



**PEACEBUILDING FUND (PBF)
ANNUAL PROJECT PROGRESS REPORT
COUNTRY: Somalia
REPORTING PERIOD: 1 JANUARY – 31 DECEMBER**

<p align="center">Programme Title & Project Number</p> <p>Programme Title: Risk Management Support for the UN MPTF Programme Number <i>(if applicable)</i> MPTF Office Project Reference Number:¹ SOM10-00033150</p>
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<p align="center">Recipient UN Organizations</p> <p>List the organizations that have received direct funding from the MPTF Office under this programme: UNDP</p>

<p align="center">Implementing Partners</p> <p>List the national counterparts (government, private, NGOs & others) and other International Organizations: Ministry of Finance, Ministry of Planning, World Bank, UNDP / Risk Management Unit (RMU)</p>

<p align="center">Programme/Project Budget (US\$)</p> <p>PBF contribution (by RUNO) UNDP - \$586,974</p> <p>Government Contribution <i>(if applicable)</i></p> <p>Other Contributions (donors) <i>(if applicable)</i></p> <p>TOTAL:</p>

<p align="center">Programme Duration</p> <p>Overall Duration <i>(months)</i> 12 months Start Date² <i>(dd.mm.yyyy)</i> 15.07.2015 Original End Date³ <i>(dd.mm.yyyy)</i> 15.07.2016 Current End date⁴<i>(dd.mm.yyyy)</i> 28.02.2018</p>
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<p align="center">Programme Assessment/Review/Mid-Term Eval.</p> <p>Assessment/Review - if applicable <i>please attach</i> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Date: Mid-Term Evaluation Report – <i>if applicable please attach</i> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Date:</p>
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<p align="center">Report Submitted By</p> <p>Name: Marc Jacquand Title: Head - Integrated Office of the DSRSG/RC/HC Participating Organization (Lead): UNDP</p>
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¹ The MPTF Office Project Reference Number is the same number as the one on the Notification message. It is also referred to "Project ID" on the [MPTF Office GATEWAY](#)

² The start date is the date of the first transfer of the funds from the MPTF Office as Administrative Agent. Transfer date is available on the [MPTF Office GATEWAY](#)

³ As per approval of the original project document by the relevant decision-making body/Steering Committee.

⁴ If there has been an extension, then the revised, approved end date should be reflected here. If there has been no extension approved, then the current end date is the same as the original end date. The end date is the same as the operational closure date which is when all activities for which a Participating Organization is responsible under an approved MPTF / JP have been completed.

PART 1 – RESULTS PROGRESS

1.1 Assessment of the current project implementation status and results

For PRF projects, please identify Priority Plan outcome and indicators to which this project is contributing:

Priority Plan Outcome to which the project is contributing.

4.3 Governance of peacebuilding resources (including JSC/PBF Secretariats)

Priority Plan Outcome indicator(s) to which project is contributing.

The SDRF Trust Funds provide an effective contribution to Somalia's peacebuilding and statebuilding priorities due to better risk mitigation in the design and implementation of support interventions

For both IRF and PRF projects, please rate this project's overall achievement of results to date: on track

For both IRF and PRF projects, outline progress against each project outcome, using the format below. The space in the template allows for up to four project outcomes.

Outcome Statement 1: The Implementation of the Compact, and the political transition, is facilitated by effective funding instruments

Rate the current status of the outcome: on track

Output progress

List the key outputs achieved under this Outcome in the reporting period (1000 character limit). Outputs are the immediate deliverables for a project.

1. JRM Strategy implemented, through bi-monthly risk updates analysis of risk levels and design, implementation and follow up of mitigation measures and MPTF funded Joint Programmes supported to strengthen risk management approaches
2. Technical Assistance to Government counterparts (training, mentoring etc) on MPTF National Window

Outcome progress

Describe progress made during the reporting period toward the achievement of this outcome. This analysis should reflect the above indicator progress and the output achievement. Is there evidence of the outcome contributing to peacebuilding and to the specific conflict triggers? Is the theory of change that underpins the project design still relevant for this outcome (3000 character limit)?

