

Quarterly Report:

Support to the Federal Government of Somalia in Stabilization in Newly Recovered Areas

Support to Stabilization – S2S

Reporting Period	1 June to 15 November 2015
Government Counterpart	Ministry of Interior, Office of Stabilization
PSG	Cross-cutting (Bringing tangible results to people)
PSG priority	
Focus Locations:	Federal level, Newly established Federal States, 25 Newly/to be Recovered Districts of South and Central Somalia
Total Budget	USD 4,123,420
Available Funds for year	USD 1,399,713
Expenditure to date	USD 296,884

CONTRIBUTING DONORS:



ABBREVIATIONS AND ACRONYMS

AMISOM	African Union Mission in Somalia
AWP	Annual Work Plan
CA	Caretaker Administration
CSO	Civil Society Organization
DPSC	District Peace and Stability Committee
FGS	Federal Government of Somalia
GROL	Governance and Rule of Law Programme
IA	Interim Administration
ISF	Integrated Strategic Framework
LoA	Letter of Agreement
MIA	Mogadishu International Airport
MCG	Micro-Capital Grant
MoF	Ministry of Finance
MoIFA	Ministry of Interior and Federal Affairs
MoPW	Ministry of Public Works
MPTF	Multi Partner Trust Fund (UN)
NGO	Non-Governmental Organization
PBF	Peacebuilding Fund
PBSO	United Nations Peacebuilding Support Office
PSGs	Peacebuilding and Statebuilding Goals
RBM	Results-Based Management
S2S	Support to Stabilization Project
SDRF	Somalia Development and Reconstruction Fund
SNA	Somali National Army
TA	Technical Assistance
UNDP	United Nations Development Programme
UNSOM	UN Special Political Mission for Somalia

SECTION 1 – KEY DEVELOPMENTS DURING THE REPORTING PERIOD

The project “Support to the Federal Government of Somalia in Stabilization in Newly Recovered Areas” (in short, *Support to Stabilisation – S2S*) was conceptualized in 2014 in the context of the renewed offensive by the Somalia National Army (SNA) forces and the African Union Mission in Somalia (AMISOM) to retake control of territory from Al-Shabaab in South and Central Somalia. It was elaborated in response and on the basis of the recently developed government strategy for stabilization. The proposal presented a budget divided between a UNDP Component (mainly for support to reconciliation and the formation of local governance structures) and a National Window (mainly for management and operational support to caretaker administrations). Operationally, this National Window was to be implemented through direct budget support to the government (Ministry of Interior and Federal Affairs – MoIFA): funds from PBF were to go 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 systems. Expenditure would then follow the processes agreed with the Central Bank. For oversight and accountability, an external fiduciary agent was to be recruited.

However, negotiations on the appointment of a fiduciary agent stalled and a decision was taken in May 2015 – validated by the Project Board – to have the totality of the PBF funds transferred to UNDP, which would act as managing agent for the National Window using the modality of a Letter of Agreement (LoA). On this basis, the project officially commenced in June 2015 with the transfer of funds from PBSO to UNDP, although some preparatory activities, such as staff recruitment and training, were already kick-started earlier in the year with an advance by UNDP.

Although the declared objective of S2S is effectively to “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”, UNDP also considers this project to contribute to two additional major outcomes, namely:

- New government and inter-governmental financial procedures and payment modalities are developed, tested and adapted to the reality of the Somalia context, thereby contributing to the establishment of the national window and more largely to the foundation of a functioning federal Somali state and federalism. By pioneering new payment modalities, such as bank-to-bank transfer from the Central Bank of Somalia, the project is expected to reap tremendous benefits and impact on the way to work of other UN and international donors projects.
- The various levels of governance, from Federal to State to District, establish relations and a defined set of roles and functions on issues pertaining to stabilization (including coordination of other actors), thereby contributing in practice to the shaping and legitimization of a federalist system.

This report presents the achievements to date against these outcomes and the expected outputs of the project. As explained above, the project in this initial phase had to deal with the adjustment of operational and programmatic arrangements, confronting planned financial procedures and modalities with the reality on the ground. Also, due to the very fluctuant situation and access of the targeted areas, limited by the level of success of the military offensive against Al-Shabaab, the project often has to make ad hoc adjustments to its geographical operations. Indeed, out of the total of 25 districts considered under the project, 13 were considered as liberated by the time the project started, increased to 15 at present, but with different degrees and modes of access (many of the target districts for instance are only accessible by air, significantly impacting the ability to operate).

