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Joint Programme on Local Governance
and Decentralised Service Delivery in Somalia

SOUTH CENTRAL SOMALIA

WORKPLAN AND BUDGET
2009–2010

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Table of Contents

| | |
|--|-----------|
| LIST OF ABBREVIATIONS | 4 |
| 1 SUMMARY | 5 |
| 2 BACKGROUND | 9 |
| 3 OBJECTIVES | 11 |
| 4 RELEVANCE | 12 |
| 5 DESCRIPTION OF ACTIONS AND EFFECTIVENESS | 14 |
| 6 METHODOLOGY | 23 |
| 7 RISK ASSESSMENT AND ASSUMPTIONS | 28 |
| 8 SUSTAINABILITY | 30 |
| 9 MONITORING AND EVALUATION | 32 |
| 10 MANAGEMENT ARRANGEMENTS | 34 |
| 11 WORKPLAN AND BUDGET | 36 |
| ANNEXES | 36 |
| ANNEX 1 LOGFRAME FOR ALL REGIONS | 37 |
| ANNEX 2: WORKPLAN AND BUDGET | 43 |
| ANNEX 3: DISTRICT CAPACITY BUILDING PACKAGE | 47 |
| ANNEX 4: PRINCIPLES FOR ROLL OUT OF DISTRICT CAPACITY BUILDING PACKAGE. | 49 |
| ANNEX 5: TOR STEERING COMMITTEE | 50 |

List of Abbreviations

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| AA | Administrative Agent |
| ARS | Alliance for Re-liberation of Somalia |
| AWPB | Annual Workplan and Budget |
| BCPR | Bureau for Crisis Prevention and Recovery |
| CBPS | Community Based Peace Support |
| CDD | Community Driven Development |
| CDRD | Community Driven Recovery and Development |
| DBF | District Basket Fund |
| DBPB | District Based Peace Building |
| DRC | Danish Refugee Council |
| IDPs | Internally Displaced People |
| ILO | International Labour Organisation |
| JNA | Joint Needs Assessment |
| JPLG | UN Joint Programme for Local Governance and Decentralised Service Delivery |
| LDF | Local Development Fund |
| M&E | Monitoring and Evaluation |
| MIS | Management Information System |
| OES | Outcome Evaluation System |
| PCU | Project Coordination Unit |
| PFM | Public Financial Management |
| PWG | Programme Working Group |
| RDP | Somalia Reconstruction and Development Programme |
| ROLS | Rule of Law and Security |
| RSL | Recovery and Sustainable Livelihoods |
| SMT | Security Management Team |
| TFG | Transitional Federal Government |
| TOR | Terms of Reference |
| TWG | Technical Working Group |
| SUDP | Somalia Urban Development Programme |
| UNCDF | United National Capital Development Fund |
| UNDSS | United Nations Department for Safety and Security |
| UNTP | United Nations Transition Plan |

1 SUMMARY

The United Nations Joint Programme for Local Governance and Decentralised Service Delivery (JPLG) in Somalia is a five year programme from 2008 to 2012 of ILO, UNCDF, UNDP, UN-HABITAT and UNICEF. This document is the first Annual Workplan and Budget (AWPB) for the JPLG in South Central Somalia and covers 24 months from January 2009 to December 2010. It will be reviewed in the last quarter of 2009. The total budget for the first 24 months is USD 19,3 million. Of this amount, USD 8,7 million is secured, leaving a funding gap of USD 10,6 million.

The JPLG is aligned to the programming frameworks of the Somalia Reconstruction and Development Programme (RDP) 2008-2012 and the UN Transition Plan (UNTP) 2008-2009. It is envisaged to achieve as wide coverage as resources and conditions allow with a comprehensive approach to rendering local governments as credible basic service providers, and strengthening civic awareness and participation in decision making. The JPLG covers most of Outcome 2 in the UNTP.¹

The **overall objective** of the JPLG is that *local governance contributes to peace and equitable priority service delivery in selected locations.*

The **specific objectives** are that:

- (i) Communities have access to basic services² through local government, and
- (ii) Local governments are accountable and transparent.

