



**SOMALIA UN MPTF**

**PROGRAMME QUARTERLY PROGRESS REPORT**  
**Period (Quarter-Year): QUARTER 2 YEAR 2017**

<b>Project Name</b>	<b>Pilot Project to Strengthen Service Delivery Through Federal Government Systems, Federal Member States and Interim Regional Administrations (National Window)</b>
Gateway ID	00100391
Start date	17 <sup>th</sup> February 2016
Planned end date (as per last approval)	17 <sup>th</sup> September 2018
Focal Person	(Name): Ali Haji Aden, Programme Coordinator
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Participating UN entities	N/A
PSG	PSG 5: Revenue & Service
Priority	(1) Building legitimate public sector institutions and the strengthening of central-regional links, by showing that the FGS is investing in its regions and its people. (2) Strengthening government systems to demonstrate they can work and increase donor trust in, and use of country systems. (3) Supporting creation of essential rule of law and other public infrastructure in one of the most war-affected parts of the Somali territory.
Milestone	1. The Project Implementation Unit of the Ministry of Finance successfully managed the rehabilitation / construction of three small-scale infrastructures in two Member State and one in Banaadir city. 2. The Project Implementation Unit developed a successful communication campaign to promote the work of the FGS/IRAs in rehabilitating infrastructures 3. PIU and FMSs/IRAs civil servants use participatory monitoring tool to measure the satisfaction of citizens with the rehabilitated infrastructures. 4. The PIU's project cycle management and financial management systems are strengthened through tailored trainings and on the job coaching.
Location	Somalia
Gender Marker	2 (Sub- projects gender equality as a significant objective)

<b>Total Budget as per ProDoc</b>	US\$ 2,062,083
MPTF:	US\$ 2,062,083
Non-MPTF sources:	PBF: US\$ 2,062,083 (all funding from PBF channeled through MPTF)
	Trac: N/A
	Other: N/A

	PUNO	Report approved by:	Position/Title	Signature
1.	FGS -MOF	Ali Hajji Aden	Programme Coordinator	

Total MPTF Funds Received			Total non-MPTF Funds Received	
PUNO	Q2	Cumulative	Q2	Cumulative
FGS - MOF	-	\$899,408	-	-



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JP Expenditure of MPTF Funds <sup>1</sup>			JP Expenditure of non-MPTF Funds	
PUNO	Current quarter	Cumulative	Current quarter	Cumulative
FGS -MOF	\$10,870	\$134,597	-	-

### QUARTER HIGHLIGHTS

1. Bidding processes for Kismayo and Benadir sub-projects: In the second quarter, the technical evaluation team comprising of (5) persons drawn from the Ministry of Finance of FGS and a representative of the relevant Federal States conducted a transparent and fair bid evaluation for all the bids received for both sub-projects. The winning bids Khalil Construction Company and Deg-Deg Group were notified and invited to sign off the contracts and commence work as stipulated in the work plan.
2. De-briefing of phase I project contractors: PIU planned and executed a workshop meant to provide the contractors a broader view of what the programme intends to achieve and specific deliverables expected from each contractor with regards to engineering and M&E requirements of the projects
3. Progress on Phase II sub-projects: Following the design assessments done by engineering consulting firm and PIU engineers in both Galka'ayo and Bandiiradley sub-projects towards end of the first quarter. ECOTECH delivered several reports: Inception report, Environmental Safeguards report and most importantly preliminary design report. Phase II projects review cycle is on target and significant improvements have been made on timeliness of the deliverables and quality.
4. Scale up of SFF-LD project: In the spirit of strengthening government system, UN is planning to channel finances meant to rehabilitate Baidoa prison through the government. An initial discussion took place between SFF-LD management, Ministry of Justice of FGS and the UN on the implementation arrangement and each of the stakeholders' perspective on the proposal.
5. PIU capacity building: PIU participated in a 3-day M&E workshop organized by the World Bank, the main theme of the workshop was to strengthen the programme M&E system. The discussion entailed in depth discussion of the M&E plan for the project and review of the project indicators following activation of emergency component of the project.