SECTION 2 – PROGRESS AGAINST OUTPUTS & PLANNED ACTIVITIES

OUTPUT 1 – FEDERAL AND DISTRICT-LEVEL ADMINISTRATIONS HAVE CAPACITY TO OVERSEE AND COORDINATE STABILISATION ACTIVITIES

Narrative update on Progress towards Output

Based on the project document and included ToRs, several technical staff and advisors were recruited between December 2014 and May 2015, namely the Stabilization Project Manager, Reconciliation Advisor, Stabilization Advisor and Project Monitoring and Verification Advisor as well as admin/finance officer. These posts were created to support the FGS MoIFA to coordinate and implement the project and related stabilization activities. For instance, the Stabilization Advisor has been supporting the implementation of monthly stabilization meetings, and bringing together government agencies and international partners with civil society for technical and policy decisions on the coordination of stabilization and programming activities. As a result, a matrix to map the overall stabilization activities in South Central Somalia was created.

At local level, the project recruited 12 Local Governance Advisors (LGA) (F: 1; M: 11) and 12 Community Liaison Officers (CLO) (F: 2; M: 10) to support the implementation of activities in each of the targeted newly recovered districts. While these posts help to create a direct linkages between the Federal and district levels, they are also used to support and guide local administrations in the process to establish Interim administrations. In several cases, LGAs and CLOs contribute to the identification and implementation of related though separate projects, such as the Community Driven Projects initiative, by helping organize the community to identify needs. They also play a reporting role by providing the central MoIFA team (and their partners) with regular situational updates and analysis. Due to security reasons (high risk areas and visibility of the position), the recruitment of women for these positions was restrained by a low level of applications.

In terms of coordination between different federal levels, information sharing and activity coordination mechanisms on key areas of governance and district stabilization are being developed. State administrations and MoIFA have agreed to cooperate in the stabilization activities to address challenges at the district levels. An agreement between MoIFA and State authorities has been reached to discuss subsequently coordination mechanisms to establish common priorities, namely state formation, reconciliation, establishment of local district councils and stabilizations.

While financial management procedures for payments under the project had been devised at the inception phase based on best practices and assumptions, these procedures have been reviewed by the project team and the Ministry of Finance and the Central Bank. The findings were that the proposed process could not be implemented due to unrealistic assumptions. Therefore, without surrendering the principles of the financial procedures, the project adjusted implementation to reflect a more practical and realistic method. The technical team is on a proposal for further minor adjustments to be submitted to the project board. However, the project management is fully committed to adhering to the financial management procedures as the Ministry of Finance and the Central Bank are able to institute the required institutional changes. For example, in October 2015, the first ever bank to bank transfer by the Central Bank of Somalia was made to the district governments. This transfer is in line with the financial management procedures originally envisaged in the project document and serves as a reality using S2S as a

pilot project for the trial of this new modality. This milestone achievement will make it easier to continue payments between various levels of governance in Somalia under this and other projects.

Also, UNDP is processing the contracting of a Third Party Monitor, to be effective in Q4, which will review the financial procedures and their application, and propose adjustments based on international but applicable practice.

The application of the above revised financial procedures has allowed for the effective disbursement and coverage of running costs of 11 districts (detailed below), supporting operations and the restoration of public services at the local level through coverage of costs such as district administrative, utility, stationary and fuel.

Output Indicators	Baseline	Annual Target	Progress to date
<ol style="list-style-type: none"> 1. Existence of systems to allocate and distribute resources 2. Staff at district and federal level recruited and in place 	<ol style="list-style-type: none"> 1. 85 districts recovered by the Somali National Army and AMISOM. 2. 5 administrations have been deployed 	<ol style="list-style-type: none"> 1. 25 Districts 2. 25 Districts 	<ol style="list-style-type: none"> 1. 11- The financial procedures for the distribution of resources which were included as an annex of the project document have been reviewed and adjusted to project implementation reality. Payments are being made to 11 districts. 2. 24 - At district level, 12 CLOs (F: 2; M: 10) and 12 LGAs (F: 1; M: 11), 1 of each for each target district, were recruited and trained in 13 districts 5 staff (F:2; M:3) at MoIFA (FGS) level were recruited and are operational.
Planned Activities as per Project Document		Progress Against Activities	
<ol style="list-style-type: none"> 1. Deployment of CA to districts and transport of humanitarian assistance from government 2. Project Office running cost 3. Running Costs for CA 4. Public awareness of the role and responsibilities of the CA 5. Provision of a Local Governance Technician/Advisor (MIF liaison for each district) and community liaison per district 6. 3 profiles to assist MoIF with overall stabilization work + 1 project manager for PBF. 7. 1 administrative assistant to support clerical and administrative duties. 8. Technical assistance to Ministry of Public Works on developing conflict- 		<ol style="list-style-type: none"> 1. CA were already deployed by the time the project was officially started in June 2015. Project team will reflect on the possibility to use funds under this line to support small scale quick impact projects by CAs, thereby building legitimacy for the new authorities 2. Project team within MoIFA is complete and has been allocated a dedicated office space with all necessary equipment 3. To date, 11 district administrations received financial support for their running costs, based on the criteria that the districts have a caretaker administration in place with commissions and deputy as well as an account set up for the district with authorizations from at least two individuals (usually commissioner and deputy commissioner or district finance officer) 	