Throughout the Programme, strong emphasis will be placed on the role of marginalised groups, human rights, and good governance principles of transparency, accountability and participation.

These two specific objectives clearly separate between the ‘supply’ side and the ‘demand’ side of local governance. The supply side is the delivery of services by local governments to communities. The demand side is that communities demand accountable and transparent delivery of services and management of funds from their local government.

The **partners** in the JPLG are the Transitional Federal Government (TFG), the Alliance for Re-liberation of Somalia (ARS), as well as regional and district authorities that have been established through legitimate election processes, as well communities and other relevant actors in the target areas.

The primary **target groups** for the interventions are local communities. The secondary target groups are district and regional councillors and staff, as well as staff in relevant

¹ UNICEF’s water and sanitation programme is not yet included in the JPLG. This programme sits in Outcome 2 and it is agreement between JPLG and UNICEF that it makes sense to include it, and discussions are ongoing to this end.

² Basic services are defined as improved water, health, sanitation and education services as well as infrastructure.

central government institutions, notably in ministries responsible for local government, planning, public works and finance. Where relevant, non-state actors will be used to help build capacity among the primary and secondary target groups.

The **expected results** of the JPLG over the next two years are:

- (i) Local government policy, legal and regulatory framework developed/enacted;
- (ii) Legitimate Regional and District Councils established in up to 10 Districts;
- (iii) Up to 10 districts' capacity to govern and manage service delivery enhanced;
- (iv) Target district councils have awareness about options of revenue generation;
- (v) All eligible district councils have at least one priority service delivery project funded annually;
- (vi) 25 communities and 5 private sector service providers have developed capacity to deliver services;
- (vii) Target communities in up to 10 districts have basic understanding of their rights and responsibilities vis-à-vis district councils;
- (viii) Annual district plans and budgets in 10 districts reflect community priorities;
- (ix) Basic mechanism for community monitoring of all projects funded by the development fund strengthened and operational;

The **main activities** will be:

- (i) review and facilitation the local governance policy formulation and law harmonisation;
- (ii) facilitation of community consultations and (s)election of councils;
- (iii) capacity assessment of local government and development and implementation of a district capacity building package;
- (iv) assessment of revenue generation capacity, opportunities, and develop capacity for revenue collection;
- (v) allocation of funds for eligible community and district priority projects;
- (vi) design and implementation of capacity development package for community and private sector enterprise;
- (vii) review, develop and implement a civic education programme;
- (viii) review and introduction of participatory development planning and budgeting mechanisms; assistance in the implementation of revised mechanisms;
- (ix) development of participatory community monitoring tools; assistance in the implementation of these tools; and

The activities will allow capacities, structures, mechanisms and tools for local governance and service delivery to be put in place; and for communities to hold their councils accountable. Currently, the policy framework to enable this is weak or absent, and where it exists, overlapping roles and responsibilities needs to be clarified in order to make policy implementation efficient.

The **methodological approach** is to ensure that extensive emphasis will be placed on development and implementation of a capacity building package both at the district and community level in order to facilitate planning, budgeting, implementation and monitoring of service delivery. In addition, all eligible target district which receive capacity building support, will also receive funds for investment and service delivery projects, through the establishment of a District Basket Fund. This will enable the development of the districts capacity through actual delivery of investment and delivery of services projects.

The JPLG aims to target 10 districts in the 2009-2010 workplan. These target districts will receive the basic training package as well as the District Basket Fund. As the target districts build their capacity through the basic training, improve their performance and meet established criteria they will become eligible for further support i.e. the advanced capacity building package, and may be eligible for a second round of the District Basket Fund.

The funds will be disbursed directly to community groups and contractors contracted by the district council to deliver services. This allows the district to implement prioritized projects based on the use of common planning and prioritisation guidelines with clear steps for rights based objective setting, community consultation, prioritisation, budgeting, implementation, monitoring and evaluation. Capacity building support will also be provided to the communities to enable them to participate in the planning and delivery process and empower them to hold their councils accountable and demand for equitable delivery of services. This is fundamental to enhancing local governance, and in essence a core requirement to sustain peace in a fragile security environment.

