. The foregoing provision shall not apply where the Government and UNDP agree that claims or liabilities arise from the gross negligence or willful misconduct of the above-mentioned persons.

IN WITNESS WHEREOF, the undersigned, duly authorized representatives of the respective Parties, have signed this MOA in English, in three copies.

On behalf of the Government of Somalia:

Signature: \_\_\_\_\_

Name: Hussein Abdi Halan

Title: Minister, Ministry of Finance

Place: Mogadishu

Date: 24/04/2014



On behalf of UNDP:

Signature: \_\_\_\_\_

Name: Yannick Glemarec

Title: Executive Coordinator, MPTF Office

Place: New York

Date: 24/04/2014

This Memorandum of Agreement has been signed in the presence of:

Signature: \_\_\_\_\_

Name:

Philippe Lazzarini

Title:

DSRSG, UN Resident and Humanitarian Coordinator, Somalia

Place:

Date:

24/04/2014



ANNEX A – The Somalia UN MPTF Terms of Reference

ANNEX B – Somalia UN MPTF TOR and Annex 1: The Somalia UN MPTF's National Stream Terms of Reference – the Framework with Respect to the Government of Somalia Receiving the Funding Directly from the Somalia UN MPTF

ANNEX C – Standard Administrative Arrangement for the National Stream

**MEMORANDUM OF UNDERSTANDING (MOU) FOR  
UNITED NATIONS MULTI-PARTNER TRUST FUND FOR  
SOMALIA (SOMALIA UN MPTF)**

**Memorandum of Understanding  
between  
Participating UN Organizations<sup>1</sup>  
and  
the United Nations Development Programme  
regarding the Operational Aspects of a  
United Nations Multi-Partner Trust Fund for Somalia (Somalia UN MPTF)**

**WHEREAS**, the Participating United Nations Organizations signing this Memorandum of Understanding (hereinafter referred to collectively as the "Participating UN Organizations") have developed a **United Nations Multi-Partner Trust Fund for Somalia (Somalia UN MPTF)** (hereinafter referred to as the "**Fund**") starting on 1 September 2013 and ending on 31 December 2024, as may be amended from time to time, as part of their respective development cooperation with the Federal Government of Somalia, as more fully described in the Terms of Reference of the Fund dated September 2013, (hereinafter referred to as the "TOR", a copy of which is attached hereto as ANNEX A, and have agreed to establish a coordination mechanism (hereinafter referred to as the "Steering Committee") to facilitate the effective and efficient collaboration between the Participating UN Organizations and the host Government for the implementation of the Fund;

**WHEREAS**, the Participating UN Organizations have agreed that they should adopt a coordinated approach to collaboration with donors who wish to support the implementation of the Fund and have developed a TOR to use as the basis for mobilising resources for the Fund, and have further agreed that they should offer donors the opportunity to contribute to the Fund and receive reports on the Fund through a single channel; and

**WHEREAS**, the Participating UN Organizations have further agreed to ask the United Nations Development Programme (which is also a Participating UN Organization in connection with this Fund), through its Multi-Partner Trust Fund Office (MPTF Office), to serve as the administrative interface between the donors and the Participating UN Organizations and for these purposes the United Nations Development Programme has agreed to do so in accordance with this Memorandum of Understanding.

**NOW, THEREFORE**, the Participating UN Organizations and the United Nations Development Programme (hereinafter referred to collectively as the "**Participants**") hereby agree as follows:

**Section I**

**Appointment of Administrative Agent; its Status, Duties and Fee**

1. The Participating UN Organizations hereby appoint the United Nations Development Programme (hereinafter referred to as the "Administrative Agent") to serve

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<sup>1</sup> As indicated in the signature blocks.



as their Administrative Agent in connection with the Fund, in accordance with the terms and conditions set out in this Memorandum of Understanding. The Administrative Agent accepts this appointment on the understanding that the Participating UN Organizations assume full programmatic and financial accountability for the funds disbursed to them by the Administrative Agent. This appointment will continue until it expires, or is terminated, in accordance with Section VIII below.

2. On behalf of the Participating UN Organizations, the Administrative Agent will:

- (a) Receive contributions from donors that wish to provide financial support to the Fund;
- (b) Administer such funds received, in accordance with this Memorandum of Understanding including the provisions relating to winding up the Fund Account and related matters;
- (c) Subject to availability of funds, disburse such funds to each of the Participating UN Organizations in accordance with instructions from the Steering Committee, taking into account the budget set out in the approved programmatic document<sup>2</sup>, as amended in writing from time to time by the Steering Committee;
- (d) Consolidate statements and reports, based on submissions provided to the Administrative Agent by each Participating UN Organization, as set forth in the TOR, and provide these to each donor that has contributed to the Fund Account and to the Steering Committee;
- (e) Provide final reporting, including notification that the Fund has been fully expended or has been wound up in accordance with the Fund TOR, in accordance with Section IV below;
- (f) Disburse funds to any Participating UN Organization for any additional costs of the task that the Steering Committee may decide to allocate (as referred to in Section I, Paragraph 3) in accordance with TOR.

3. The Steering Committee may request any of the Participating UN Organizations, to perform additional tasks in support of the Fund not related to the Administrative Agent functions detailed in Section I, Paragraph 2 above and subject to the availability of funds. Costs for such tasks will be agreed in advance and with the approval of the Steering Committee be charged to the Fund as direct costs.

4. The Administrative Agent will enter into a Standard Administrative Arrangement, in the form attached hereto as ANNEX B (hereinafter referred to as an "Administrative Arrangement"), with each donor that wishes to provide financial support to the Fund through the Administrative Agent. The Administrative Agent will not agree with the

<sup>2</sup> As used in this document, an approved programmatic document refers to an annual work plan or a programme/project document, etc., which is approved by the Steering Committee for fund allocation purposes.

Donor to amend the terms of Annex B without prior written agreement of the Participating UN Organizations. The Administrative Agent will ensure the posting of a copy of the Administrative Arrangement it enters into, as well as information on donor contributions, on the website of the Administrative Agent (<http://mptf.undp.org>), as well as the website of the UN in Somalia, as appropriate.

5. None of the Participating UN Organizations will be responsible for the acts or omissions of the Administrative Agent or its personnel, or of persons performing services on its behalf, except in regard to its respective contributory acts or omissions. With respect to contributory acts or omissions of the Participating UN Organizations, the resulting responsibility will be apportioned among them or any one of them to the extent of such contributory acts or omissions, or as may otherwise be agreed. In addition, donors will not be directly responsible for the activities of any person employed by the Participating UN Organizations or the Administrative Agent as a result of this Memorandum of Understanding.

6. The Administrative Agent will be entitled to allocate an administrative fee of one percent (1%) of the amount contributed by each donor signing an Administrative Arrangement, to meet the Administrative Agent's costs of performing the Administrative Agent's functions described in this Memorandum of Understanding.

7. Where the Administrative Agent is also a Participating UN Organization, a clear delineation, including distinct reporting lines and an accountability framework, will be established and maintained within the organization designated as the Administrative Agent between its functions as an Administrative Agent and its functions as a Participating UN Organization.

## Section II Financial Matters

### The Administrative Agent

1. The Administrative Agent will establish a separate ledger account under its financial regulations and rules for the receipt and administration of the funds received pursuant to Administrative Arrangement (hereinafter, the "Fund Account"). The Fund Account will be administered by the Administrative Agent in accordance with the regulations, rules, directives and procedures applicable to it, including those relating to interest. The Fund Account will be subject exclusively to the internal and external auditing procedures laid down in the financial regulations, rules, directives and procedures applicable to the Administrative Agent.