sensitive infrastructure projects

to co-sign cash withdrawals or expenses. These 11 districts are Hudur, Tiyeklow, Wajid, Rabdhure in Bakool region (ISWA); Jalalaqsi, Buleburde, Mahaas in Hiraan; Barawe, Kurtunwaarey, Qoryooley in Lower Shabele (ISWA); Warshiekh in Middle Shabele.

4. Radio messaging has been developed by the MoIFA technical team and will be rolled out in Q4 in collaboration with regional authorities, ensuring a coordinated approach and extended reach. The messages aim to increase public awareness on the activities of the caretaker administrations in the districts while also encouraging public participation in stabilization activities and newly established governance structures. Broadcasts will target populations in the regions where the target districts are situated (to raise broader awareness and support than in only the target districts).
5. 24 Local Governance Advisors (LGA) and Community Liaison Officers (CLO), one of each for each district, were recruited and trained in May 2015 (the total for 13 districts was 26 but 2 officers declined their appointment for security reasons and replacements are being sought). Since then, they have been regularly paid by the project. The CLOs and LGAs have provided the project with
 - information through regular reporting and mapping of their districts (providing information on DPSC and administration presence and composition)
 - support for implementation of activities (reconciliation) and visits by this project and other related projects (for instance: mapping of community needs to guide implementation of the Community Driven Projects initiative)
6. Between December 2014 and May 2015, a Stabilization Project Manager (F), a Reconciliation Advisor (M), a Stabilization Advisor (M) and a Project Monitoring and Verification Advisor (M) were recruited based on ToRs included in the project document and have been regularly paid.
 - The Project Manager provided support by coordinating project activities, including budgeting allocation of resources and developing mechanisms and tools for the transfer of financial resources.
 - The Reconciliation Advisor served as linkage with the districts and

- supported the latter through advice in addressing social and political issues in the districts. He was in charge of coordinating reconciliation initiatives by the project at district level.
- The Stabilization Advisor provided support to the coordination with various levels of government and international partners of resources and planning to address the needs of the districts, in particular through regular stabilization coordination meetings with partners, federal institutions and regional administrations.
 - The Monitoring and Verification Advisor supported the project with the development of monitoring and verification tools and indicators.
7. 1 administrative and finance officer (F) was recruited and regularly paid
8. Through UNOPS, 2 technical advisors were recruited to support the Ministry of Public Works (MoPW) and have provided during the reporting period (Q3) the following advisory services:
- Advice to the Minister on the engagement of different government stakeholders relating to the projects and programs of the MOPW.
 - Advice to the Minister and the MoPW on the different roles and responsibilities of the Ministry in relation to other ministries. This entails the MoPW taking up its mandated role within the Federal Government of Somalia.
 - Chairing of the Inter-Ministerial Post Conflict Taskforce. The role of this Taskforce is to work on the immediate infrastructure needs directly of the newly liberated areas. This is required to achieve stability.
 - Support to the MoPW and its department directors on initiating the development of the strategic plan for 2016. Development of work and implementation plan will follow thereafter.