Management of the JPLG: While co-location of UN staff into the UN compound in Baidoa has been agreed (with the exception on UNICEF which has their base in Wajid and Jowhar), co-location is not taking place at the time of writing due to the security situation. Co-location of JPLG staff in Nairobi will be finalised in October 2008. Staff from the different agencies will take up specialised tasks across agencies and thus duplication will be avoided. A team leader from UNDP is appointed for South Central and all UN staff, notwithstanding their agency affiliation, will report to this team leader. Project Managers from each agency make up the Technical Working Group, which sits in the Project Coordination Unit (PCU) managed by a Senior Joint Programme Manager, and supported by support staff for communication and M&E. The PCU reports to the Programme Working Group (PWG) of the UNTP, which approves documents for the Steering Committee.

The **risk assessment** done by the JPLG indicates that the situation in South Central Somalia is one of high insecurity, with a weak or no central government, and with a continuing demand for establishment of local authorities. The implementation priorities here are therefore the establishment of district and regional councils, basic training and basic delivery of services. In South Central Somalia, implementation will be restricted solely to secure access. Due to the volatile and changing situation, implementation will rely upon risk mitigating measures including anchoring engagement with local leadership to facilitate access, developing local partnerships and developing tools and mechanisms to facilitate distance management and is likely to remain unpredictable and expensive.

The security situation in South Central Somalia has deteriorated dramatically since the signing of the JPLG, potentially requiring implementation through local private companies, NGOs, and possibly INGOs operating in this region. A tender process is in progress to this end. Due to the limited capacity in the South Central region, the challenge will be to monitor implementation through this process and innovative approaches will be developed. Nevertheless, it is recognised that the process to establish elected regional and district councils as well as the opportunity for the JPLG to follow up with the district package and the District Basket Fund, is likely to be limited during the period covered by this workplan and budget.

Having said this, it is clear that the districts that have gone through the establishment of district administration through the District Based Peace Building Process are seen by all local and international partners as stable, legitimate administrations with significant local authority. Continuation of this process is critical to secure longer-term and sustainable results of the current extensive humanitarian assistance. The activities will continue in secure pockets in South Central Somalia.

The programme strategy for **sustainability** is largely based on an approach to build on and enhance capacity of local partners and the institutionalisation of structure, common process and tools for governance and service within the respective administrations. In addition, the strategy will also be to ensure that intergovernmental transfers and own source revenue collection become an important part of funds available within districts. The programme will promote planning approaches and service delivery that take cognizance of and support local economic development which in turn will help expand the capacity of constituents to pay for services and therefore expand the revenue base of the districts. The sustainability of the action will be linked with UNTP Outcome 5 on support to livelihoods; and Outcome 4 on social services. Further to this, the programme will avoid development of parallel and/or structures and processes that over-burden councils and communities, the payment of recurrent costs and extraneous payments e.g per diems to local stakeholders.

Funding for the JPLG is currently being mobilised and some commitments have been made the donors for the initial two years. . The challenge remains however of securing longer term funding commitments from donors. This makes longer term planning and commitments to the Somali partners difficult.

The DBPB process requires extensive resources. If the JPLG, as requested by the TFG and the ARS, should move to establish district and regional councils in all remaining districts in South Central Somalia, including Benadir – security permitting - this Workplan and Budget document for 2009-2010 would be expanded by minimum 10 million USD, in addition to what is included already. However, fund mobilisation for additional amount is dependent on improved security.

2 BACKGROUND

The planning for the JPLG was initiated following recommendations by the Joint Needs Assessment (JNA) for Somalia in 2006. At this stage, fundamental policy documents such as the RDP and the UNTP were in place and created the framework for a focus on decentralisation and local governance. The JPLG partners had extensive consultations with partners in South Central Somalia (and other regions), and a Project Document was finally signed between the five UN partners on 2 April 2008. Following this, the Technical Working Group consisting of the project managers from the respective UN organisations conducted field missions to agree on priorities and timelines with the Somali partners. On 24 June 2008, a pre-steering committee for the JPLG took place in order to draft the Terms of Reference (TOR) for the Steering Committee for the JPLG. The first Steering Committee meeting for South Central Somalia is scheduled for late October 2008 will have as its first task to approve this Workplan and Budget document.