2. The Administrative Agent will not absorb gains or losses on currency exchanges which will increase or decrease the funds available for disbursements to Participating UN Organizations.

3. Subject to the availability of funds, the Administrative Agent will make disbursements from the Fund Account based on instructions from the Steering Committee, in line with the budget set forth in the programmatic document, as amended from time to

time by the Steering Committee. The disbursements will consist of direct and indirect costs as set out in the budget.

4. The Administrative Agent will normally make each disbursement within three (3) to five (5) business days after receipt of the relevant approved programmatic document, in accordance with the instructions received from the Steering Committee in line with the TOR, along with a copy of the relevant approved programmatic document, signed by all the parties concerned. The Administrative Agent will transfer funds to each Participating UN Organization through wire transfer. Each Participating UN Organization will advise the Administrative Agent in writing of the bank account for transfers pursuant to this Memorandum of Understanding. When making a transfer to a Participating UN Organization, the Administrative Agent will notify that Participating UN Organization's Treasury Operations of the following: (a) the amount transferred, (b) the value date of the transfer; and (c) that the transfer is from the United Nations Development Programme in respect of the Somalia UN MPTF pursuant to this Memorandum of Understanding.

5. Where the balance in the Fund Account on the date of a scheduled disbursement is insufficient to make that disbursement, the Administrative Agent will consult with the Steering Committee and make a disbursement, if any, in accordance with the Steering Committee's instructions.

#### The Participating UN Organizations

6. Each Participating UN Organization will establish a separate ledger account under its financial regulations and rules for the receipt and administration of the funds disbursed to it by the Administrative Agent from the Fund Account. That separate ledger account will be administered by each Participating UN Organization in accordance with its own regulations, rules, directives and procedures, including those relating to interest. That separate ledger account will be subject exclusively to the internal and external auditing procedures laid down in the financial regulations, rules, directives and procedures applicable to the Participating UN Organization concerned.

7. Each Participating UN Organization will use the funds disbursed to it by the Administrative Agent from the Fund Account to carry out the activities for which it is responsible as set out in the approved programmatic document, as well as for its indirect costs. The Participating UN Organizations will commence and continue to conduct operations for the programmatic activities only upon receipt of disbursements as instructed by the Steering Committee. The Participating UN Organizations will not make any commitments above the approved budget in the approved programmatic document, as amended from time to time by the Steering Committee. If there is a need to exceed the budgeted amount, the Participating UN Organization concerned will submit a supplementary budget request to the Steering Committee.

8. Indirect costs of the Participating UN Organizations recovered through programme support costs will be 7%. In accordance with the UN General Assembly resolution 62/208 (2007 Triennial Comprehensive Policy Review principle of full cost recovery), all other costs incurred by each Participating UN Organization in carrying out the activities for which it is responsible under the Fund will be recovered as direct costs.

Section III  
Activities of the Participating UN Organizations

1. The implementation of the programmatic activities will be the responsibility of the Participating UN Organizations and will be carried out by each Participating UN Organization in accordance with its applicable regulations, rules, directives and procedures. On the termination or expiration of this Memorandum of Understanding, the matter of ownership of supplies and equipment will be determined in accordance with the regulations, rules, directives and procedures applicable to such Participating UN Organizations, including, where applicable, any agreement with the relevant host Government (if applicable).
2. Any modifications to scope of the approved programmatic document, including as to their nature, content, sequencing or the duration thereof will be subject to mutual agreement in writing between the relevant Participating UN Organization and the Steering Committee. The Participating UN Organization will promptly notify the Administrative Agent through the Steering Committee, of any change in the budget as set out in the programmatic document.
3. Where a Participating UN Organization wishes to carry out its programmatic activities through or in collaboration with a third party, it will be responsible for discharging all commitments and obligations with such third parties, and no other Participating UN Organization, nor the Administrative Agent, will be responsible for doing so.
4. In carrying out their programmatic activities, none of the Participating UN Organizations will be considered as an agent of any of the others and, thus, the personnel of one will not be considered as staff members, personnel or agents of any of the others. Without restricting the generality of the preceding sentence, none of the Participating UN Organizations will be liable for the acts or omissions of the other Participating UN Organizations or their personnel, or of persons performing services on their behalf.
5. Each Participating UN Organization will advise the Administrative Agent in writing when all activities for which it is responsible under the approved programmatic document have been completed.
6. The Participating UN Organizations recognize that the donors reserve the right to discontinue future contributions if reporting obligations are not met as set forth in the Administrative Arrangement; or if there are substantial deviations from agreed plans and budgets. If it is agreed among the donor(s), the Administrative Agent and the concerned Participating UN Organization under the Administrative Arrangement that there is evidence of improper use of funds, the Participating UN Organization will use its best efforts, consistent with its regulations, rules, policies and procedures to recover any funds misused. The Participating UN Organization will, in consultation with the Steering Committee and the Administrative Agent, credit any funds so recovered to the Fund Account or agree with the Steering Committee to use these funds for a purpose mutually agreed upon. Before withholding future contributions or requesting recovery of funds and

credit to the Fund Account, the Administrative Agent, the concerned Participating UN Organization and the donor will consult with a view to promptly resolving the matter.

7. The Participating UN Organizations recognize that it is important to take all necessary precautions to avoid corrupt, fraudulent, collusive or coercive practices. To this end, each Participating UN Organization will maintain standards of conduct that govern the performance of their staff, including the prohibition of corrupt, fraudulent, collusive or coercive practices, in connection with the award and administration of contracts, grants, or other benefits, as set forth in their Staff Regulations and Rules and Financial Regulations and Rules, including regarding procurement. In the event that a Participating UN Organization determines that an allegation in relation to the implementation of activities – including that corrupt, fraudulent, collusive or coercive practices may have taken place – is credible enough to warrant an investigation, it will promptly notify the Steering Committee and the Administrative Agent, to the extent that such notification does not jeopardize the conduct of the investigation. The allegation will be dealt with in accordance with the Participating UN Organization's accountability and oversight framework and by the Participating UN Organization's unit in charge of investigations. Upon completion of the investigation, the Participating UN Organization will inform the Steering Committee and the Administrative Agent about the results of the investigation.

8. As an exceptional measure, particularly during the start up phase of the Fund, subject to conformity with their financial regulations, rules and directives, Participating UN Organizations may elect to start implementation of programmatic activities in advance of receipt of initial or subsequent transfers from the Fund Account by using their own resources. Such advance activities will be undertaken in agreement with the Steering Committee on the basis of funds it has allocated or approved for implementation by the particular Participating UN Organization following receipt by the Administrative Agent of an official commitment form or signature of the Administrative Arrangements by donors contributing to the Fund. Participating UN Organizations will be solely responsible for decisions to initiate such advance activities or other activities outside the parameters set forth above.

#### Section IV Reporting

1. Each Participating UN Organization will provide the Administrative Agent with the following statements and reports prepared in accordance with the accounting and reporting procedures applicable to the Participating UN Organization concerned, as set forth in the TOR. The Participating UN Organizations will endeavour to harmonize their reporting formats to the extent possible.