Sources of Evidence for Results Progress and Achievements

- CLO/LGA reports and updates
- MoIFA Stabilization Project team financial and narrative progress reports (and supporting documents)
- Regular technical meetings between UNDP and MoIFA S2S team
- UNOPS progress report
- Monitoring and Verification Tools and indicators

OUTPUT 2 – BASIC GOVERNANCE AND POLICING STRUCTURES ESTABLISHED; CITIZEN PARTICIPATION ENSURED

Narrative update on Progress towards Output

The District Peace and Stability Committees (DPSCs) serve as a framework for stabilizing districts through reconciliation and building structures at the district level, with proven effectiveness in addressing potential security and governance issues. They consist of volunteer members from youth, women, elders, religious and civil society organizations representing a fairly balanced cross-section of the community in the districts. During this reporting period, the technical team translated the terms of reference for the DPSC to Somali so that both LGA and CLO could share and disseminate them among their respective districts. The purpose was to make clear the objectives of the committee prior to its formation in the district. Furthermore, the project conducted a mapping exercise to identify the number of districts with DPSC structures in place and those that need to establish one. This paves the way for further support to districts in forming and/or training members of the DPSC.

The project team designed radio messages as part of an outreach strategy to increase public awareness on the activities of the care-taker administrations in the districts. In Q4 the messages will be run over the radio calling for citizens to actively participate in the process of building inclusive local administrations.

138 police officers (M: 136, F: 2) attended a training facilitated by the UNDP Police Project with financial support from S2S that covered issues of community based policing, role and responsibilities of police commanders, communication, arrests, Human rights and domestic violence. These officers are to be deployed in groups of 10 to the newly recovered districts when conditions permit. Once on the ground, they will be training 35 local volunteers per district (455 in total) to act as community security officers. The first group of police officers was deployed to Addalle District after a new police station facility was handed over under the AMISOM QIPs programme. AMISOM continues to support the refurbishment of police facilities in all 13 districts.

Output Indicators	Baseline	Annual Target	Progress to date
<ol style="list-style-type: none"> Number of administrations established and trained, and interim administration conferences held Number of community security teams trained, initiation of case registration of crime cases/reports [verified through spot checks of police station records] Increasing percentage of citizens 	<ol style="list-style-type: none"> 5 Caretaker Administrations deployed. 0 DPSCs formed and trained. Community Security teams formed and trained (and 4.) 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) 	<ol style="list-style-type: none"> 8-10 Caretaker Administrations, 5 DPSC, 5-6 Interim Administrations 10 teams trained Target to be defined by district: <ul style="list-style-type: none"> % increase in visibility and legitimacy of administration and police % increase in trust and legitimacy 	<ol style="list-style-type: none"> 13 administrations deployed, 7 districts with DPSCs, 0 IAs trained 13 teams trained Perception surveys pending

<p>can identify their administrations and DPSCs and can access dialogue</p> <p>4. Increasing awareness of and trust in police/community security officers on the ground</p>		<ul style="list-style-type: none"> • % increase in positive perception of security 	
Planned Activities as per Project Document		Progress Against Activities	
<ol style="list-style-type: none"> 1. MIF, CA, and implementing partners (IP) to conduct training for DPSCs 2. 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). Specific dialogue sessions are designed only for women for political empowerment and participation (minimum 50 women / dialogue / district) 3. 1-week induction training for IA 4. Reconciliation and ongoing public awareness 5. training and deployment of command officers 6. training of field training officers 7. training of community security officers 8. Assessments and awareness creation on formation of Interim Local District Administrations 9. District-wide reconciliation conference 		<ol style="list-style-type: none"> 1. The project has identified a CSO partner with a long standing experience in the training of DPSC to carry out the initial work of DPSC formation and training in selected priority districts (Hudur, Barawe in ISWA; Jalalaqsi in Hiraan; and, Warsheikh in Middle Shabelle). This activity, under MoIFA's Stabilization Office and UNDP's guidance, will initiate in Q4 2. This activity will start in Q4 and Q1 (2016) once conditions for IA mandate implementation are met 3. This activity will start in Q4 and Q1 (2016) once conditions for IA mandate implementation are met 4. This activity includes the use of community-based reconciliation and trauma healing methodologies. The project has identified a CSO partner with a long standing experience in this field to carry out initial interventions in selected priority districts (Hudur, Barawe in ISWA; Jalalaqsi in Hiraan; and, Warsheikh in Middle Shabelle). Under MoIFA's Stabilization Office and UNDP's guidance, these will initiate in Q4 5. 138 police officers (M: 136, F: 2) attended a training that covered issues of community based policing, role and responsibilities of police commanders, communication, arrests, Human rights and domestic violence. These officers are to be deployed in groups of 10 to the newly recovered districts when conditions permit. The first group of police officers was deployed to Addalle District after a new police station facility was handed over under the AMISOM QIPs programme. AMISOM continues to support the refurbishment of police facilities in all 13 districts. 6. Field training officers have been trained as part of the police officers training 7. The police officers, once on the ground, will be training 35 local volunteers per district (455 in total) to act as community security officers. Depending on security conditions and the refurbishment of police facilities, this activity will 	