Conditions and planning assumptions for South Central Somalia

Security

Security Risk Assessments by UNDSS are constantly updated and prescribe staff levels in, and access to programme locations and beneficiaries. In addition, the Joint Programme has adopted the Risk Management and Mitigation Tool recently developed by UNDP and adapted to the Joint Programme, which defines types of risks and how these may be managed during programme implementation.

District Councils Status

South-Central Somalia consists of ten regions. The model of local governance differs across the area. Community-selected local councils, self-declared or self-appointed administrations, appointed administrations, or even community organizations have formed District Councils and run day-to-day administrative affairs. At the Transitional Federal Government (TFG) level, a Department of Local Governance has been established under the Ministry of National Security and Home Affairs to co-ordinate the establishment of district and regional councils. During 2007, district and regional councils were established in Bay, Bakool and Gedo regions through a process of community engagement and reconciliation under the District Based Peace Building Process (DBPB), and the process is currently ongoing in Middle Shabele. The established District Councils collect revenue and limited ongoing interventions in Bay and Bakool regions are supporting basic structures and capability through specialised community-driven, locally administered, and employment-intensive public works projects.

Following the Djibouti Peace Talks, the TFG and the ARS called for a speeding up of the DBPB activities as well as funds and capacity support to the districts to help ensure legitimacy of the elected district councils. The recent increase in violence is likely to delay the implementation of the DBPB, unless the TFG and ARS are able to provide secure access to target districts. At present, it is anticipated that the DBPB process can be completed in

Middle Shabele (Bay, Bakol and Gedo regions are already completed) and in selected districts across South Central Somalia. As the security situation changes rapidly, it is difficult to say which regions the JPLG will be able to work in. Also, while some districts in a region are accessible, others may not. Hence, over the next 24 months it is anticipated that four regions including Middle Shabele will be concluded, bringing the total number of regions with elected district and regional councils to 7. As selected districts may not be accessible, some regional councils may be established without representation from all districts. These can be included once secure access allows the district formation process to resume. There is political will to establish district councils in Benadir. This will require completion of the Mogadishu City Charter; secure environment for dialogue and reconciliation; and not least funding. It is anticipated that the DBPB process would require at least 6 million USD for Benadir.

Ongoing interventions under the Joint Programme

Capacity building for district councils and local authorities within the broad areas of governance and service delivery has been an ongoing concern in **all Somali regions**, albeit at different levels and intensity. Previous and ongoing interventions in South Central Somalia are the:

- District Based Peace Support Project (DBPB) 2005 – ongoing programme establishing regional and district councils through reconciliation and community consultations UNDP/UNOPS/Italy/Denmark/Sweden/Norway/USAID/BCPR/CIDA)
- Community Based Peace Support Project (CBPS) 2006 - ongoing, supports the rehabilitation of town halls and capacity building for newly elected councillors. These activities will now be further expanded to provide support to elected district councils for service delivery, and to start building capacity of regional authorities. (UNDP/USAID/BCPR/Sweden/Denmark/Norway)
- Employment for Peace and Development Initiatives (ILO/EC/Norway/USAID) 2006 – ongoing supports the participatory planning and delivery of community-driven district administered employment intensive works projects, and through the process builds of capacities, structures and systems of communities and local administrations.

These initiatives are now being reviewed and lessons learned and best practices will inform and be integrated into the Joint Programme, as on-going initiatives are harmonised with other initiatives.

3 OBJECTIVES

The **overall objective of the JPLG** is set by the UNTP: *Local governance contributes to peace and equitable priority service delivery in selected locations.*

Within this overall objective, **two specific objectives** have been identified, namely

- (i) *Communities have equitable access to basic services through local government, and*
- (ii) *Local governments are accountable and transparent.*

These specific objectives underpin the focus of the programme, i.e. community-driven equitable service delivery managed by the district councils. The JPLG will facilitate delivery by communities and private sector. These objectives are further outlined in the logframe in annex 1, with objectively verifiable indicators, expected results, source and means of verification, and assumptions.