- (a) Annual narrative progress reports, to be provided no later than three months (31 March) after the end of the calendar year;
- (b) Annual financial statements and reports as of 31 December with respect to the funds disbursed to it from the Fund Account, to be provided no later than four months (30 April) after the end of the calendar year;

- (c) Final narrative reports, after the completion of the activities in the approved programmatic document and including the final year of the activities in the approved programmatic document, to be provided no later than four months (30 April) of the year following the financial closing of the Fund. The final report will give a summary of results and achievements compared to the goals and objectives of the Fund; and
  - (d) Certified final financial statements and final financial reports after the completion of the activities in the approved programmatic document and including the final year of the activities in the approved programmatic document, to be provided no later than six months (30 June) of the year following the financial closing of the Fund.
2. The Administrative Agent will prepare consolidated narrative progress and financial reports, based on the reports referred to in paragraph 1 (a) to (d) above, and will provide those consolidated reports to each donor that has contributed to the Fund Account, as well as the Steering Committee, in accordance with the timetable established in the Administrative Arrangement.
3. The Administrative Agent will also provide the donors, Steering Committee and Participating UN Organizations with the following statements on its activities as Administrative Agent:
- (a) Certified annual financial statement ("Source and Use of Funds" as defined by UNDG guidelines) to be provided no later than five months (31 May) after the end of the calendar year; and
  - (b) Certified final financial statement ("Source and Use of Funds") to be provided no later than seven months (31 July) of the year following the financial closing of the Fund.
4. Consolidated reports and related documents will be posted on the websites of the UN in Somalia and the Administrative Agent (<http://mptf.undp.org>).

#### **Section V**

#### **Monitoring and Evaluation**

1. Monitoring and evaluation of the Fund will be undertaken in accordance with the provisions contained in the TOR, which are consistent with the respective regulations, rules and procedures of the Participating UN Organizations.
2. The donor(s), the Administrative Agent and the Participating UN Organizations will hold annual consultations, as appropriate, to review the status of the Fund.

## **Section VI**

### **Audit**

1. The Administrative Agent and Participating UN Organizations will be audited in accordance with their own Financial Regulations and Rules and, in case of MPTFs, in accordance with the Framework for auditing Multi-Partner trust funds which has been agreed to by the Internal Audit Services of participating UN organizations and endorsed by the UNDG in September 2007.

## **Section VII**

### **Joint Communication**

1. Each Participating UN Organization will take appropriate measures to publicize the Fund and to give due credit to the other Participating UN Organizations. Information given to the press, to the beneficiaries of the Fund, all related publicity material, official notices, reports and publications, will acknowledge the role of the host Government, the donors, the Participating UN Organizations, the Administrative Agent and any other relevant entities. In particular, the Administrative Agent will include and ensure due recognition of the role of each Participating UN Organization and national partner in all external communications relating to the Fund.
2. The Administrative Agent in consultation with the Participating UN Organizations will ensure that decisions regarding the review and approval of the Fund as well as periodic reports on the progress of implementation of the Fund, associated external evaluation are posted, where appropriate, for public information on the websites of UN in Somalia and the Administrative Agent (<http://mptf.undp.org>). Such reports and documents may include Steering Committee approved programmes and programmes awaiting approval, fund level annual financial and progress reports and external evaluations, as appropriate.

## **Section VIII**

### **Expiration, Modification and Termination**

1. This Memorandum of Understanding will expire upon winding up of the Fund, subject to the continuance in force of paragraph 5 below for the purposes therein stated.
2. This Memorandum of Understanding may be modified only by written agreement between the Participants.
3. Any of the Participating UN Organizations may withdraw from this Memorandum of Understanding upon giving thirty (30) days' written notice to all other Participants to this Memorandum of Understanding subject to the continuance in force of paragraph 5 below for the purpose therein stated.
4. The Administrative Agent's appointment may be terminated by the Administrative Agent (on the one hand) or by the mutual agreement of all Participating UN Organizations (on the other hand) on thirty (30) days' written notice to the other

party, subject to the continuance in force of paragraph 5 below for the purpose therein stated. In the event of such termination, the Participants will agree on measures to bring all activities to an orderly and prompt conclusion so as to minimize costs and expense.

5. Commitments assumed by the withdrawing or terminating Participants under this Memorandum of Understanding will survive the expiration or termination of this Memorandum of Understanding or the termination of the Administrative Agent or withdrawal of a Participating UN Organization to the extent necessary to permit the orderly conclusion of the activities and the completion of final reports, the withdrawal of personnel, funds and property, the settlement of accounts between the Participants hereto and the settlement of contractual liabilities that are required in respect of any subcontractors, consultants or suppliers. Any balance remaining in the Fund Account or in the individual Participating UN Organizations' separate ledger accounts upon winding up of the Fund will be used for a purpose mutually agreed upon or returned to the donor(s) in proportion to their contribution to the Fund as agreed upon by the donors and the Steering Committee.

#### **Section IX** **Notices**

1. Any action required or permitted to be taken under this Memorandum of Understanding may be taken on behalf of the Administrative Agent, by the Executive Coordinator of the Multi-Partner Trust Fund Office or his designated representative, and on behalf of a Participating UN Organization by the head of office in Somalia, or his or her designated representative.

2. Any notice or request required or permitted to be given or made in this Memorandum of Understanding will be in writing. Such notice or request will be deemed to be duly given or made when it will have been delivered by hand, mail or any other agreed means of communication to the party to which it is required to be given or made, at such party's address specified in ANNEX C to this Memorandum of Understanding or at such other address as the party will have specified in writing to the party giving such notice or making such request.

#### **Section X** **Entry into Effect**

This Memorandum of Understanding will come into effect upon signature by authorized officials of the Participants and will continue in full force and effect until it is expired or terminated.

#### **Section XI** **Settlement of Disputes**

1. The Participants will use their best efforts to promptly settle through direct negotiations any dispute, controversy or claim arising out of or in connection with this Memorandum of Understanding or any breach thereof. Any such dispute, controversy or claim which is not settled within sixty (60) days from the date either party has notified



the other party of the nature of the dispute, controversy or claim and of the measures which should be taken to rectify it, will be resolved through consultation between the Executive Heads of each of the Participating UN Organizations and of the Administrative Agent.

IN WITNESS WHEREOF, the undersigned, duly authorized representatives of the respective Participants, have signed this Memorandum of Understanding in the English,

*For the Administrative Agent*

Signature: [Signature]  
Name: Yannick Ghenarec  
Title: Executive Coordinator, MPTF Office  
Place: New York  
Date: 26 Nov. 2013

*For UNDP*

Signature: [Signature]  
Name: Philippe Lazzarini  
Title: Resident Representative, Somalia  
Place: \_\_\_\_\_  
Date: \_\_\_\_\_

*For UNICEF:*

Signature: \_\_\_\_\_  
Name: Sikander Khan  
Title: Representative  
Place: \_\_\_\_\_  
Date: \_\_\_\_\_

*For UNSOM*

Signature: \_\_\_\_\_  
Name: Nicholas Kay  
Title: Special Representative to the  
Secretary General for UNSOM  
Place: \_\_\_\_\_  
Date: \_\_\_\_\_

*For FAO:*

Signature: \_\_\_\_\_  
Name: Luca Alinovi  
Title: OIC  
Place: \_\_\_\_\_  
Date: \_\_\_\_\_

*For UNSOA:*

Signature: \_\_\_\_\_  
Name: Amadu Kamara  
Title: Director  
Place: \_\_\_\_\_  
Date: \_\_\_\_\_

*For ILO:*

Signature: \_\_\_\_\_  
Name: George Okutho  
Title: Country Office Director  
Ethiopia and Somalia  
Place: \_\_\_\_\_  
Date: \_\_\_\_\_

*For UNHABITAT:*

Signature: \_\_\_\_\_  
Name: Dragan Tatic  
Title: Human Settlements Officer and Chief  
Technical Advisor  
Place: \_\_\_\_\_  
Date: \_\_\_\_\_

the other party of the nature of the dispute, controversy or claim and of the measures which should be taken to rectify it, will be resolved through consultation between the Executive Heads of each of the Participating UN Organizations and of the Administrative Agent.