1. Risk Management Strategy Implemented

(a) During the reporting period (Nov '16 - June '17) - four RMGs have taken place (Dec.'16, Feb, March - drought related risks addressed, May 2017)

(b) AfDB joined the RMG in December 2016 as a third fund administrator (UN & WB) contributing to SDRF funds risk management besides Gov of Somalia representatives, EU, SIDA & DFID

(c) Following the drought in Somalia 2016-2017 dedicated RMG reviewd collectively how the drought affects the Fund operations and this was communicated to MPTF JPs for their review and immediate action as relevant and drawing links between risks to the fund and opportunities for MPTF contributions.

- (d) Cross-JPs drought impact was analysed and the potential risks addressed.
- (e) JRM Strategy's evaluation is ongoing and the result of the evaluation is expected to be finalized by mid-August 2017.
- (f) Cooperation with the WB and other partners on the use of country systems and strengthening the financial governance in Somalia as a member of UCS and financial governance forum.
- (g) MPTF Risk Manager has provided weekly contribution to partner risk management and engagement plan as member of UNDP Local Project Appraisal Committee and provision of regular inputs and technical assistance

2. Technical Assistance provided to Government counterparts (training, mentoring etc)

(a) During the reporting period the MPTF RM has worked in close coordination with the WB on implementing the capacity development plan of the PIU, and conducted training on public procurement, bidding documents, M&E and fiduciary training to ensure consistency and compliance, risk mitigation and oversight during the bidding process.

(b) Special support has been provided to Support to Stabilization project (government counterparts MoF and MOIFAR) during Q2 to help with the transition from the UN Window to the National Window.

(c) We have worked in close coordination with the WB on implementing the capacity development plan of the PIU, and ensure consistency on the procurement process and risk mitigation and oversight during the bidding process.

(d) support has been provided to the MOF on the cash flow under the national window, from FGS to FMS and districts and strengthening the reporting and accountability of the government entities at all levels

(e) As a result of the hand holding support and continuous capacity development activities provided to the government counterpart, the confidence of donors towards the UN national window has increased noticeably and several donors have committed additional funds to the national window. The total amount allocated to the NW has reached 5.4 million (almost tripled) and there are other potential pledges to the NW.

Reasons for low achievement and rectifying measures

If sufficient progress is not being made, what are the key reasons, bottlenecks and challenges? Were these foreseen in the risk matrix? How are they being addressed and what will be the rectifying measures (1500 character limit)?

It has been noticed a slow implementation rate of the PBF funded pilot project of the NW due lack of experience and familiarity on complex procurements of the PIU staff and the prolonged parliamentary and presidential elections, which had an impact on the regional consultations on the selection of phase II infrastructure projects.

Outcome Statement 2: Project Management and Implementation Team

Rate the current status of the outcome: on track

Output progress

List the key outputs achieved under this Outcome in the reporting period (1000 character limit). Outputs are the immediate deliverables for a project.

The MPTF RM Manager has contributed to the management and implementation of Risk Management Support for Somalia MPTF funds through close monitoring of the progress on the project outputs, participation in different forums related to risk management and the use of country systems and active interaction with the SDRF fund administrators, government partners and development partners, UN Agencies, and MPTF funded Joint Programs.

Outcome progress

Describe progress made during the reporting period toward the achievement of this outcome. This analysis should reflect the above indicator progress and the output achievement. Is there evidence of the outcome contributing to peacebuilding and to the specific conflict triggers? Is the theory of change that underpins the project design still relevant for this outcome (3000 character limit)?

The UN MPTF Risk Manager is part of the Risk Management Unit and has contributed to a number of risk management services that the RMU provides, for the MPTF and other funds being implemented in Somalia. These include:

- Missions to Somalia and interactions with government partners, SDRF fund administrators and donors regarding managing and updating risks for both MPTF windows - UN & NW, oversight/assurance missions on the national window, consultations on expansion of the national window.
- Risk analysis on the drought emerged risks at the fund and MPTF JPs and provided support on the risk mitigations to the JPs which were impacted by the 2016-2017 drought in Somalia;
- Coordination, cooperation and interaction with the World Bank Office on the National Window and use of country systems, which has contributed to implementation projects' plans as applicable (capacity development, results based framework, procurement plan, M&E etc.) for the MoF PIU as the joint implementation partner for both the National Window and WB Infrastructure project.
- Regular donor briefing on the MPTF risk analysis and the the National Window
- Inputs into other RMU products, including the RMU training modules and risk assessments
- Active engagement in RMU's elections programme support on the delegates, candidates, elders, etc screening process.
- All these resulted to a strengthened risk management at the fund, JP and partner level, and increased credibility of the national window - during the reporting period the NW reached USD 5.4 million and became part of the ongoing joint programmes, which are being implemented at the Federal and Federal Member states.