- continue into Q4 and Q1 (2016).
8. Radio messaging has been developed by the MoIFA technical team and will be rolled out in collaboration with regional authorities when conditions for IA mandate implementation permit, starting in Q1 (2016). The aim will be to increase public awareness on the activities of the interim administrations in the districts while also encouraging public participation in stabilization activities and newly established governance structures. Broadcasts will target populations in the regions where the target districts are situated (to raise broader awareness and support than in only the target districts).
 9. District-wide reconciliation conferences will start in Q1 (2016)

Sources of Evidence for Results Progress and Achievements

- CLO/LGA reports and updates (mapping of district structures)
- MoIFA Stabilization Project team progress reports
- Regular technical meetings between UNDP and MoIFA S2S team
- UNDP Police project report

OUTPUT 3 – THE PROJECT IS EFFECTIVELY MANAGED¹

Narrative update on Progress towards Output

Given the new and increased role played by UNDP in the implementation of the project by acting as managing agent for the National Window, the need emerged to establish a functional team under UNDP to ensure adequate management of the project. Based on a revised organogram, a UNDP Project Manager (not funded by PBSO's PBF), a Project Coordination Specialist and a national Project Officer based in Baidoa, all previously involved in the initial implementation of the project, were designated from within the UNDP Country Office. A national Project Associate was recruited and a national Project Officer will join the team in Q4. The recruitment of national staff members will facilitate the follow-up and monitoring of the project through reduced security restrictions for movement.

A process of Request for Proposals, technical and financial evaluation for the identification of a suitable Third Party Monitor that will also play the role of a fiduciary agent was conducted. The winning firm is expected to be recruited and start monthly monitoring missions in Q4.

Up until end of Q3, 6 Project Board meetings have taken place. Some of these meetings happened before the official start of the project as a preparatory measure. The Board has approved ToRs and is composed of one senior representative each from MoFA, MoF, UNSOM and UNDP.

Output Indicators	Baseline	Annual Target	Progress to date
<ol style="list-style-type: none"> Project Board meetings held regularly Programme monitoring conducted periodically through third party 	<ol style="list-style-type: none"> 0 Project Boards held No third party monitor recruited 	<ol style="list-style-type: none"> At least quarterly 1 Third Party Monitor for monthly fiduciary checks recruited 	<ol style="list-style-type: none"> 6 Project Board meetings held (initially on monthly then quarterly basis) Third Party Monitor under recruitment
Planned Activities as per Annual Work Plan		Progress Against Activities	
<ol style="list-style-type: none"> Establish UNDP project team Oversight through quarterly project boards Provide efficient project and operations support 		<ol style="list-style-type: none"> Based on a revised organogram, a UNDP Project Manager (not funded by PBSO's PBF), a Project Coordination Specialist and a national Project Officer based in Baidoa, all previously involved in the initial implementation of the 	

¹ Given the deadlock regarding the contracting of a fiduciary agent for the National Window, the Project Board was presented at its meeting of 19 June 2015 with the decision to have the totality of the PBF funds transferred to UNDP, which would act as managing agent for the National Window. The decision was validated and it was agreed that a new management structure with related cost would be included in UNDP's portion of the project in order to meet this additional responsibility. For this reason, this new output on project management was added.

<p>4. Ensure adequate monitoring through third party</p>	<p>project, were designated from within the UNDP Country Office. A national Project Associate was recruited and a national Project Officer will join the team in Q4.</p> <ol style="list-style-type: none"> 2. 6 project boards were held by the end of Q3, as detailed in section 6 of the report. By decision of the board in its first meeting, it was agreed meetings would be monthly for the first quarter until the end of first quarter in order to secure smooth implementation until Project Coordinator is selected and full Project team is in place 3. Support was provided for the recruitment of a national Project Associate and a national Project Officer (to join the team in Q4). Procurement is under way for IT and office equipment of the additional team to be ready in Q4 4. A process of Request for Proposals, technical and financial evaluation for the identification of a suitable Third Party Monitor that will also play the role of a fiduciary agent was conducted in Q3. The winning firm is expected to be recruited and start monthly monitoring missions in Q4
<p>Sources of Evidence for Results Progress and Achievements</p>	
<ul style="list-style-type: none"> • Project Board minutes 	

SECTION 3 – CROSS-CUTTING ISSUES (GENDER, HIV/AIDS, PEACE AND CONFLICT, HUMAN RIGHTS)

Women and men, girls and boys, are expected to benefit equally from stability in newly recovered areas of South and Central Somalia, through establishment of caretaker and interim local administrations capable of leading an inclusive dialogue towards the formation of governance structures and promoting reconciliation. The various steps of this process foresee specifically the participation of women, such as in the composition of the District Peace and Stability Committees (DPSCs). The complementary activities of reconciliation and trauma healing include specific sessions and spaces dedicated to women and girls, thereby warranting they have a voice and benefit equally from these processes.

