

**IRF – PROJECT BUDGET OR DURATION REVISION WITH NO OVERALL COST
IMPLICATIONS** **TEMPLATE 2.3**

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



United Nations
Peacebuilding

PBF PROJECT DOCUMENT

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

Country (ies): Somalia	
Project Title: Support to Stabilization Project Number from MPTF-O Gateway (if existing project): 00095366	
PBF project modality: <input checked="" type="checkbox"/> IRF <input type="checkbox"/> PRF	If funding is disbursed into a national or regional trust fund: <input checked="" type="checkbox"/> Country Trust Fund <input type="checkbox"/> Regional Trust Fund Name of Recipient Fund: Ministry of Finance at Federal Government of Somalia.
List all direct project recipient organizations (starting with Convening Agency), followed type of organization (UN, CSO etc): UNDP, UNSOM, Federal Government of Somalia, federal member states, and district administrations. List additional implementing partners, Governmental and non-Governmental:	
Expected project commencement date¹: Project duration in months:² Geographic zones for project implementation: Federal Government of Somalia, Jubbaland, South West State, HirShabelle and Galmudug States.	
Does the project fall under one of the specific PBF priority windows below: <input type="checkbox"/> Gender promotion initiative <input type="checkbox"/> Youth promotion initiative <input type="checkbox"/> Transition from UN or regional peacekeeping or special political missions <input type="checkbox"/> Cross-border or regional project	
Total PBF approved project budget* (by recipient organization): UNDP: \$ 1,365,920 FGS: \$ 2,757,500 Total: \$ 4,120,420 <small>*The overall approved budget and the release of the second and any subsequent tranche are conditional and subject to PBSO's approval and subject to availability of funds in the PBF account.</small>	

¹ Note: actual commencement date will be the date of first funds transfer.

² Maximum project duration for IRF projects is 18 months, for PRF projects – 36 months.

IRF – PROJECT BUDGET OR DURATION REVISION WITH NO OVERALL COST IMPLICATIONS **TEMPLATE 2.3**

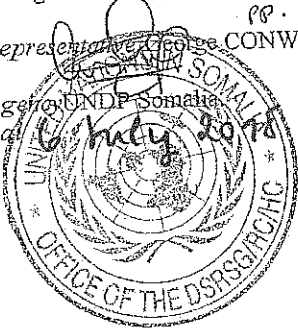


Any other existing funding for the project (amount and source): \$419,058; UNDP TRAC Project total budget: \$4,542,478	
Two-three sentences with a brief project description and succinct explanation of how the project is time sensitive, catalytic and risk-tolerant/ innovative:	
Summarize the in-country project consultation and endorsement process prior to submission to PBSO, including through any PBF Steering Committee where it exists:	
Project Gender Marker score: <u> 2 </u> Specify % and \$ of total project budget allocated to activities in direct pursuit of gender equality and women's empowerment: _____	
Project Risk Marker score: <u> 2 </u>	
Select PBF Focus Areas which best summarizes the focus of the project (<i>select ONLY one</i>): (4.2) extension of state authority/local administration.	
If applicable, UNDAF outcome(s) to which the project contributes:	
If applicable, Sustainable Development Goal to which the project contributes:	
Type of submission: <input type="checkbox"/> New project <input checked="" type="checkbox"/> Project amendment	If it is a project amendment, select all changes that apply and provide a brief justification: Extension of duration: <input checked="" type="checkbox"/> Additional duration in months: 3 months (1 st July- 30 th September 2018) Change of project outcome/ scope: <input type="checkbox"/> Change of budget allocation between outcomes or budget categories of more than 15%: <input type="checkbox"/> Additional PBF budget: <input type="checkbox"/> Additional amount by recipient organization: USD XXXXX
Brief justification for amendment: The Support to Stabilization project, S2S, is a multidisciplinary project involving multiple government institutions at Federal, State and District levels (Ministries of Interior and Finance at both Federal and State level, and district administrations). The S2S project is one of the first projects of its kind to utilize government systems to transfer funds from the donor to the Government Treasury (Central Bank) to district administrations. Due to this complexity, the project management is requesting a 3 month of NCE (1 st Jul- 30 th Sept 2018) to: <ul style="list-style-type: none"> ➤ Continue & complete the activities of phase one project activities. 	