Reasons for low achievement and rectifying measures

If sufficient progress is not being made, what are the key reasons, bottlenecks and challenges? Were these foreseen in the risk matrix? How are they being addressed and what will be the rectifying measures (1500 character limit)?

Outcome Statement 3:

Rate the current status of the outcome: Please select one

Output progress

List the key outputs achieved under this Outcome in the reporting period (1000 character limit). Outputs are the immediate deliverables for a project.

Outcome progress

Describe progress made during the reporting period toward the achievement of this outcome. This analysis should reflect the above indicator progress and the output achievement. Is there evidence of the outcome contributing to peacebuilding and to the specific conflict triggers? Is the theory of change that underpins the project design still relevant for this outcome (3000 character limit)?

Reasons for low achievement and rectifying measures

If sufficient progress is not being made, what are the key reasons, bottlenecks and challenges? Were these foreseen in the risk matrix? How are they being addressed and what will be the rectifying measures (1500 character limit)?

Outcome Statement 4:

Rate the current status of the outcome: Please select one

Output progress

List the key outputs achieved under this Outcome in the reporting period (1000 character limit). Outputs are the immediate deliverables for a project.

Outcome progress

Describe progress made during the reporting period toward the achievement of this outcome. This analysis should reflect the above indicator progress and the output achievement. Is there evidence of the outcome contributing to peacebuilding and to the specific conflict triggers? Is the theory of change that underpins the project design still relevant for this outcome (3000 character limit)?

Reasons for low achievement and rectifying measures

If sufficient progress is not being made, what are the key reasons, bottlenecks and challenges? Were these foreseen in the risk matrix? How are they being addressed and what will be the rectifying measures (1500 character limit)?

1.2 Assessment of project evidence base, risk, catalytic effects, gender in the reporting period

<p><u>Evidence base:</u> What is the evidence base for this report and for project progress? What consultation/validation process has taken place on this report (1000 character limit)?</p>	<ul style="list-style-type: none"> - RMG meetings - minutes, analysis and dashboard - Contribution to partner specific Risk Management and Engagement plan (UNDP LPAC membership) -RM tailored and government procedures training materials <p>number of training / no of participats conducted to the fund recipiets (UN and government officials)</p>
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	<ul style="list-style-type: none"> - active participation in the use of country systems working group and the financial governance forum - consultations with government of Somalia on the fund transfers from the FGS--FMS--districts - consultations with joint programmes on the possibility of the use of country systems within the ongoing or new programmes.
<p><u>Funding gaps:</u> Did the project fill critical funding gaps in peacebuilding in the country? Briefly describe. (1500 character limit)</p>	<p>The project provides full time MPTF risk management capacity, which is critical in a complex environment of Somalia. It has been observed that the risk management not yet mainstreamed in UN agency programming and systems, or in MPTF standard functions. As such, the project complements the risk management capacity across PUNOs and the joint MPTF funded programmes with essential risk management capacities, supports the capacity development and risk mitigation of national window projects. The position of the MPTF Risk Manager is funded until the end of February 2018.</p>
<p><u>Catalytic effects:</u> Did the project achieve any catalytic effects, either through attracting additional funding commitments or creating immediate conditions to unblock/ accelerate peace relevant processes? Briefly describe. (1500 character limit)</p>	<p>The project contributed to:</p> <ul style="list-style-type: none"> - Increased accountability for donor funds through improved risk analysis and risk management - Increased coordination on risk management between the Fund Administrators, donors and government (through the RMG), and other forums - Increased awareness and capacities on risk management across UN Joint Programmes, donors, and government - Increased trust, and possibility of expanded donor funding to both the UN Window and the National Window by donors. (total Somalia MPTF funding has increased by around 30 million USD during the reporting period, and funds channelled through the national funding stream have increased by \$ 3.4 million (total \$ 5.4 million) and there are indications that additional funds will be allocated to the national window during the coming months.
<p><u>Risk taking/ innovation:</u> Did the project support any innovative or risky activities to achieve peacebuilding results? What were they and what was the result? (1500 character limit)</p>	<p>The use of the National Window represents a risky, yet highly innovative and potentially highly impactful way of supporting statebuilding and peacebuilding in Somalia. The use of country systems not only is testing the public systems at the federal level, but is expanding to the federal member states, regions and districts and exploring new ways of doing business in an environment where the systems are either weak or inexistent. Therefore the project has introduced additional mitigation measures to increase safeguards of the financial resources, the RM MPTF manager has proactively been engaged in working together (hand holding) with the government officials to ensure successful implementation of the project. All these efforts constitute to a core element of the UN's effort to support non only federal government and state authority, but more importantly state accountability and responsibility (to deliver services directly to its citizens on the basis of sound risk management procedures)</p> <p>The RM Manager is also supporting the establishment of the Youth and NGO support fund under MPTF which aim to support</p>