IN WITNESS WHEREOF, the undersigned, duly authorized representatives of the respective Participants, have signed this Memorandum of Understanding in the English in [number of signatories] copies.

*For the Administrative Agent*

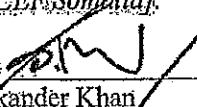
*For UNDP*

Signature: \_\_\_\_\_  
Name: Yannick Glemarec  
Title: Executive Coordinator, MPTF Office  
Place: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
Name: David Clap  
Title: Country Director, UNDP Somalia  
Place: \_\_\_\_\_  
Date: \_\_\_\_\_

*For [UNICEF Somalia]:*

*For [name of UN Organization]:*

Signature:   
Name: Sikander Khan  
Title: Representative  
Place: Nairobi  
Date: 30 September 2013

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Place: \_\_\_\_\_  
Date: \_\_\_\_\_

*For [name of UN Organization]:*

*For [name of UN Organization]:*

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Place: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
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Title: \_\_\_\_\_  
Place: \_\_\_\_\_  
Date: \_\_\_\_\_

*For [name of UN Organization]:*

*For [name of UN Organization]:*

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
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Signature: \_\_\_\_\_  
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Title: \_\_\_\_\_  
Place: \_\_\_\_\_  
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*For [name of UN Organization]:*

*For [name of UN Organization]:*

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Place: \_\_\_\_\_  
Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
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Place: \_\_\_\_\_  
Date: \_\_\_\_\_

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**IN WITNESS WHEREOF**, the undersigned, duly authorized representatives of the respective Participants, have signed this Memorandum of Understanding in the English.

*For the Administrative Agent*

Signature: \_\_\_\_\_  
Name: Yannick Glemarec  
Title: Executive Coordinator, MPTF Office  
Place: \_\_\_\_\_  
Date: \_\_\_\_\_

*For UNICEF:*

Signature: \_\_\_\_\_  
Name: Sikander Khan  
Title: Representative  
Place: \_\_\_\_\_  
Date: \_\_\_\_\_

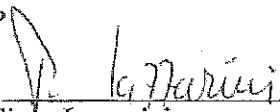
*For FAO:*

Signature: \_\_\_\_\_  
Name: Luca Alinovi  
Title: OIC  
Place: \_\_\_\_\_  
Date: \_\_\_\_\_

*For ILO:*

Signature: \_\_\_\_\_  
Name: George Okutho  
Title: Country Office Director  
Ethiopia and Somalia  
Place: \_\_\_\_\_  
Date: \_\_\_\_\_

*For UNDP*

Signature:  \_\_\_\_\_  
Name: Philippe Lazzarini  
Title: Resident Representative, Somalia  
Place: \_\_\_\_\_  
Date: \_\_\_\_\_

*For UNSOM*

Signature: \_\_\_\_\_  
Name: Nicholas Kay  
Title: Special Representative to the  
Secretary General for UNSOM  
Place: \_\_\_\_\_  
Date: \_\_\_\_\_

*For UNSOA:*

Signature: \_\_\_\_\_  
Name: Amadu Kamara  
Title: Director  
Place: \_\_\_\_\_  
Date: \_\_\_\_\_

*For UNHABITAT:*

Signature: \_\_\_\_\_  
Name: Dragan Tatic  
Title: Human Settlements Officer and Chief  
Technical Advisor  
Place: \_\_\_\_\_  
Date: \_\_\_\_\_

*For UNHCR:*

Signature: \_\_\_\_\_  
Name: Alessandra Morelli  
Title: Representative  
Place: \_\_\_\_\_  
Date: \_\_\_\_\_

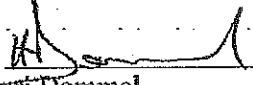
*For WHO:*

Signature: \_\_\_\_\_  
Name: Ghulam Popal  
Title: Representative  
Place: \_\_\_\_\_  
Date: \_\_\_\_\_

*For OHCHR:*

Signature: \_\_\_\_\_  
Name: Musa Gassama  
Title: Chief a.i.  
Place: \_\_\_\_\_  
Date: \_\_\_\_\_

*For UNCDF:*

Signature:  \_\_\_\_\_  
Name: Henri Dommel  
Title: Officer in Charge  
Place: UNCDF 2 UN Plaza,  
York, NY 10017  
Date: Nov 25 2013

*For UNESCO:*

Signature: \_\_\_\_\_  
Name: Mohamed Djelid  
Title: Director – Regional Office for  
Eastern Africa  
Place: \_\_\_\_\_  
Date: \_\_\_\_\_

*For UN Women:*

Signature: \_\_\_\_\_  
Name: Simone Oluoch-Olunya  
Title: Deputy Regional Programme Director  
Place: \_\_\_\_\_

*For WFP:*

Signature: \_\_\_\_\_  
Name: Stefano Porretti  
Title: Representative & Country Director  
Place: \_\_\_\_\_  
Date: \_\_\_\_\_

*For ICAO:*

Signature: \_\_\_\_\_  
Name: Kemoitse Mosupukwa  
Title: Project Coordinator  
Place: \_\_\_\_\_  
Date: \_\_\_\_\_

*For UNAIDS:*

Signature: \_\_\_\_\_  
Name: Martin Odiit  
Title: Country Coordinator  
Place: \_\_\_\_\_  
Date: \_\_\_\_\_

*For UNDSS:*

Signature: \_\_\_\_\_  
Name: Omar Castiglioni  
Title: Chief Security Advisor  
Place: \_\_\_\_\_  
Date: \_\_\_\_\_

*For UNFPA:*

Signature: \_\_\_\_\_  
Name: Cheikh Tidiane Cisse  
Title: Representative  
Place: \_\_\_\_\_  
Date: \_\_\_\_\_

*For UNMAS:*

Signature: \_\_\_\_\_  
Name: David Bax  
Title: Programme Manager  
Place: \_\_\_\_\_

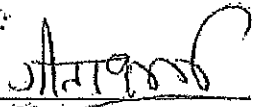
*For UNOCHA:*

Signature: \_\_\_\_\_  
Name: Justin Brady  
Title: Head of Office  
Place: \_\_\_\_\_  
Date: \_\_\_\_\_

*For UNODC:*

Signature: \_\_\_\_\_  
Name: Loide Lungamemi  
Title: Regional Representative  
Place: \_\_\_\_\_  
Date: \_\_\_\_\_

*For UNOPS:*

Signature:   
Name: Geeta Verma  
Title: Director Nairobi Operational Hub  
Place: Nairobi  
Date: 25.11.13

*For UNV:*

Signature: \_\_\_\_\_  
Name: Vidal Mahundla  
Title: UNV Coordinator  
Place: \_\_\_\_\_  
Date: \_\_\_\_\_

\*\*\*\*\*

**ANNEX A:** Terms of Reference of United Nations Multi-Partner Trust Fund for  
Somalia (Somalia UN MPTF)

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**ANNEX B:** Standard Administrative Arrangement between the Donor and the  
Administrative Agent

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**ANNEX C:** Notices

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ANNEX A: Terms of Reference of United Nations Multi-Partner Trust Fund for  
Somalia (Somalia UN MPTF)

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ANNEX B: Standard Administrative Arrangement between the Donor and the  
Administrative Agent