Through their composition of volunteer members from youth, women, elders, religious and civil society organizations representing a cross-section of the local population, DPSCs act as conflict prevention mechanisms by addressing potential security and governance issues at district level.

Staff/HR	FGS (MoFA)		Districts	
	M	F	M	F
Advisors/Consultants	2	3	21	3

SECTION 4 – CHALLENGES / LESSONS LEARNT

Access to the targeted areas constitutes the largest challenge to the implementation of the project, due to insecurity, lack of transport and lack of safe access routes. Air transport is a key response to this challenge. However, it became also apparent that even organizing UN air transport to certain areas might be difficult as it requires security clearance that the UN security team might not be willing to give. This limits the project team's capacity to deploy and therefore target areas for initial intervention will need to include districts with easier access.

In the recent past, the security of Lower Shebelle region has seen a spike in violent attacks from Al Shabaab. That has prompted AMISOM to consider strategic retreat from certain positions in Lower Shabelle. The district commissioners and staff were also forced to evacuate from their respective districts where security wouldn't enable them to continue their operations. For instance, AMISOM forces pulled out from Qoryooley and Kurtunwareey districts after Al Shabaab stormed a military base in Janale. If the strategic retreat continues, it might impact the stabilization process as well as ongoing activities in the recovered districts. The Ministry of Defense and Ministry of Internal Security were requested by MoIFA to look into the concerns from districts and provide security and protection to prevent further attacks from Al Shabaab. As a result, efforts are currently underway to strengthen security of regions as they recover from the violence of the past two decades.

Also, the selection of the 25 target districts in South Central Somalia during the project inception, based on the priorities of the most recent military offensive, provoked complaints of unfair differentiation with other districts liberated earlier but in the same condition as the target districts. Parliamentarians from non-beneficiary districts have raised these issues, demanding explanations from the Ministry on the reasons why certain districts can benefit and not others while all were recovered from Al Shabaab. Coordination between the various levels of government (national, regional, local) should therefore be strengthened, allowing to approach the support to all the districts of a same region in a harmonized and equitable manner.

The current method for disbursing salaries and running costs through the Central Bank of Somalia raised security concerns for districts commissioners, CLO and LGA staff because of the inherent risk of commuting to Mogadishu for collecting paychecks. The project insisted to change this method and adopt more convenient mode of payment through private banks with branches in remote districts and areas of operation in South Central Somalia. As a result, the Central Bank of Somalia leadership were convinced to introduce a more convenient method of payment through private banks whereby district staff would not be required to travel to the capital for payment. This will certainly improve the system and sustain the essential supports to the districts, including the staff salary and district running costs.

In the past, the technical team had faced challenges, namely lack of clarity regarding level of authority between regional, district and federal governments. These challenges were compounded by the security issues and lack of access to the newly recovered districts. However, it is expected that FGS MoIFA will be discussing a new policy that coordinates closely with the regional authority to stabilize the districts while enabling principles to make the necessary political interventions to overcome challenges.

SECTION 5 – RISK MANAGEMENT

This section can be used to update or use the risk logs developed during the project development stage and provide any mitigation measures being undertaken by the project.

Type of Risk ²	Description of Risk	Mitigating Measures
Security and access	Security of access to targeted areas might be an issue with certain districts circled by Al-Shabaab or with unsecured access routes	Explore air transport options
Lack of coordination between entities	With the recent creation of regional States, coordination between FGS and this new level might be problematic	Advocate to establish an MoU between the various levels of government in the management of stabilization efforts
Lack of oversight	Activities and payments might be difficult to control for UNDP staff, especially in the newly recovered areas	Recruit a Third Party Monitor

² Environmental; Financial; Operational; Organizational; Political; Regulatory; Security; Strategic; Other.