### SITUATION UPDATE

A lot had happened in the second quarter of 2017, especially on the procurement aspect of the two (2) sub-projects in Kismayo and Banadir. There have been delays in different stages of the procurement process for these two infrastructure projects. The delays were due to the bid evaluation committee's unfamiliarity with the procurement guidelines and policies of the project. This requires a second round of bid evaluation to be carried out in cooperation with the UN team. As a result, the implementation of the project was delayed and no concrete outputs were realized in this quarter.

The UN and SFF-LD jointly reviewed the project result framework and found out impractical set of indicators, which were later changed to realistic set of indicators. In the current reporting for this quarter, PIU has used the revised result framework to report on.

<sup>1</sup> **Uncertified expenditures.** Certified annual expenditures can be found in the Annual Financial Report of MPTF Office (<http://mptf.undp.org/factsheet/fund/4SO00> )



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On the drought response project financed by World Bank, the FGS and Bank agreed to contract INGO's (BRICs consortium) led by NRC since the latter has a workable network and is engaged in similar activities on the ground. The SFF-LD team were given supervisory and oversight role in the implementation arrangement. This arrangement was seen as the best way to immediately respond to the shock and save human and livestock lives. While this activity is not funded by Peacebuilding Funds.

Last but not the least, the UN is planning to scale up SFF-LD project by channeling rule of law funds meant to rehabilitate the Baidoa prison through government system. An initial discussion had already happened among the key stakeholders including the PIU, ministry of justice of FGS and the UN. The outcome of the meeting was positive in that all stakeholders had no objection to the proposal.

**QUARTERLY PROGRESS REPORT RESULTS MATRIX**

**OUTCOME STATEMENT**

Somali citizens in the target locations perceive their Regional Authorities and the Federal Government of Somalia as being more legitimate thanks to the improvement of infrastructures in their communities.

**SUB-OUTCOME 1 STATEMENT**

**Output 1.1:** The Project Implementation Unit of the Ministry of Finance successfully managed the rehabilitation / construction of three small scale infrastructures in three Member State / Interim Regional Administration

INDICATOR	TARGET	PROGRESS ON OUTPUT INDICATOR <sup>2</sup>	
		THIS QUARTER	CUMULATIVE
% of people (men and women) expressing satisfaction with targeted infrastructure	60%	N/A	A survey to be done during project closure by third party monitors
% people confirm participation in local government consultation	30 %	8% of Kismayo residence did partake in governmental consultation according to OCVP report.	8%
% of people (men and women) expressing trust in target Federal Member State / Interim Regional Administration	80%	67% of the residence are confident with the district administration according to OCVP report.	67%
Number of infrastructures built and functional	3	0	0

UNDP ONLY: sources of evidence; OCVP periodic report.

**Output 1.2:** The Project Implementation Unit developed a successful communication campaign to promote the work of the FGS/IRAs in rehabilitating infrastructures

Number of Public Service Announcements are aired on popular radios in target locations where infrastructures are being rehabilitated/ constructed	7	0	1
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<sup>2</sup> Fill in only the numbers or yes/no; no explanations to be given here.



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PIU Facebook page	Min. 3 posts per week during project implementation: At least 1000 likes by the end of the project	One (1) facebook post made in Q2.	3,972 likes
Sources of evidence: SFF-LD facebook statistics, PIU reports			
<b>Output 1.3:</b> PIU and IRA civil servants use participatory monitoring tool to measure the satisfaction of citizens with the rehabilitated infrastructures			
% increase in knowledge of PIU and target IRA staff on M&E	95%	0	
Number of people attending (men and women) community consultations held by PIU and JA staff	120	0	120
Sources of evidence: PIU reports, Pre and Post tests			
<b>SUB-OUTCOME 2 STATEMENT</b>			
National systems strengthened with the Ministry of Finance’s PIU established as a sound project management model able to deliver tangible deliverables thereby improving its credibility with the donors.			
<b>Output 1.3:</b> <restate verbatim from the Prodoc/AWP or amended version (if any)>			
USD \$ disbursed through national window	USD 2.062 Million	00	0.76 million
# of operational observations found in UN monitoring visits	00	1 Observation on procurement seen Q2, requires improvement	1
Sources of evidence: PIU financial report, PIU report			
<b>Output 2.2:</b> The PIU’s project cycle management and financial management systems are strengthened through tailored trainings and on the job coaching			
% improvement in staff knowledge on financial and operational management	100%	00	
# of monitoring visits/site visits by PIU staff to IRAs	16	00	4
PIU staff take part in 4 tailored trainings on Project Cycle Management, Financial Management and Accounting and National Window Operating Procedures	4	00	1
Sources of evidence: PIU report			
<b>NARRATIVE</b>			
In this reporting period, PIU successfully launched series of activities, which incrementally contribute positively in the execution of project key tasks. This includes:			