IRF – PROJECT BUDGET OR DURATION REVISION WITH NO OVERALL COST
IMPLICATIONS TEMPLATE 2.3

	<p>Cost Extension (1st July- 30th Sept. 2018) to:</p> <ul style="list-style-type: none">➤ Continue and complete the activities of phase one project activities, and➤ Finalize drafting of the S2S phase II project document and submit to PBSO for approval. <p>We estimate that the project currently has a budget balance of \$600,000. During the proposed no-cost extension period, we will utilize these funds to complete the remaining S2S project activities. There will be no change in the project's originally approved scope of work and Results framework.</p>
--	--

IRF – PROJECT BUDGET OR DURATION REVISION WITH NO OVERALL COST IMPLICATIONS **TEMPLATE 2.3**

PROJECT SIGNATURES:

<p>Recipient Organization(s)³</p> <p>Name of Representative: <i>PP.</i> CONWAY Signature: <i>[Signature]</i> Name of Agency: UNDP Somalia Date & Seal: <i>6 July 2018</i></p> 	<p>Representative of National Authorities</p> <p>Name of Government Counterpart: <i>Abdi Mohamed</i> Signature: <i>[Signature]</i> Title: Minister, Ministry of Internal Reconciliation, FGS. Date & Seal: <i>06 July, 2018</i></p> 
<p>Head of UN Country Team</p> <p>Name of Representative: Peter deClercq Signature: <i>[Signature]</i> Title: DSRSG/RHCC Resident Representative Date & Seal: <i>6 July 2018</i></p> 	<p>Peacebuilding Support Office (PBSO)</p> <p>Name of Representative: Oscar Fernandez-Taranco, Signature: <i>[Signature]</i> Title: Assistant Secretary-General, Peacebuilding Support Office Date & Seal: <i>July 10, 2018</i></p>

³Please include a separate signature block for each direct recipient organization under this project.

**IRF – PROJECT BUDGET OR DURATION REVISION WITH NO OVERALL COST
IMPLICATIONS** **TEMPLATE 2.3**

I. Reason for changes to the project and justification

Nature of change and justification:

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

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

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

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

Concretely, this means that the project is focusing on creating and supporting local district governance structures in areas of the new FMSs of South Central Somalia recently liberated in line with the WF and the PBF Daldhis/CRESTA approach. This entails that, the project is targets 14 of the 26 priority districts that have been identify by MOIFA and FMS MOIs. Creating and/or strengthening community-representative bodies in the government priority district areas, through a participative process and training that is in line with, the WF component 1. Creating and supporting district council formation conferences by using the existing project funding for district conference to be utilized for the pre-formation of district councils (in line with WF component 4) (originally these conferences were to transition the Caretaker Administrations to Interim Administrations). Increasing the capacity of the different levels of government in managing and coordinating stabilization effort, in terms of reconciliation. The use of the National Window modality for the provision of running costs to districts will remain and be extended, with an

**IRF – PROJECT BUDGET OR DURATION REVISION WITH NO OVERALL COST
IMPLICATIONS** **TEMPLATE 2.3**

increased role for the new State-level of governance (i.e.: the FMS), to continue contributing to building government reach, legitimacy and accountability and to establishing a financially functional and accountable federal system. Related to this, given the importance of maintaining continuity of support to fragile districts until such time when their administrations can be considered as legitimate and stable district authorities – mainly after a process of participative and representative (s)election – more flexibility will be introduced in the duration of running costs support to districts. Indeed, one of the lessons learnt so far from the initial implementation of the project and the observation of the evolving situation on the ground is that the process of building legitimate district councils after the initial nomination of a caretaker administration cannot fit neatly into a fixed timeline with time-bound benchmarks

In a nutshell, S2S project is currently supporting 14 priority districts out of the total 26 with running costs, recruitment of Community Liaison officers, pre-district council formation activities, local reconciliations, coordination of stabilization activities etc.

The Support to Stabilization project, S2S, is a multidisciplinary project involving multiple government institutions at Federal, State and District levels (Ministries of Interior and Finance at both Federal and State level, and district administrations). The S2S project is one of the first projects of its kind to utilize government systems to transfer funds from the donor to the Government Treasury (Central Bank) to district administrations.