The objectives falls within the following policy document objectives:

- The Somali Reconstruction and Development Programme 2008 – 12 (RDP) priority/goal(s) of deepening peace, improving security and establishing good governance and investing in people through improved social services, and specifically to the RDP target outcome of ‘Decentralised service delivery achieved in all of South-Central Somalia...’.
- Outcome 2 of the United Nations Transition Plan 2008-9 (UNTP): ‘Local governance contributes to peace and equitable priority service delivery in selected locations’.
- The Millennium Development Goals: 2 (achieve universal primary education), 3 (promote gender equality and empower women), 4 (reduce child mortality), 5 (improve maternal health) and 7 (ensure environmental sustainability).

The JPLG will work to ensure transparent, accountable and efficient local service delivery, by working at four different levels:

1. Improving legislative and regulatory framework for decentralised service delivery in South Central Somalia;
2. Improving the capacity of existing and upcoming councils;
3. Providing funding for service delivery through councils; and
4. Developing the capacity of communities to become competent (demand side) partners to local governments.

4 RELEVANCE

Somalia is a country of collage where the Somali state exists in a *de jure* capacity. Low and high-intensity conflict has persisted over the past 17 years in certain areas. Since the final downfall of the central government under Siad Barre in 1991, Somalia remains one of the poorest countries in the world in the 2001 UN Human Development Index (the last official ranking for Somalia). The population of Somalia is estimated at 7.7 million people (UNDP, 2005), with over 73% of the population living on an income of less than USD 2.00 per day. Approximately two-thirds of the population live in rural pastoral areas and one-third in urban areas, a division that is virtually mirrored by the extent of poverty. Extreme poverty is high among rural and nomadic populations, estimated at over 53%, compared to urban populations, estimated at 23.5%.

Urban unemployment across Somalia is estimated at 60%. Urbanisation is increasing rapidly with many groups, especially internally displaced people, migrating to more developed areas in search of better livelihoods and employment and away from conflict zones. Urbanisation is fuelled not just by insecurity and conflict. Drastic changes in the economy registering major increases in urban service-based activities and in regional trade play a major role, in addition to recurrent crises in rural based production. People tend to be on the move in search of livelihood opportunities ostensibly to be found in the urban centres where new productive sectors are particularly dynamic. The flows and numbers of internally displaced people and returnees are frequently changing, which puts a strain on already limited resources and capacities of local authorities. For example, between February and April 2007, over 400,000 people were reported to have left Mogadishu following conflict in parts of the city, and the period May-June 2007 saw a return of around 127,000 people to Mogadishu. Over 4,500 people were displaced by flooding in Middle and Lower Shabelle regions in June 2007.

Somalia's political system is clan-based, with political leaders largely drawn from clans and sub-clans, and in recent years, a penetration of extremist groups. The ethics of their leadership has tended to be exploitative and not necessarily for the public good with regards to exercise of public office and spending of public monies. In spite of the bleak indicators, however, the Somali people have used their own social networks based on family and clan and resources, particularly through Diaspora, civil society and religious groups, and invested in and maintained some essential services, such as primary schools, Koranic schools, health clinics and water wells. Somali remittances have been instrumental in creating private sector initiatives and preventing even deeper poverty.

During the course of the Joint Programme, the mandate of the Transitional Federal Government will expand (end of 2009). The UN Transition Plan illustrates some political scenarios, giving best case, most likely case and worst case and reference to these should be made for understanding the possible implications for the UN system in Somalia, as well as the Joint Programme.