SECTION 6 – MONITORING AND OVERSIGHT ACTIVITIES

Monitoring Activity	Date	Description & Comments	Key Findings / Recommendations
Project Board Meeting	11 November 2014	First Board Meeting	<ul style="list-style-type: none"> • Project Board shall meet each month until the end of first quarter in order to secure smooth implementation until Project Coordinator is selected and full Project team is in place. • Project document revised signature page will be sent to Dr Ismail for the Minister signature as more convenient way. • In continuation, Project Board will meet quarterly to review project activities and guide further implementation. In addition Project Board will meet in December to review the status that already agreed since this is start-up phase. • The recruitment process will be lead by the Government as for any other post in the Project and will be joint process including short listing and interviews. Panel is composed of three entities including MoIF, UNSOM and UNDP. • The process of the Project Coordinator recruitment should be finished before funds would reach Government treasure. It was agreed that the process shell be concluded before the next Project Board meeting in December. Project Coordinator recruitment Process shell be finalised within the month period by having: week one for short listing, second/third week for interview and fourth for contracting procedures.

			<ul style="list-style-type: none"> • The focal point nominated from each entity: UNSOM-Dejan Radivojevic, UNDP-Ivan Dielens and MoIF-Abdullahi Hamud. • Representative from MoIF/Permanent Secretary will be the chair of the Project Board. • To proceed with the existing project document, signatures and discussion while Project Coordination Board TOR (Board composition item) to be discussed in the next meeting of the Board. • Annual Work Plans will be reviewed on quarterly bases and Project Document language will be harmonized with the annual work plans and other documents. • The next Project Board meeting is agreed to be held on 17th of December 2014 at the MoIF premises.
Project Board Meeting	19 December 2014	Second Board Meeting	<ul style="list-style-type: none"> • Project Annual Work Plan to cover 18 month period • Project Signature page to be sent to the MoIF • Completed Vendor Form to be sent to UNSOM • Third Stabilisation Project Advisor to be recruited within coming weeks • Project workshop/training planed in January (11-15) for the entire Project Team week before the Project Coordination Board meeting to further discuss and agree details of the 2015 implementation • MoIF to developing blueprint budgets and finalize financial arrangements

			<ul style="list-style-type: none"> • District Community liaison selection process to be finalized by first quarter in 2015. The advertisement list to be used as starting point for further process including woman, youth, elders etc. • Ministry of Finance to propose one member to the Project Coordination Board. Project Board TOR to be revised and sent to the members. • Annual Work plan to include column of reporting towards PSG 1 and PSG 2 • Project Board shall meet during the week of 19th January 2015
Project Board Meeting	27 January 2015	Third Board Meeting	<ul style="list-style-type: none"> • MoIFA to look for the Project staff office space within the Ministry building • M&E and Stabilisation MoIFA Advisors positions to be re-advertised (one week) after the Project Board meeting. Following week interview processes in place and selection finalized with UNSOM/UNDP. • Board proposed regular/firm monitoring of the district budgets future utilisation due to different pace of the caretaker administrations activities and levels of expenditures. • District Community liaison selection and Local Governance Technicians processes to go in parallel. The advertisement list to be used as starting point while Community Liaison process should be based on criteria developed/district driven process including woman, youth, elders etc. • MoIFA, UNDP and UNSOM focal points to meet

			<p>the same week following Project Board meeting and further discuss criteria and initiate Community liaison process.</p> <ul style="list-style-type: none"> • UNDP Local Governance Technicians selection process to be prioritised • Board members to send (if any additional) further comments on the Project Annual Work Plan Annual Work to PM • It was proposed and UNDP agreed to support Additional Project Admin/finance assistant position within the current budget framework/savings. If not UNDP is willing to fund it with extra budgetary support. • Project budget revision was agreed in general with additional clarifications about staff salaries level that should follow up upcoming UNDP/WB scale as proposed and further consulted and agreed with UNSOM/UNDP. • Additional Project Admin/finance assistant position TOR to be drafted shared for further agreement with UNDP and UNSOM and advertised. • UNPOL/UNDP to send updated table with training process overview. • UNSOM/UNDP to follow up with NY in regards to Project funds transfer. • Gender balance to be taken into consideration with special attention when it comes to the overall recruitment process and other planned activities. • It was proposed that Project Coordination Board
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			<p>shall meet again next month in order to closely follow up activity implementation. Continuation will be as planned on quarterly bases.</p> <ul style="list-style-type: none"> • Project Board shall meet during the week of 25th February 2015
Project Board Meeting	25 March 2015	Fourth Board Meeting	<p>.2 Recruitment process of district CLO, LGTA and Advisors (M&E and Stabilisation) –</p> <ul style="list-style-type: none"> • Next step is to conduct CV reference check and recruitment – Action MOIF • MoIF will conduct orientation and training for the CLOs and LGTAs selectees. MoIF requested UNDP if it could cover the cost of the orientation and training for the CLOs and LGTAs in Mogadishu such as transportation to and from their districts and accommodation while they are in Mogadishu. UNDP will inform the MoIF once it finds out if it can reallocate the funds – Action UNDP • SM pointed out Local Governance district positions interviews to be held within the following week after the Project Board meeting. Action MoIF • Advisors: M&E and Stabilisation MoIF Advisors interviews to be finalised following Project Board meeting. – Action all <p>IJ gave update report on the 13 newly recovered districts:</p> <ul style="list-style-type: none"> • IJ discussed the difficult part of the process which is the need for presence of rule and law, and lack of road accessibility of some of these newly recovered areas. GC suggested to link