The inclusion of other government institutions in the oversight and operations of the project presented challenges. It required new procedures to be developed to accommodate the use of country systems within the Ministry of Interior, Federal Affairs & Reconciliation for the S2S project funds account to make transfers directly to priority districts. The new procedures and systems meant that Federal and District level government staff needed to be trained in order to manage and account for the funds appropriately. Moreover, the project is being implemented in highly politically sensitive contexts wherein State Governments have only relatively been formed and district governments are presently being elected and established. As such, there are multiple factors that must be balanced to ensure that implementation does not do harm. Depending on the State Government and the District of implementation additional time for reconciliation processes to take place before the project can move ahead must be respected. The reconciliation processes are fundamental, and a pre-requisite, to project implementation.

These factors are precisely the reason why the UN and Somali Government believe that the PBF's recognition that this complex scenario requires a high-levels of adaptability and is why the PBF's support is so valuable and is recognized as critical to the success of stabilizing Somalia.

Having this said, the project has made considerable progress in establishing mitigation measures that will minimize further "delays" in the implementation. This includes the adoption of oversight measures in the execution of the Government's PFM systems and enhanced roles and responsibilities of each responsible government office (Central Bank, Ministry of Finance, Audit General, Ministry of Interiors at Federal and State Governments and the Local Government offices). Additionally, the project has benefited – and will continue to benefit – from the recent

**IRF – PROJECT BUDGET OR DURATION REVISION WITH NO OVERALL COST
IMPLICATIONS** **TEMPLATE 2.3**

establishment of State PFM systems supported by other partners. Accordingly, the UN and the Government foresees that the completion of project funds will be achieved in Q3 of 2018 at which time the UN/Government will have produce S2S II Project Document that will be submitted to the SDRF for approval and for which we will seek funding.

The combination of these factors has resulted in (responsible) delays (against the project timeframe) in the release of funds from the Federal to district level institutions. The project is therefore requesting a no-cost extension of 3 months starting from 1st July 2018 ending 30th September 2018.

II. Budget impact

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

This outcome is focused on enabling the capacity of government authorities to manage and coordinate stabilization efforts. Support is entailed using national funding streams, thereby strengthening accountability and legitimacy of government authorities. The outcome corresponds to the “Wadajir Framework and the National Window.

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

This output provides for the establishment of technical capacity at the Federal Government and district levels to undertake the planned stabilization activities through recruitment and training of staff as well as operational/logistical support. In the envisaged S2S successor, S2S + programme, this component will expand to the FMS level providing technical capacity to the aforementioned four FMSs.

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

This output provides support for the oversight and accountability of transfer financial support to administration at district level (provision of running cost for district councils). Thus, an external fiduciary agent will be maintained to assess the implementation of the financial management procedures developed by the Ministry of Finance. In the envisaged S2S successor, S2S + programme, this component will expand to incorporate FMSs PFM systems and provide needed technical capacities.

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

**IRF – PROJECT BUDGET OR DURATION REVISION WITH NO OVERALL COST
IMPLICATIONS** **TEMPLATE 2.3**

This output provides for the establishment of the coordination mechanism to undertake the support for the planned meeting and communication to ensure the relations and a defined set of roles and functions on issues pertaining to stabilization. In the envisaged S2S successor, S2S + programme, this component will expand to incorporate into the newly established National Stabilization Strategy and the respective FMS level Stabilization Strategies.

- Outcome 2: An enabling environment conducive to social cohesion, trust, civic participation and development led by the community is established in accessible districts.
 - Output 2.1: Community representative District Peace and Stability Committees (DPSCs) are established and strengthened

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

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

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

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

This output provides for formation of local district council through provision of support to the (pre)conference for formation of district council (originally these conferences were aimed at transitioning the Caretaker Administrations to Interim Administrations). In the envisaged S2S successor, S2S + programme, this component will expand considerably so that the S2S+ will be the key vehicle that supports and drives the formation of District Councils (in line with the WF). The use of the National Window to ensuring financing for the formation of District Councils (moving local government from Caretaker/Interim Administrations to (clan based) elected representative councils is seen as key to ensuring a coordinated and successful process to the federalization of the country in the spirit of the Somali Constitution.

- Output 3: Project effectively managed

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

**IRF – PROJECT BUDGET OR DURATION REVISION WITH NO OVERALL COST
IMPLICATIONS** **TEMPLATE 2.3**

Governments' use of the National Window

Table 1 below indicates the distribution of project budget per Output including the additional \$419,058 funding provided by UNDP TRAC to cover certain project management costs and Government's Wadajir Framework Consultation Forum support.