	youth and NGO led initiatives.
<p><u>Gender:</u> How have gender considerations been mainstreamed in the project to the extent possible? Is the original gender marker for the project still the right one? Briefly justify. (1500 character limit)</p>	<p>The project has an indirect impact on this cross-cutting area by supporting appropriate management of gender, minorities and disadvantaged related risks and the treatment measures associated to them.</p> <p>In addition, the all infrastructure projects funded through the national funding stream take into consideration gender elements as well as disabled people. All Joint Programs ensure that all outputs have gender mainstreamed through them. In addition at least 30% of JP beneficiaries are women</p> <p>However, the Gender marker in this project has been rated as 1 (one) since it doesn't have a direct contribution to gender related matters.</p>
<p><u>Other issues:</u> Are there any other issues concerning project implementation that should be shared with PBSO? This can include any cross-cutting issues or other issues which have not been included in the report so far. (1500 character limit)</p>	<p>During the reporting period, the Risk manager, as part of the RMU, has been supporting the Joint Programme on Elections Support with the following tasks:</p> <ul style="list-style-type: none"> - Vetting of delegates, candidates, elders, FIEIT and SIEIT members towards the UNSC designated lists etc.; - Providing support in strengthening UN monitoring activities and the risk mitigation measures being used tfor processes such as payments to the delegates, vendors etc. <p>In addition, direct support has been provided to strengthening partner specific risk mitigation and engagement plan of all UNDP partners based on the risk level emerging from the partner capacity assessments (HACT micro assessments)</p>

1.3 INDICATOR BASED PERFORMANCE ASSESSMENT: *Using the Project Results Framework as per the approved project document- provide an update on the achievement of key indicators at both the outcome and output level in the table below. Where it has not been possible to collect data on indicators, state this and provide any explanation in the qualitative text above. (300 characters max per entry)*

	Performance Indicators	Indicator Baseline	End of project Indicator Target	Current indicator progress	Reasons for Variance/ Delay (if any)	Adjustment of target (if any)
Outcome 1 The SDRF Trust Funds provide an effective contribution to Somalia’s peacebuilding and statebuilding priorities due to better risk mitigation in the design and implementation of The Implementation of the Compact, and the	Indicator 1.1 Somalia Compact/NDP completion rate	Baseline: 23% off track, 60% on track, 17% uncertain/delayed (based on the JP quarterly reports.	Target: 15% off track, 20% delayed, 65% on track (due to drought conditions if delivery can be maintained on political and development outcomes it will be a significant progress)	Based on the MPTF JP quarterly reports progress projects, are all on track in support of Compact objectives, with delays caused due to the electoral process in Somalia, and security related constraints	Drought across Somalia, which has had some impact over the JPs Prolonged electoral process Security concerns and access restrictions Ministerial changes.	
	Indicator 1.2					
	Indicator 1.3					