\*\*\*\*\*

ANNEX C: Notices

\*\*\*\*\*

## ANNEX C

### NOTICES

#### *For the Administrative Agent:*

Name: Yannick Glemarec  
Title: Executive Coordinator, MPTF Office  
Address: 730 Third Avenue, 20<sup>th</sup> Floor  
New York, NY 10017, USA  
Telephone: +1 212 906 6880  
Facsimile: +1 212 906 6990  
Email: yannick.glemarec@undp.org

#### *For [UNICEF Somalia]:*

Name: Forough Foyouzat  
Title: Deputy Representative  
Address: Block Q, UNON Complex,  
Nairobi  
Telephone: +254 20 7628570  
Facsimile: \_\_\_\_\_  
Email: ffoyouzat@unicef.org

#### *For [name of UN Organization]:*

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
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Facsimile: \_\_\_\_\_  
Email: \_\_\_\_\_



23 July 2014

To: Judy Cheng-Hopkins  
Assistant Secretary General for Peacebuilding Support, PBSO

From: Yannick Glemarec,  
Executive Coordinator, MPTF Office, UNDP

Subject: Request for the MPTF Office to facilitate the UN Secretariat in its desire to transfer funds from the Peacebuilding Fund (PBF) Account to the UN Somalia Multi-Partner Trust Fund (UN Somalia MPTF)

Thank you very much for your letter of 21 July 2014. As you know UNDP, through its Multi-Partner Trust Fund office (MPTF-O) serves as the Administrative Agent (AA) of the UN Multi-Partner Trust Fund for Somalia (UN Somalia MPTF), which can receive funds into the Somalia UN MPTF account and the Somalia MPTF National Funding Stream account. The Terms of Reference of the UN MPTF foresees the implementation of recovery activities in the framework of five Peacebuilding Goals, which form the structure of Somalia UN MPTF. The UN MPTF account finances projects and programmes of UN entities (PUNOs) and the Somalia MPTF National Funding Stream account finances those of governmental entities, approved through the UN Somalia MPTF's common governance structure. In response to your request and further to the desire of the UN, through PBF, to support the activities described above, we explored options, in our capacity as Administrative Agent of the PBF, to transfer part of the existing funds contained in the PBF Account to the Somalia UN MPTF account and the Somalia MPTF National Funding Stream account. Given that the PBF Business Plan 2014-2017, which has been endorsed by its stakeholders, including the PBF Advisory Group, outlines that the PBF will pilot passing funds directly to national governments for implementation, your kind acceptance of the terms below would be required by UNDP, through the MPTF Office, in order for the MPTF Office to effect the transfer:

1. The PBF confirms that the Somalia UN MPTF account and the Somalia MPTF National Funding Stream account are recipient organisations as per article 4.4 of the TOR of the Peacebuilding Fund of 13 August 2009 even though the funds are not organisations. The PBF recognizes that these two accounts will be reflected as Recipient Organisations on the MPTF Office GATEWAY page for the Peacebuilding Fund.
2. The PBF agrees that your approval of the relevant project document for the support to the Federal Government of Somalia in stabilization of newly recovered areas and accompanying



notification will direct the MPTF Office, in its capacity as Administrative Agent of the PBF, to transfer on behalf of the PBF, part of the existing funds contained in the PBF Account to the Somalia UN MPTF account and the Somalia MPTF National Funding Stream account, within 5 business days. This notification from yourself to the MPTF Office will constitute full authorization for, and instruction to, the MPTF Office to deduct the specified amount from the PBF Account and transfer such funds to the Somalia UN MPTF Account and the Somalia MPTF National Funding Stream account.

3. The PBF understands that UNDP MPTF Office, as the Administrative Agent of the Somalia UN MPTF, will receive these funds into the Somalia UN MPTF account and Somalia MPTF National Funding Stream account. This contribution will be used in accordance with the UN Somalia MPTF Terms of References and legal and governance framework, and that the MPTF Office, in its capacity as Administrative Agent of the Somalia UN MPTF shall not charge or deduct any AA fee from the PBF contribution received into the Somalia UN MPTF account and Somalia MPTF National Funding Stream account.
4. The MPTF Office is not liable for the use of funds received through this Contribution. The PBF holds UNDP, through its MPTF Office, harmless and recognizes that the funds so transferred from the PBF will form part of the corpus of the Somalia UN MPTF and the Contribution will be used in accordance with the Somalia UN MPTF Terms of References and legal and governance framework. The use, including any eventual misuse of funds, will be governed by the legal agreements of the Somalia UN MPTF, and the PBF affirms that it shall have no right, nor seek to assert any such right or other recourse under the framework of the PBF, against UNDP, through its MPTF Office, or any third party, including the right to seek recovery.
5. The PBF confirms it has informed all donors to the PBF that on an exceptional basis it has directed the MPTF Office to transfer funds from the PBF to the Somalia UN MPTF as set forth herein. The PBF recognizes that UNDP, through the MPTF Office, has accepted to transfer funds from the PBF and receive such transferred funds to the Somalia UN MPTF, on this basis
6. For the PBF contribution to the Somalia MPTF National Funding Stream account, the PBF understands that the MPTF Office as Administrative Agent of the Somalia MPTF will upon receipt of the approved transfer request documentation by the Somalia UN MPTF Steering Committee, transfer the PBF's contribution to the Somalia Ministry of Finance, on the basis of an approved programmatic document. The PBF understands that Ministry of Finance uses the funds on the basis of the National Regulatory Framework and assumes full programmatic and financial accountability for the funds disbursed to it by the MPTF Office. All accountability for those funds will be in accordance solely with the Somalia UN MPTF legal framework.
7. The PBF notes that special arrangements will need to be made to record the actual expenditures against the PBF projects, from which the contribution to the Somalia UN MPTF, and specifically

to the two accounts is financed and that certain details on expenditures may not be available, notable for funding provided to the Somalia MPTF National Funding Stream.

8. The PBF recognises that the Peacebuilding Fund will be reflected as a Contributor to these two Funds on the MPTF Office GATEWAY page. Further, the PBF recognizes that its funding may be pooled with that of other donors and waive the right to have a refund to the Peacebuilding Fund of remaining contributions upon the financial closure of these two Funds.

The PBF will evaluate the success of implementation of such pilots related to passing funds directly to national governments for implementation. Should these pilots be successful, the PBF will create a formal mechanism to effect passing of funds from the PBF account directly to national governments for implementation.

If you are in agreement with the terms of this letter, kindly sign below. This, along with your request, will constitute the agreement with respect to the transfer of funds and will be used in lieu of a Standard Administrative Arrangement with respect to the Somalia UN MPTF, including the relevant conditions, and waivers with respect to the Contribution to the Somalia UN MPTF.

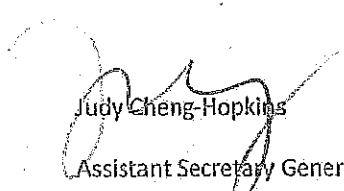
Sincerely,



Yannick Glemarec

Executive Coordinator

UNDP MPTF Office



Judy Cheng-Hopkins

Assistant Secretary General

for Peacebuilding Support



#### **Annex E: Essential MOU, MOA and Letter of Exception**

- Memorandum of Understanding for United Nations Multi-Partner Trust Fund for Somalia (Somalia UN MPTF);
- Memorandum of Agreement for Management and Other Support Services Related to the Somalia UN MPTF's National Stream; and
- Letter of Agreement between PBSO and MPTF Office to facilitate the UN Secretariat to transfer funds from the Peacebuilding Fund (PBF) Account to the Somalia Multi-Partner Trust Fund (UN Somalia MPTF)

## Annex F: Project Results Framework

**Policy statement / national roadmap for peace building:** To rebuild citizens-State relations, through confidence building, broad-based and inclusive consultative process, with the participation of an empowered civil society and Somali citizens.