			<p>MoIF team with the rule of law team which is currently working on the justice deployment. Action UNDP – MoIF to share 13 districts reports</p> <p>Recommendation: Important to consider Government to add other prior recovered districts into stabilisation programme as it can reverse the progress achieved so far– PC & AA.</p> <p>AA briefly described how some of districts such as Baydhabo, Johar and Beledweyn are ready to start formation of permanent councils and MOIF currently is working road map to achieve way forward.</p> <p>Status of the approval of PBF fund update: 3.1 Agreement of the third-party company to ensure fiduciary oversight:</p> <p>MOIF expressed their concern about the delayed PBF project fund transfer and would like to know actual timeframe for completion of this action.</p> <ul style="list-style-type: none"> • UNDP agreed to support procurement of the fiduciary agent and that this process will take some up to 4 weeks. – Action UNDP • UNDP will lend 100,000 USD to the Ministry of Interior and Federalism to cover project activities until fiduciary agent is procured and funds are transferred from New York. Once funds are received from New York the MoIF will return the \$ 100,000 to UNDP – All agreed
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			<p>3.4. Update of the PBF fund - UNSOM explained that the overall project package with the revised budget has been sent to New York for approval and that confirmation was received. The government component, what remains is to procure a fiduciary agent.</p> <p>4. Approval of project work plan including prioritization of districts with the 13 districts – All agreed</p> <p>4.2 Whether to commence in all districts at the same time or to start progressively – MOIF team to with UNDP to discuss the criteria (accessibility, population, political, level of local reconciliation, etc). – Action: SM and PC liaise to organise meeting</p> <p>5. Any other business IV suggested roles of PBF partners should be clear – All Agreed - to be discussed on next board meeting –Summary of their role in PBF then send to SM to put together Diagram.- Action All</p> <p>6. Next meeting Proposed Project Board shall meet during the week of 28th April 2015</p>
Project Board Meeting	19 June 2015	Fifth Board Meeting	3.7 Agree on Mahaday district to be added to list of newly

			<p>The State Ministry recently visited Mahadaay and requested to consider including Mahadaay among the districts that should be recognized for the PBF to support</p> <p>Agree the need for project vehicle and running cost of the vehicle.</p> <p>IJ pointed that vehicle can be used for various purposes, visiting districts and carrying security staff.</p> <p>GC asked to look at the price ranges and options.</p> <p>Board agreed UNDP and MOIFA technical team to visit the budget.</p>
Project Board Meeting	17 August 2015	Sixth Board Meeting	Board approved --- The need of a vehicle and its running cost of \$50, 000 (\$25, 000 Purchase of the car and \$25, Running cost of the car for 18 months).

SECTION 7 – FINANCIAL REPORT

The following table presents the actual project expenditure by 15 November 2015 against the planned project budget for the year 2015, based on approved annual planning:

Donor	Planned budget for the year 2015	Expenditure (Year 2015)	Balance	% Delivery	Comments
UNMPTF	\$1,399,713.00	\$296,884.00	\$1,102,829.00	21%	
TOTAL	\$1,399,713.00	\$296,884.00	\$1,102,829.00	21%	

The following table presents the actual project expenditure as of 15 November 2015 against total funds received (total approved project budget):

Donor	Total funds received	Expenditure (as of 15 Nov 2015)	Balance	% Delivery	Comments
UNMPTF	\$4,123,420.00	\$296,884	\$3,826,563	7.2	
Unfunded	0	0	0	0	
TOTAL	\$4,123,420.00	\$296,884	\$3,826,563	7.2	