political transition, is facilitated by effective funding instruments						
Output 1.1 Somalia RM strategy Implemented	Indicator 1.1.1 Output Indicator 1.1.1 : Risk analysis and RMG convened according to strategy (see risk management strategy)	RMG organizes 6 meetings in 2017	12 meetings	Progress as of June 15th, 2017: - Total of 10 RMG meetings - 7 in 2016 & 3 in 2017/risk dashboard updated - Cross JP risk analysis completed ('16) - drought impact risk assessment on the funds and JPs completed ('17) - SDRF funds JRMS assessment ongoing ('17)	Target for 2017 on track Plan for 2017: - Risk analysis/updates calendar for 2017 updated with the new risks emerged as result of the drought in Somalia - RM dashboard - Assessment of JRMS initiated. The completed assessment will provide recommendations for the revised/updated Strategy.	NA
	Indicator 1.1.2					
Output 1.2 Technical Assistance to Government	Indicator 1.2.1 Number of trainings on risk management	5	11	2016: 5 RM training: - PIU/Ministry of Finance (Apr)	2017 target on track	

counterparts (training, mentoring etc)	(related to trust fund strategy)			- MoIFA & Support to stabilisation project staff (June) - MPTF JP funded programmed (Sep) - JP RoL programme partners (Sep) - PIU/MOF and 6 other government partners (Sep) - Total number of participants - 70 2017: PIU trained on bidding process		
	Indicator 1.2.2 Proportion of recommendations to offset emergent risks implemented.	75%	100%	Target achieved. Risks updated based on the RM calendar have been completed. New drought related risks have been identified and completed.	New drought related risks - at fund and JPs level have been identified and analyzed.	
Output 1.3	Indicator 1.3.1	75%	100%	All MPTF JPs		

Do-No Harm approach implemented in UN MPTF projects	Percentage of projects implemented through Trust Fund that proactively manage potential risks to gender equality, and women's empowerment			have indicated gender related matters/risks at the project design. Gender marker has been introduced and updated through the quarterly progress reports.		
	Indicator 1.3.2 Percentage of Trust Fund resources allocated to gender specific activities/interventions	13%	20%	Gender indicator has been introduced in the quarterly reporting of the MPTF funded programmes. Thus all the JPs report on the gender indicators.		
Percentage of projects implemented through Trust Fund that routinely formally monitor stakeholder vulnerability/concerns	75%	100%				

Outcome 2 Project Management and Implementation Team	Indicator 2.1 - bi-annual progress reports target for 2017 (2 reports for 2017)	1	2 reports / year	Project is being implemented on regular basis. Updates on the progress provided to MPTF Office and PBSO besides the periodic reports (every 6 months)	On track - progress reports submitted on time - regular updates submitted to MPTF Office.	
	Indicator 2.2					
Output 2.1 RMU Management	Indicator 2.1.1 Percentage of projects applying comprehensive risk management tools	70%	100%	Risk management strategy implemented - new risks identified and analyzed, the existing risks updated. Drought impact on the MPTF funds and joint programmes complete during Q1 of 2017.		
	Indicator 2.1.2					
Output 2.2 Equipment/ supplies	Indicator 2.2.1 RM Manager provided with office space and			Office facilities and equipment provided to the MPTF Risk	Office supplies provided.	NA

	required equipment.			Manager		
	Indicator 2.2.2					
Output 2.3 Travel	Indicator 2.3.1 Number of monitoring and oversight missions to Somalia.	10 missions	12 missions	2016: 10 missions 2017 progress: 9 project related missions to Mogadishu have taken place during reporting period and a new mission has been planned for 14-15 June 2017 (total 10 missions - 6 months)		
	Indicator 2.3.2					
Outcome 3 M&E and oversight	Indicator 3.1 Project evaluatuated once during the project duration	0	project evaluated Q4 2017	Oversight activities have taken place: - national window risk management & oversight missions have taken place.		
	Indicator 3.2					

Output 3.1	Indicator 3.1.1					
	Indicator 3.1.2					
Output 3.2	Indicator 3.2.1					
	Indicator 3.2.2					
Output 3.3	Indicator 3.3.1					
	Indicator 3.3.2					
Outcome 4	Indicator 4.1					
	Indicator 4.2					
Output 4.1	Indicator 4.1.1					
	Indicator 4.1.2					
Output 4.2	Indicator 4.2.1					
	Indicator 4.2.2					
Output 4.3	Indicator 4.3.1					
	Indicator 4.3.2					

PART 2: LESSONS LEARNED AND SUCCESS STORY

2.1 Lessons learned

Provide at least three key lessons learned from the implementation of the project. These can include lessons on the themes supported by the project or the project processes and management.