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**Bidding processes for Kismayo and Banadir sub-projects:** In the second quarter, the technical evaluation team comprising of (5) persons drawn from the ministry of finance of FGS and a representative of the relevant federal state conducted a transparent and fair bid evaluation for all bids received from both sub-projects. The winning bids Khalil Construction Company and Deg Deg group were notified and invited to sign off the contract and commence work as stipulate in the work plan for projects in Kismayo and Banadir respectively.

**De-Briefing of phase I project contractors:** PIU planned and executed a technical workshop meant to provide the sub-project contractors a broader view of what the programme entails to achieve and specific deliverables expected from each of the contractor. The workshop main agenda was to familiarize the contractors with the engineering and M&E requirement of the programme. PIU engineers took a lead role in discussing the design for both Kismayo and Banadir sub-projects and highlighted the importance of contractors in meeting deadlines. In addition to that, the regional project officers got time to interact with the contractors and their role made clear with regards to implementation and reporting.

**Progress on Phase II sub-projects:** Following the design assessment done by engineering consulting firm and PIU engineers in both Galka'yo and Bandiiradley sub-projects towards end of the first quarter, ECOTECH delivered several reports; inception report, environmental and safe guard report and most importantly preliminary design report. In the latter report, the engineering consultancy firm provided options to be chosen by the local authorities and which are within the budget. The regional authorities had reviewed the design options and have communicated the best option in their perspective.

**Scale up of SFF-LD project:** In the spirit of strengthening government system, UN is planning to channel finances meant to rehabilitate Baidoa prison through the government. An initial discussion had happened between SFF-LD management, ministry of justice of FGS and the UN on the implementation arrangement and each of the stakeholder's perspective on the proposal. This initiative was lauded by the federal government of Somalia as this is a step towards realization of use of full use of country system by the development partners.

**PIU capacity building:** In light of building the capacity of SFF-LD team to manage small scale infrastructure effectively, PIU participated in a 3-day M&E workshop organized by the world Bank, the main theme of the workshop was to strengthen the programme M&E system. The discussion entailed review of the project indicators following the activation of component three which is on emergency. In addition to that, clear roles and responsibilities of project team with regards to M&E deliverables were discussed and agreed on.

**Other Key Achievements** N/A

### **Challenges (incl: Delays or Deviations) and Lessons Learnt:**

Due to unfamiliarity of the procurement guidelines and policies by the bid evaluation committee, the procurement cycle for both infrastructure projects in Kismayo and Banadir took longer than expected. This was addressed in the second round of bid evaluation where UN team provided technical support to the bid evaluation committee, which is now aware of the procedure for carrying out an open and fair bidding process in accordance with the National Procurement Law.

Nevertheless, most of the bids received for both sub-projects were incomplete, lacking some documentation and the bidders were not conversant with the bidding requirements of the project. To mitigate this, going forward the SFF-LD has decided to organize a pre-bid workshop to familiarize the prospective bidders with the procurement requirements and the documentation to submit for the bid to be considered complete.

### **Peacebuilding impact:**

Since actual execution of project activities did not happen in this reporting period, no Peacebuilding impact has been recorded for the project. The programme will report on the peacebuilding impact in Q3 once the key project activities are being implemented.