Table 1: Indicative Project Activity Budget⁴

Outcome/output number	Output name	RUNO(s)	Output budget	Any remarks (e.g. on types of inputs provided or budget justification)
Outcome 1: Federal, State and District-level administrations have capacity to oversee, coordinate and implement stabilization activities.				
Output 1.1	A coordinated and functional Stabilization team is in place at Federal and district levels.	MOIFAR UNDP	\$1,551,909 \$190,680	
Output 1.2	Financial procedures for the flow of funds between the various levels of governments are implemented and allow for financial support to caretaker district administrations.	MOIFAR	\$475,178	
Output 1.3	Coordination mechanisms for stabilization efforts are established with relevant stakeholders at national, state and district levels.	MOIFAR UNDP	\$30,000	
Outcome 2: An enabling environment conducive to social cohesion, trust, civic participation and development led by the community is established in accessible districts.				
Output 2.1	Community representative District Peace and Stability Committees (DPSCs) are established and strengthened.	MOIFAR	\$62,528	

⁴ Project outcomes listed must be those stated in the original project document. If revisions to the outcomes are being requested, please use template 2.2.

IRF – PROJECT BUDGET OR DURATION REVISION WITH NO OVERALL COST IMPLICATIONS **TEMPLATE 2.3**

Output 2.2	Civic dialogue and consultations are held to ensure community participation in the formation of new district governing structures.	MOIFAR	\$300,434	
Output 2.3	District administration capable of addressing the community needs and enhancing citizen engagement through social contract by delivering reconciliation for all are established.	MOIFAR UNDP	\$367,451 \$245,639	
Output 3	Project effectively managed.	UNDP	\$1,318,660	
Total ⁵			\$4,542,479	

The next table 2 provides information on the changes to the project budget per category and per component (“National/Government” and “UNDP”). It must be noted that the amounts only refer to PBF funding and do not consider the additional funding provided by UNDP TRAC.

Table 2: Revised Project budget by UN categories by RUNO⁶

PBF PROJECT BUDGET RUNO- 1 and 2							
CATEGORIES	Original Budget (Government)	Proposed increase/decrease (Government)	Proposed new budget (Government)	Original Budget (UNDP)	Proposed increase/decrease (UNDP)	Proposed new budget (UNDP)	Total new Proposed Budget (Gov & UNDP)
1. Staff and other personnel	\$1,146,950	(\$15,000)	\$1,131,950	\$326,921	0	\$326,921	\$1,458,871
2. Supplies, Commodities, Materials	\$825,492	\$17,449	\$842,941	\$249,625	0	\$249,625	\$1,092,566
3. Equipment, Vehicles, and Furniture (including Depreciation)	\$50,209	0	\$50,209	0	0	\$0	\$50,209

⁵ As this is a no-cost extension, the overall total must remain the same as in the approved, original project document.

⁶ As this is a no-cost extension request, sub-total and total budget must remain the same as in the approved, original project document

**IRF – PROJECT BUDGET OR DURATION REVISION WITH NO OVERALL COST
IMPLICATIONS** **TEMPLATE 2.3**

4. Contractual services	\$593,087	0	\$593,087	\$361,065	0	\$361,065	\$954,152
5. Travel	\$116,049	(\$2,449)	\$113,600	\$71,348		\$71,348	\$184,948
6. Transfers and Grants to Counterparts	0	0	\$0	0	0	\$0	\$0
7. General Operating and other Direct Costs	\$25,713	0	\$25,713	\$87,205	0	\$87,205	\$112,918
Sub-Total Project Costs	\$2,757,500	0	\$2,757,500	\$1,096,164	0	\$1,096,164	\$3,853,664
8. Indirect Support Costs*	0	0	\$0	\$269,756	0	\$269,756	\$269,756
TOTAL	\$2,757,500	0	\$2,757,500	\$1,365,920	0	\$1,365,920	\$4,123,420

**IRF – PROJECT BUDGET OR DURATION REVISION WITH NO OVERALL
COST IMPLICATIONS** **TEMPLATE 2.3**

Note that the reallocation of \$2,449 & \$15,000 from the Travel and Staff & Other personnel categories to the Supplies, Commodities and Materials is required to ensure continued technical and management capacity of MOIFAR S2S Office while maintaining the total budget as approved in the project document. The cost reduction in Travel & Staff category will be off-set by complimentary support of travel on UNSOS flights (at no cost to the project) and by in-kind contribution from the Ministry of Interior.