Lesson 1 (1000 character limit)	The UN system's approach to risk management in programming remains fragmented
Lesson 2 (1000 character limit)	The MPTF RM has provided support to testing the country systems and setting up the systems at the federal member states.
Lesson 3 (1000 character limit)	Sustained risk management support to JPs has increased donor confidence in UN in Somalia, and constitutes a driver for renewed donor support (increased donor contribution to MPTF)
Lesson 4 (1000 character limit)	The use of a National Window, buttressed by a strong and sustained risk management and capacity development focus as an important element in the UN's support to extension of State Authority and Accountability and increased donor trust (increased donor contribution to the national window through MPTF)
Lesson 5 (1000 character limit)	Strong collaboration with the WB on the use of country systems Strong collaboration with the WB, AfDB , donors and Government of Somalia on risk mitigation

2.2 Success story (OPTIONAL)

Provide one success story from the project implementation which can be shared on the PBSO website and Newsletter as well as the Annual Report on Fund performance. Please include key facts and figures and any citations (3000 character limit).

PART 3 – FINANCIAL PROGRESS AND MANAGEMENT ARRANGEMENTS

3.1 Comments on the overall state of financial expenditure

Please rate whether project financial expenditures are on track, slightly delayed, or off track: on track

If expenditure is delayed or off track, please provide a brief explanation (500 characters maximum):

Please provide an overview of expensed project budget by outcome and output as per the table below.⁵

Output	Output name		Approved	Expensed	Any remarks on
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⁵ Please note that financial information is preliminary pending submission of annual financial report to the Administrative Agent.

number		RUNOs	budget	budget	expenditure
Outcome 1: The Implementation of the Compact, and the political transition, is facilitated by effective funding instruments					
Output 1.1	RM strategy Implemented	UNDP	469,374	172,178	58% of the staff cost -
Output 1.2	Technical Assistance to Government counterparts (training, mentoring, etc.)	UNDP	200,000	127,827	42% of the staff cost -
Output 1.3					
Outcome 2: Project management and Implementation Team					
Output 2.1	RMU Management	UNDP	16,000 (Supplies and equipment)		Budget allocation under this category indicates \$6,000 for supplies and \$10,000 for equipment.
Output 2.2	Travel	UNDP	15,000	10,428	
Output 2.3	M&E, Oversight, General Operating and other direct cost (UNDP Somalia)	UNDP	48,200	15,000	This budget category includes an amount of \$14,500 for M&E and oversight.
Outcome 3: UNDP General Management Services					
Output 3.1	General Management Services 7%	UNDP	38,400	11,290	
Output 3.2					
Output 3.3					
Outcome 4:					
Output 4.1					
Output 4.2					
Output 4.3					
Total:		UNDP	586,974	336,723	

3.2 Comments on management and implementation arrangements

Please comment on the management and implementation arrangements for the project, such as: the effectiveness of the implementation partnerships, coordination/coherence with other projects, any South-South cooperation, the modalities of support, any capacity building aspect, the use of partner country systems if any, the support by the PBF Secretariat and oversight by the Joint Steering Committee (for PRF only). Please also mention if there have been any changes to the project (what kind and when); or whether any changes are envisaged in the near future (2000 character maximum):

The Risk Manager is located within the RMU, which provides risk management support to the entire UN system, including UNSOM and UNSOS.

The RMU is part of the Integrated Office of the DSRSG/RC/HC, which has allowed greater access to the entire system and greater mainstreaming of risk management in sections and agencies.

Collaboration with the WB has proved essential in developing a 'risk management multilateral center of gravity', in designing and implementing the National Window and the use of country system at the Federal and States, and in successfully engaging with government and donors on risk management issues.

The MPTF Risk manager is member of Financial Governance Forum and Use of Country Systems working group. MPTF fund risk management is implemented jointly with the WB and AfDB as SDRF fund administrators for Somalia as well as other partners - Government of Somalia (MoF & ACU) and Donors (Sweden, UK and EU).