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<b>Catalytic effects</b>		
<p>To date the pilot project has been yielding positive results despite the delays on the implementation. The lesson learned in the previous quarters with regards to delays in the review cycle of both the engineering designs and procurement processes has been adopted. The UN and the SFF-LD have been jointly reviewing the phase II sub-project to shorten time spent on review of engineering designs. In addition to that, the SFF-LD has been having frequent meetings with the engineering consultancy firm to discuss challenges encountered on the ground and monitor whether ECOTECH is delivering different tasks against the agreed timeframe.</p>		
<b>Gender</b>		
<p>During the contractors’ de-briefing workshop, the Monitoring and Evaluation specialist has brought to the attention of the both contactors for Kismayo and Banaadir sub-project to provide equal employment opportunities to women in the construction work. This is in line with the PIU’s efforts to promote gender equality.</p>		
Proportion of gender specific outputs in Joint Programme <sup>3</sup>	<b>Total no. of Joint Programme Outputs</b>	<b>Total no. of gender specific Outputs</b>
	4	0
Proportion of Joint Programme staff with responsibility for gender issues <sup>4</sup>	<b>Total no. of Staff</b>	<b>Total no. of staff with responsibility for gender issues</b>
	9	4
<b>Human Rights</b>		
<p>The SFF-LD programme management has instructed the engineering consultancy firm to put into consideration the people with special needs during development of the designs for phase II sub-project. Apart from that, the PIU management has successfully convinced the Kismayo administration to provide a temporary shelter for the displaced persons housed in the damaged infrastructure.</p>		
Has the Joint Programme included a protection risk assessment in its context analysis, including on gender issues, and taken measures to mitigate these risks to ensure they are not exacerbated or new risks created?	<b>Result (Yes/No)</b>	
	No	
No. of Joint Programme outputs specifically designed to address specific protection concerns.	<b>Result (No.)</b>	
	0	
No. of Joint Programme outputs designed to build capacity of duty bearers to fulfil their human rights obligations towards rights holders.	<b>Result (No.)</b>	
	0	
<b>Other</b>		
Does the Joint Programmes have a national cost-sharing component (i.e. funds and/or other resources provided by the FGS and/or FMS (including in-kind contributions)? (if ‘Yes’, describe below).	<b>Results (Yes/No)</b>	
	No	
	<b>Results (Yes/No)</b>	

<sup>3</sup> Gender Specific Outputs are those that are specifically designed to directly and explicitly contribute to the promotion of Gender Equality and Women’s Empowerment.

<sup>4</sup> Staff members are those contracted to undertaken work for the Joint Programme including full time staff, consultants, advisors, interns, etc. Staff members with responsibility for gender issues are those who have gender related activities included in their Terms of Reference.



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Have FMS(s) been engaged in one or more of the following: design, planning, implementation, coordination and/or monitoring of the Joint Programme.	<i>Yes</i>
<b>Describe nature of cost sharing:</b> N/A	
<b>Support to Drought Response</b> <p>No budget under the UN component of the SFF-LD project has been allocated to respond to the drought. However, the programme is actively engaged in the planning and execution of drought response projects financed by World Bank. In order to save lives, a workable implementation arrangement has been agreed between the Ministry of Finance and World Bank whereby INGOs with a diverse network in target location were given the primarily role of doing works on the ground with overall supervision and prioritization by the PIU.</p>	
<b>Communications &amp; Visibility</b> <p>The programme has been implementing the communication plan in place for the project; this includes reaching out to residences in areas where interventions are made. During the design assessment trip done by ECOTECH and PIU engineers, the latter has challenged the project oversight committee (POC) for both sub-projects to disseminate information on the commencement of the project implementation to their network and the importance of the infrastructure. This has been successful, as the local administration has recorded many residences that made a stop at their office to ask when the project would start.</p> <p>Recently the FGS held a launch event marking the commencement of the Jowhar road construction project financed by the World Bank. Several Somali media outlets including Universal TV, SNTV and HCTV have aired the launch event. Moreover, the programme asked the Minister of Finance and Senior Officials of the ministry, as well as the leadership of Hirshabelle State to jointly preside over the road rehabilitation launch event. The programme requested the contractors to mount a project identification sign containing project information; this will be replicated in all other projects managed by PIU.</p>	
<b>Looking ahead</b> <p>Currently the programme is planning to organize the launch event for both sub-projects in Kismayo and Banaadir during the months of July and August 2017. The programme is anticipating actual implementation and completion of core activities of phase I project to be reported in Q 3. In addition to that, the plan is to wind up all procurement aspects of phase II project and award the contracts. On the communication front, the programme is planning to promote government visibility during the project launches by inviting senior officials of the FGS' Ministry of Finance and regional authorities to jointly preside over the launch events. Moreover, discussions are underway with Somali TV stations for them to air the events at least (3) times, especially during the prime news. Lastly, the programme wants to organize a talk show where PIU management will show case how the programme has been successful and interact with the public to gauge their level of satisfaction.</p>	