*The adoption of the UN Security Council Resolutions 2073(2012) and 2124 (2013) enabled SNA forces and AMISOM to renew offensives to retake control of the territory from Al-Shabaab while the Federal Government of Somalia (FGS) developed a **Strategy for Stabilization**, focusing on the gradual establishment of temporary administrations and law enforcements, and coupled with establishment of a reconciliation and dialogue process with citizens, through the establishment of District Peace and Stability Committees (DPSCs), to address immediate needs in each location.*

*The overall approach of stabilization in Somalia is intrinsically related to statebuilding and the reestablishment of a social contract between the State and its citizens towards a Somalia in peace and offering equal opportunities to all.*

**Purpose of PBF support (type of expected change):** To extend the authority and capacity of the FGS to the newly recovered areas of South Central Somali among other efforts by empowering Somali citizens to actively participate in local governance and development efforts, including the delivery of peace dividends.

### **Theory of change statement:**

*A stabilization strategy basically related to statebuilding and the reestablishment of a social contract between the state and its citizen achieved by building confidence and trust in public institutions and through broad-based and inclusive consultative processes with the participation of an empowered civil society and Somali citizens can lead towards a Somalia in peace and offering equal opportunities to all its citizens.*

|                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                |                                                              |                   | Project assumes areas are liberated, and security and access is guaranteed in recovered districts                                                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (1) Outcomes and type of change required                                                                                      | (2) Outcome indicators                                                                                                                                                                                                                                                                                                                                   | (3) Outcome baseline and targets                                                                                                               | (4) RO & Party Responsible                                   | (5) Inputs/Budget | (6) Assumptions                                                                                                                                                                                                                                                                           |
| <b>Outcome 3:</b> Federal and District-level administrations have capacity to oversee and coordinate stabilisation activities | 3a Systems in place for allocate and distribute resources<br>3b Staff at district and federal level recruited and in place                                                                                                                                                                                                                               | Baseline: 8 districts have been recovered by the Somali National Army and AMISOM. 5 administrations have been deployed<br>Target: 25 districts | MOIF (Financial flows)<br>UNSOM and UNDP support recruitment | \$1,150,000       | (1) Caretaker Administrations trained and deployed. District Peace and Stability Committees established.                                                                                                                                                                                  |
| <b>Outcome 2:</b> Basic governance and policing structures established; citizen participation ensured                         | 2a Number of administrations established and trained, and interim administration conferences held<br>2b Number of community security teams trained, initiation of case registration of crime cases/reports [verified through spot checks of police station records]<br>2c Increasing percentage of citizens can identify their administrations and DPSCs | 2a<br>Baseline: 5 Caretaker Administrations deployed.<br>0 DPSCs formed and trained.<br><br>Target (at least):<br>• 8-10 Caretaker             | MOIF<br>UNDP<br>UNSOM<br>Civil Society partners<br><br>To be | \$2,241,295       | (2) Caretaker Administrations trained and deployed. District Peace and Stability Committees and Interim Administrations established. Community security teams established.<br>(3) Assets and equipment required to perform functions, including salary payments, provided and maintained. |

|                                                                                                  |                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                      |                                       |                                                                                                                                                                                                                                                          |
|--------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|---------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                  | <p>and can access dialogue</p> <p><b>2d</b> Increasing awareness of and trust in police/community security officers on the ground</p> | <p>Administrations:</p> <ul style="list-style-type: none"> <li>• 5 DPSC</li> <li>• 5-6 Interim Administrations</li> </ul> <p><b>2b</b><br/>Baseline: Community Security teams formed and trained.<br/>Target: 10 teams trained</p> <p><b>2c, 2d</b><br/>Baseline: perception survey To be developed in target districts at the beginning of the project (format and targets to be developed when of the preparation of the baseline)<br/>Target to be defined by district:<br/>% increase in visibility and legitimacy of administration and police<br/>% increase in trust and legitimacy<br/>% increase in positive perception of security</p> | <p>verified through the project reports and spot checks at district level.</p>       |                                       |                                                                                                                                                                                                                                                          |
| <p><b>Outcome 1:</b> Community-level project providers work through administrations and DPSC</p> | <p><b>1a</b> Number of community projects funded by donors identified through administrations and DPSCs</p>                           | <p>Baseline: 0<br/>Target: 10 projects<br/>At least one project on gender</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <p>International partners (see annex 2 for mapping of support by other partners)</p> | <p>Not funded through the PBF/IRF</p> | <p>(4) Caretaker Administrations trained and deployed. District Peace and Stability Committees established.<br/>(5) Donors commit to working through district administrations and DPSCs in line with the Federal Government's stabilisation strategy</p> |

## **Annex G: terms of reference of staff and consultants to be hired through the project**

**Federal Government of Somalia,**

**Ministry of Interior & Federal Affairs**

**Terms of Reference:**

**Stabilisation Programme Advisor**

### **Context**

The Federal Government of Somalia was formally instituted on 10 September, 2012. Since that time and despite progress, the political and security context, particularly at the sub-national levels across South-Central Somalia, has remained volatile. Federalism, clan dynamics, historical rivalries, new contests over power and resources, as well as ongoing military operations against extremist group Al Shabaab continue to undermine local and regional stability.

The international community's contributions to political, development and security assistance in Somalia were brought together under the New Deal framework, endorsed at the Brussels conference on September 7, 2013. The framework sets out 5 Peace and Statebuilding goals (thematic areas) against which all international efforts are to be aligned, coordinated by the FGS, UN and donor steering groups.

Following the November 2013 United Nations Security Council Resolution 2124, AMISOM launched Operation Eagle to defeat the last remnants of Al Shabaab inside Somalia. Following this, the Ministry of Interior & Federalism launched its National Stabilisation Plan to quickly provide administrations in 25 areas to bring Government authority to communities living in those areas. In addition to this, the previously prolonged conflict has also left communities with displacement, generated grievances over occupied lands, small arms proliferation and warlordism. It has created a breakdown of social norms and authority, and erosion of the social contract between the state and citizen, thus a restoration of public order and rule of law is desperately needed. Statebuilding however, essentially needs to start at the grass roots level through restoration of peace and enjoyment of peace dividends by the population through government led basic social service.

### **Position Summary**

The role of the MoIF Programme Advisor is to provide the day-to-day management of the stabilisation programmes and activities. The Advisor will coordinate the work on a daily basis with other MoIF units, developing frameworks, mechanisms and processes for coordination. The Advisor shall work towards having these frameworks developed with buy in from various stakeholders.

### **Duties and Responsibilities**

1. Performs programme management functions, effective supervision and guidance to project personnel in ensuring effective programme implementation
2. Ensures the provision of effective technical assistance to project implementation; becoming the first port of call for the implementing partners, whether through provision of direct technical assistance or identification and facilitation of alternative support options
3. Provides innovative and proactive liaison and coordination services to project steering, implementation and dissemination; Facilitation of knowledge building and knowledge sharing and ensuring that programme results are known and understood by a wide constituency.
4. .

### Line Management and Reporting

The post will be working within the MoIF with day-to-day reporting to the Permanent Secretary.