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**ANNEX 1. RISK MANAGEMENT**

Type of Risk <sup>5</sup>	Description of Risk	Mitigating Measures
<b>Security</b>		
Risk assessment as per project Doc.	Security incidence at the project location; clan conflict, armed conflict and terrorist activities.	<ul style="list-style-type: none"> <li>○ Regular review of security measures.</li> <li>○ Local authority to maintain security of project area as per project agreement.</li> <li>○ Recruit project officers who are conversant with the locality.</li> </ul>
Risk reporting for Q2, 2017	No risk reported during this reporting period.	
<b>Environmental and Economic shock</b>		
Risk assessment as per project Doc.	This can be informing of inflation and natural calamities.	<ul style="list-style-type: none"> <li>○ SFF-LD has considered possible economic shock during budget allocation for sub-projects.</li> <li>○ PIU through a consulting firm to conduct environmental impact assessment prior commencement of subproject implementation.</li> </ul>
Risk reporting for Q2, 2017.	Most of the project location suffered from prolonged drought, people and livestock are at risk of death.	The programme secured USD 2 million from the World Bank to respond to the shock.
<b>Political Risk: Strained FGS and Regional relations</b>		
Risk assessment as per project Doc.	Overlapping governmental structures and absence of guidelines on governments (FGS and FMS's role and responsibility on project formulation, design, implementation and monitoring.	<ul style="list-style-type: none"> <li>○ Close coordination between MOF and project counterpart ministries at FMS's.</li> <li>○ Clear guideline on the roles of different offices in both FGS and regional entities.</li> <li>○ Regional authorities participating in steering committee meetings.</li> </ul>
Risk reporting for Q2, 2017	No risk reported during this reporting period.	
<b>Financial</b>		
Risk assessment as per project Doc.	Risk of losing financial resources / Fiduciary risk, this could happen through mismanagement of funds by the implementing agency and failure of the government to implement transparent measures and systems	<ul style="list-style-type: none"> <li>○ Share with our partners the relevant policy on UN supplier's code of conduct.</li> <li>○ Check the complaining mechanisms and be prepared to address any complaint on timely manner</li> <li>○ EAFS/PFM/PPM control systems of checking through financial documentations, to ensure there are no misappropriation of funds and resources are used for intended purpose.</li> </ul>

<sup>5</sup> Environmental; Financial; Operational; Organizational; Political; Regulatory; Security; Strategic; Other.





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	Risk of Asset loss, this can happen in form of; misplacement of assets, lack of regular physical verification, diversion of assets, lack of safeguards.	<ul style="list-style-type: none"> <li>○ Establish strong asset management systems;</li> <li>○ Transfer of assets to the beneficiaries to be made on timely manner and proper record to be kept for future reference.</li> <li>○ Physical verification of assets under the use of project or UN staff in the field to be organized twice a year.</li> </ul>
Risk reporting for Q2, 2017	No risk reported during this reporting period.	
<b>Operational</b>		
Risk assessment as per project Doc.	Weak Internal Controls and internal audit function, this could possibly arise due to poor documentations and lack of segregation of responsibilities.	Enhanced assurance activities (field monitoring, spot checks, programme monitoring and audit) will be applied to the activities implemented by the RP according to the UNDP Policies.
Risk reporting for Q2, 2017	No risk reported during this reporting period.	
Risk assessment as per project Doc.	Weak procurement processes.	All procurement under the UN National Funding Stream shall follow the FGS Public Procurement Procedures.
Risk reporting for Q2, 2017	No risk reported during this reporting period.	
Risk assessment as per project Doc.	Risk of Bid Security Fraud (or fraudulent bidding), fraudulent activities around bidding arising from contractors and corrupt bidding committee members	<ul style="list-style-type: none"> <li>○ Establish standard procedure for SWIFT verifications of Bid Securities</li> <li>○ Engage the Monitoring Agent for security bid verification</li> <li>○ Rigorous reference checking of previous works done by the company.</li> <li>○ Putting in place a robust and practical complaint handling mechanism.</li> <li>○ To publish EOI to the public using diverse channels.</li> <li>○ Clear Specifications of materials and products in the contract.</li> <li>○ Inspection and approval of project materials prior to usage.</li> <li>○ Testing and inspection procedures for project output are adopted.</li> <li>○ Payment is tied to the quality and milestones of work done.</li> </ul>
Risk reporting for Q2, 2017	No risk reported during this reporting period.	
<b>Organizational</b>		



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Risk assessment as per project Doc.	Weak capacity and resources within PIU, this may take the form of inadequate staffing and lack of qualified staffs within PIU.	PIU to conduct periodic capacity assessment to gauge the capacity level of PIU staffs, identify the capacity gaps and allocate funds in the project to organize training programmes (on the job training, workshops and staff exposure).
Risk reporting for Q2, 2017	No risk reported during this reporting period.	
Risk assessment as per project Doc.	Risk of poor quality of project deliverables; this can arise from weak performance of contractors and deviation from TS/TORs.	PIU Develop detailed technical specifications for the infrastructure work (three projects under the pilot project); technical specifications for purchase of equipment to justify the purpose (without identifying the brand); TORs for consultancy work etc.
Risk reporting for Q2, 2017	No risk reported during this reporting period.	
Risk assessment as per project Doc.	Risk of delay in project implementation, the scenario is mainly caused by inappropriate planning and unforeseen external shocks.	SFF-LD has set- up a detailed project-monitoring plan and has generated quarterly MPTF progress and financial report on time.
Risk reporting for Q1, 2017	In this quarter, delays did happen around the implementation of sub-projects, this was mainly brought about by the lack of capacity among the bid evaluation team to provide results on real time.	A second round of bid evaluation for phase I sub-projects was done by the UN in conjunction with the bid evaluation team, so that the latter can carry out its functions with minimal support from UN in the future.
<b>Regulatory</b>		
Risk assessment as per project Doc.	Conflict of interest, which may arise from SFF-LD staffs and bidding committee.	- PIU staff, contractors to signed off declaration of confidentiality or conflict of interest; - The PIU and the MOF to regulate by policy the procedures on the conflict of interest as part of FGS financial and procurement manuals
Risk reporting for Q1, 2017	No risk reported during this reporting period.	



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**ANNEX 2. MONITORING AND OVERSIGHT ACTIVITIES**

Monitoring Activity	Date	Description & Comments	Key Findings / Recommendations
Programme oversight field monitoring visit		No such activity was reported on this Q2, 2017	N/A
Programme Steering Committee meeting		No such activity was reported on Q2, 2017.	N/A
DIM Audit		No auditing exercise happened in this reporting period.	N/A
Independent Evaluation		The programme is at its inception stage; independent evaluation will be done once core activities records implemented.	N/A
Engineering site visit		No such activity was reported on this Q2, 2017	
Stakeholder Review Consultation		No such activity was reported in this Q2, 2017.	

**ANNEX 3. TRAINING DATA**

#	Target Group		Dates	# of participants			Title of the training	Location of training	Training provider
	Ministry. District or UN staff	Others		M	F	Total			
1.	PIU, Ministry of finance FGS		18-20th April 2017	1		1	Strengthening M&E system <ul style="list-style-type: none"> <li>○ Improving the M&amp;E plan.</li> <li>○ Review of SFF-LD World Bank Result framework.</li> </ul>	Nairobi, Kenya	Diego (World Bank)
<b>Totals:</b>				<b>1</b>		<b>1</b>			