### Essential Qualifications and Experience

- Master's degree in International Relations, Development, Political or Social Sciences or a related field from an accredited academic institution with five years of relevant professional experience.
- Previous experience working in Somalia is required.
- Extensive stabilisation & coordination related experience in fragile and conflict affected states, in particular in the Horn of Africa
- Extensive programme management, initiation design, and delivery
- Ability to lead strategic planning, results-based management and reporting Theoretical and practical knowledge of inter-disciplinary peace-building development
- Knowledge of Somali history, politics and culture
- Fluent in Somali & English



**Federal Government of Somalia,  
Ministry of Interior & Federal Affairs  
Terms of Reference:  
Stabilisation Monitoring & Verification Advisor**

**Context**

The Federal Government of Somalia was formally instituted on 10 September, 2012. Since that time and despite progress, the political and security context, particularly at the sub-national levels across South-Central Somalia, has remained volatile. Federalism, clan dynamics, historical rivalries, new contests over power and resources, as well as ongoing military operations against extremist group Al Shabaab continue to undermine local and regional stability.

The international community's contributions to political, development and security assistance in Somalia were brought together under the New Deal framework, endorsed at the Brussels conference on September 7, 2013. The framework sets out 5 Peace and Statebuilding goals (thematic areas) against which all international efforts are to be aligned, coordinated by the FGS, UN and donor steering groups.

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**Position Summary**

The role of the MoIF Stabilisation Monitoring & Verification Advisor is to assist the MoIF and its partners, , to establish a systematic means of assessing, monitoring, verifying information relating to the political, economic and security aspects of areas at risk of instability in South Central. The Advisor will develop frameworks, mechanisms and processes to identify and track stability related dynamics and progress in key areas, and assist with the monitoring, verification and impact of stabilisation related interventions. The Advisor shall work towards having these frameworks developed with buy in from various stakeholders.

**Duties and Responsibilities**

1. Work with MoIF and partners to track and consolidate existing information on key areas at risk of instability in South-Central Somalia. Establish a library and system of dissemination of information for key partners.
2. Identify gaps in information relating to key areas, and coordinate with partners to develop, acquire, file and disseminate new information products as required, including overseeing the procurement and outsourcing of information gathering.
3. Develop a framework for mapping and analysing stability related indicators for key areas, as a means to develop stability related baselines and impact assessments.
4. Develop the means of monitoring and verifying stabilisation related activities and partners, and work with international partners to streamline and align existing mechanisms and frameworks.

#### Line Management and Reporting

The post will be working within the MoF, reporting to the Permanent Secretary.

#### Essential Qualifications and Experience

- Master's degree in International Relations, Development Political or Social Sciences or a related field from an accredited academic institution with five years of relevant professional experience.
- Previous experience working in Somalia is required.
- Extensive stabilisation related experience in fragile and conflict affected states, in particular in the Horn of Africa
- Stabilisation programme design, and delivery
- Stability related information acquisition, development and coordination
- Monitoring, verification and evaluation frameworks in militarised stabilisation environments
- Knowledge of Somali history, politics and culture
- Fluent in Somali & English

**Federal Government of Somalia,  
Ministry of Interior & Federal Affairs  
Terms of Reference:  
Conflict Resolution Policy Advisor**

**Context**

The Federal Government of Somalia was formally instituted on 10 September, 2012. Since that time and despite progress, the political and security context, particularly at the sub-national levels across South-Central Somalia, has remained volatile. Federalism, clan dynamics, historical rivalries, new contests over power and resources, as well as ongoing military operations against extremist group Al Shabaab continue to undermine local and regional stability.

The international community's contributions to political, development and security assistance in Somalia were brought together under the New Deal framework, endorsed at the Brussels conference on September 7, 2013. The framework sets out 5 Peace and Statebuilding goals (thematic areas) against which all international efforts are to be aligned, coordinated by the FGS, UN and donor steering groups.

Following the November 2013 United Nations Security Council Resolution 2124, AMISOM launched Operation Eagle to defeat the last remnants of Al Shabaab inside Somalia. Following this, the Ministry of Interior & Federalism launched its National Stabilisation Plan to quickly provide administrations in 25 areas to bring Government authority to communities living in those areas. In addition to this, the previously prolonged conflict has also left communities with displacement, generated grievances over occupied lands, small arms proliferation and warlordism. It has created a breakdown of social norms and authority, and erosion of the social contract between the state and citizen, thus a restoration of public order and rule of law is desperately needed. Statebuilding however, essentially needs to start at the grass roots level through restoration of peace and enjoyment of peace dividends by the population through government led basic social service.

**Position Summary**

The role of the MoIF Conflict Resolution Policy Advisor is to ensure that programmatic decision-making and interventions are grounded in solid conflict, political analysis and research, a strong understanding of peace-building processes and fragile state transitions. The Advisor will work on policy engagement in country with relevant actors engaged in similar work and provide assistance in strategic thinking in areas of advocacy and political positioning with respect to the state formation process.

**Duties and Responsibilities**

1. Work with the MoIF and international partners in supporting the designing of programmes ensuring programmes are grounded in conflict context analysis and review, conflict-sensitivity, and ensuring that the programmes' peace-building potential is maximised across its diverse settings
2. Provide assessment of linkages between conflict drivers and how to reduce these.
3. Provide analysis inputs and support in bringing greater linkages, integration and cooperation among different stakeholders through policy analysis and research on conflict resolution
4. Context specific recommendation, developing and presenting policy papers, guidance and practice notes and other knowledge based-tools for discussion by top leadership

**Line Management and Reporting**

The post will be working within the MoIF, reporting to the Permanent Secretary.

#### Qualifications and Experience

- Preferably a PhD in Conflict Resolution
- Strong policy analysis experience and technical understanding of the processes of peace-building/conflict resolution and governance strengthening in a fragile state environment in particular in the Horn of Africa
- Experience in use of conflict sensitive methodologies and risk analysis.
- Exceptional drafting, representation and communication skills in English.
- Knowledge of Somali history, politics and culture
- Fluent in Somali & English

**Federal Government of Somalia,  
Ministry of Public Works  
Terms of Reference:  
Infrastructure Technical Advisor**

**Context**

The Federal Government of Somalia was formally instituted on 10 September, 2012. Since that time and despite progress, the political and security context, particularly at the sub-national levels across South-Central Somalia, has remained volatile. Federalism, clan dynamics, historical rivalries, new contests over power and resources, as well as ongoing military operations against extremist group Al Shabaab continue to undermine local and regional stability.

The international community's contributions to political, development and security assistance in Somalia were brought together under the New Deal framework, endorsed at the Brussels conference on September 7, 2013. The framework sets out 5 Peace and Statebuilding goals (thematic areas) against which all international efforts are to be aligned, coordinated by the FGS, UN and donor steering groups.

Following the November 2013 United Nations Security Council Resolution 2124, AMISOM launched Operation Eagle to defeat the last remnants of Al Shabaab inside Somalia. Following this, the Ministry of Interior & Federalism launched its National Stabilisation Plan to quickly provide administrations in 25 areas to bring Government authority to communities living in those areas. In addition to this, the previously prolonged conflict has also left communities with displacement, generated grievances over occupied lands, small arms proliferation and warlordism. It has created a breakdown of social norms and authority, and erosion of the social contract between the state and citizen, thus a restoration of public order and rule of law is desperately needed. Statebuilding however, essentially needs to start at the grass roots level through restoration of peace and enjoyment of peace dividends by the population through government led basic social service.

Infrastructure projects can contribute in the process of peace and state-building, by assisting in erasing the visible scars and signs of conflict, providing citizens with a healthier environment, as well as promoting reconciliation and generating income.

To this aim, the Ministry of Public Works in Somalia is a key institution. The development and rehabilitation of key infrastructure in Somalia can be the catalyst for capacity development among the general population as well as within the government, employment generation, effective service delivery, institutional strengthening, good governance and overall economic improvement. After more than two decades of conflict the infrastructure needs in Somalia are considerable. An effective Ministry of Public Works through a structured approach to infrastructure development can contribute greatly to building long-term resilience, sustainable peace and stability, and significantly improve the livelihoods of people. The Ministry needs to work closely with other key Government institutions, primarily the Ministries of Finance and Planning to target infrastructure investments in a balanced and conflict sensitive manner.

**Position Summary:**

The role of the Infrastructure Technical Adviser will be placed within the Ministry of Public Works in Mogadishu is to initiate capacity development of the Ministry of Public Works in developing conflict sensitive infrastructure projects, at the same time spearheading the development of 2-3 immediate projects.

### **Duties and responsibilities:**

- Strengthening the capacities of the Ministry of Public Works, through establishing the operating modalities and operational capacity within the Ministry. (this would be a phased approach that involves building a national/diaspora and international team to support the Ministry both from within and through targeted strategic and operational advice)
- Develop and deliver a first set of highly visible projects, with a particular focus on medium-size infrastructure related to creating an environment where signs of conflict are erased.
- Provide input into relevant institutional policy, regulatory and strategic frameworks and technical input and support for the development of infrastructure technical standards, specifications and quality assurance mechanisms.
- Ensure a conflict sensitive approach to infrastructure development. This will entail both a socio-economically evidence based prioritisation process and a balanced operations plan.
- Promote labour-based approaches as appropriate and feasible, and help develop regulation that ensures adequate local participation in the infrastructure reconstruction process.
- Support development of construction related skills development and apprenticeship programmes to maximise sustainable engagement of the young segment of the population.
- Coordinate between the various stakeholders involved in infrastructure development and planning including the UN Agencies, development partners, Ministries, districts and local communities ensuring collaboration and consensus.
- Provide technical recommendations and advice to the relevant stakeholders involved in the implementation of infrastructure projects, as to how technical and management issues hindering the flow of work can be eliminated
- Advise partners on all aspects of construction management including labour management, occupational safety and health, labour based methods, inventory management and safe keeping and maintenance equipment.
- Conduct advocacy and knowledge building and play an active role in promoting employment intensive approaches and rights to work.
- Collate best practices and experiences of the programmes and other relevant works, sharing information with development partners and government counterparts.
- Promote information sharing and provide feedback into the wider infrastructure planning and delivery.

### **Line Management and Reporting**

The post will be working within the Ministry of Public works, direct supervision still to be determined.

### **Qualifications and Experience**

- A degree in civil engineering with a strong background in public works delivery at the local level. An Additional qualification in project management, local government procurement is an asset.
- At least 20 years of experience in engineering, construction or public works.
- Work experience in fragile or post conflict states in an advantage
- A proven leadership and managerial capability in the context of collaboration with administrative structures of developing countries

- Willingness to travel to volatile locations.
- Should have worked with multiple stakeholders (public/private/UN) in conflict and post conflict settings
- Should have experience in strategic planning and large complex operations management

Annex H: Project Summary (to be submitted to MPTF-Office for Gateway upload)

**PEACEBUILDING FUND**  
**PROJECT SUMMARY**

|                                            |                                                                                                                                                                                                                                                                                                                                                                                |                            |  |                                      |
|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|--|--------------------------------------|
| <b>Project Number&amp; Title:</b>          | PBF/IRF - ....: Support to the Federal Government of Somalia in Stabilization in Newly Recovered Areas                                                                                                                                                                                                                                                                         |                            |  |                                      |
| <b>Recipient UN Organization:</b>          | UNDP, and Federal Government of Somalia[Somalia UNMPTF National Window]                                                                                                                                                                                                                                                                                                        |                            |  |                                      |
| <b>Implementing Partner(s):</b>            | Ministry of Interior and Federalism; UNDP (in partnership with civil society organisations and women groups)                                                                                                                                                                                                                                                                   |                            |  |                                      |
| <b>Location:</b>                           | Mogadishu, Somalia                                                                                                                                                                                                                                                                                                                                                             |                            |  |                                      |
| <b>Approved Project Budget:</b>            | Peacebuilding Fund: \$4,205,295                                                                                                                                                                                                                                                                                                                                                |                            |  |                                      |
| <b>Duration:</b>                           | <b>Planned Start Date:</b> June 2015 <b>Planned Completion:</b> December 2016<br><br><b>Duration:</b> 18 months                                                                                                                                                                                                                                                                |                            |  |                                      |
| <b>SC Approval Date: (Actual Dates)</b>    |                                                                                                                                                                                                                                                                                                                                                                                | <b>MDTF Funds Transfer</b> |  | <b>Project Activities Start Date</b> |
| <b>Project Description:</b>                | The project will support the FGS in its stabilization efforts in the newly recovered areas, through establishment of caretaker and interim local administrations capable of leading an inclusive dialogue towards the formation of governance structures and promoting reconciliation.                                                                                         |                            |  |                                      |
| <b>PBF Priority Area:</b>                  | Priority Area 2: Promote coexistence and peaceful resolution of conflicts                                                                                                                                                                                                                                                                                                      |                            |  |                                      |
| <b>PBF Outcome:</b>                        | PBF Outcomes across 2.1, 2.2 and 2.3<br>To deliver tangible and visible peace dividends to all Somali citizens<br>Milestones:<br>1. Four stabilisation programmes endorsed and discussion with development partners on alignment behind these programmes;<br>2. Action plans for agreed geographic priority areas finalised<br>3. Implementation of agreed workplans initiated |                            |  |                                      |
| <b>Key Project Outputs and Activities:</b> | Caretaker Administration is established in the 25 newly recovered areas that will oversee the peaceful establishment of interim local administration through inclusive dialogue process, including through empowerment of youth and women; initial law enforcement presence in newly recovered areas ensured.                                                                  |                            |  |                                      |
| <b>Procurement:</b>                        |                                                                                                                                                                                                                                                                                                                                                                                |                            |  |                                      |

**QUARTERLY PROJECT UPDATE**

|                                   |      |
|-----------------------------------|------|
| <b>Period covered:</b>            |      |
| <b>Project Number&amp; Title</b>  | PBF/ |
| <b>Recipient UN Organization:</b> |      |
| <b>Implementing Partner(s):</b>   |      |



|                                      |  |                        |  |
|--------------------------------------|--|------------------------|--|
| <b>JSC Approval Date:</b>            |  |                        |  |
| <b>Funds Committed<sup>12</sup>:</b> |  | <b>% of Approved:</b>  |  |
| <b>Funds Disbursed<sup>13</sup>:</b> |  | <b>% of Approved:</b>  |  |
| <b>Forecast Final Date:</b>          |  | <b>Delay (Months):</b> |  |

| <b>Outcome/Indicators:</b> | <b>Achievements/Results:</b> | <b>Challenges (incl. expected effect on project results):</b> |
|----------------------------|------------------------------|---------------------------------------------------------------|
|                            |                              |                                                               |
|                            |                              |                                                               |
|                            |                              |                                                               |
|                            |                              |                                                               |

<sup>12</sup> Project commitment is defined as legally binding contracts signed for goods, works, and services as permissible by the respective agency's financial rules and regulations.

<sup>13</sup> Actual payments (for goods, works, and services) made against signed contract commitments. In most cases, total reported disbursements should not exceed total commitments, except in cases where disbursements are made against non-committed project funds (such as small scale payments, indirect programme costs etc, where no commitments are raised prior to payment).