While the recent Djibouti Peace talks gave momentum for a potential peace process in South Central Somalia, upsurge in violence, and kidnapping and killing of national and international staff has resulted in the scaling down of activities and relocation of most of the

Joint Programme staff from South Central Somalia, and it is difficult to predict when re-engagement can take place

Service delivery is generally constrained by a lack of trained human resources, physical facilities, limited access to financing, and the government's limited capacity to provide a sustainable policy and regulatory framework. Across the three areas in Somalia, financial resources are often incommensurate with mandated responsibilities. Salaries and allowances of staff, and security absorb the majority of resources, often over 60%. Levies and fees collected as reported in the Joint Needs Assessment rarely exceed \$2.00 per inhabitant per year in rural areas, and \$4.50 per inhabitant per year in urban areas. This is well below the norm for Least Development Countries, which is between \$20 and \$50 per capita. These capacity and resource deficits render Somali local authorities weak in the face of committing to local development and designing and delivering basic services.

In response to the lack of public investment in social services, non-state actors (i.e. charities, NGOs and the private sector) are mostly providing basic services, often financed through remittances from the Somali Diaspora. However, access to services, such as education, is largely rationed through the payment of a fee, meaning that the system suffers the same inefficiencies as a private system. In other words, those who have the financing gain access to education, whilst those who are poor are excluded.

Service provision relies largely on the local authorities being able to perform their responsibilities, manage resources appropriately and to earn trust with their constituents. Moreover, only government can and is obliged to ensure equitable access and coverage of all the population through fiscal redistribution. In the short and medium-terms, a mix of government, private and non-state resources will be necessary for improving performance of service delivery, and local governments will need to develop mechanisms for local resource mobilisation and fiscal transfers. Policy needs to be formulated to build a long-term sustained effort where every Somali can participate in and contribute to development through decentralisation, transparent and accountable local governance.

Support to, and linking local governance and decentralised service delivery through the Joint Programme will be a core reconciliation and peace-building strategy.

5 DESCRIPTION OF ACTIONS AND EFFECTIVENESS

Specific Output 1 – Communities have equitable access to basic services through local government.

Specific output 1 focus on the ‘supply’ side aimed at initiating the establishment of appropriate policy, institutional and legal frameworks; establishment of district and regional council; enhance the local government’s ability to govern and deliver services in a equitable manner.

The targeted results under Output 1, including the major strategies and actions to achieve these results are as follows:

Result 1.1: Local government policy, legal and regulatory framework initiated. This will mainly concern development of decentralisation policy and review of existing regions and district laws; review of the legal framework for land; review of taxation policy; and harmonisation of existing legal framework and regulations to identify and address overlap. While these activities are needed, they are dependent on the existence of a conducive environment and will be tailor made to the realities on the ground, and the specificity of the current legal framework. Priorities in the first 24 months will be to (i) harmonise current planning and procurement guidelines in order to ensure that district councils have one planning approach notwithstanding the source of funds, and develop new relevant guidelines; (ii) to review decentralisation, land management, and taxation policies.

The first activity is fundamental in order to secure the minimal regulatory framework needed to allow districts to plan and invest for service delivery. The second activity is important in the medium term in order to clarify roles and responsibilities, as well as the review the most necessary legal framework to allow for taxation. Taxation is fundamental for sustainability as it is envisaged that own source revenues will cover recurrent costs and part of the development budget for the districts. The amount of own contribution to the development fund will vary between the regions and urban/rural districts, and will be revised annually depending on lessons learned.

Other supportive regulations that will require review and development and/or strengthening will include for example, development and implementation a merit based recruitment system catering to various levels of the administrations.

Further to the establishment of the legal and regulatory framework, support will be given to regional governments to play their role as identified in the relevant legal framework. Support to regional governments will address their role to coordinate planning at a regional level, more specifically through regional integration workshop which is part of the district planning process, and in general to play a coordinating role between the local and the national level, and contribute to reconciliation and conflict resolution.

Result 1.2: Up to 10 districts have legitimate councils established and operational. This activity will focus on the process of community consultation and reconciliation to

facilitate the establishment of district and regional councils. These ‘District Based Peace Building’ (DBPB) activities have now been formally rolled into the JPLG but with a separate project budget as it is implemented by UNOPS. At the time of writing, district councils have been established in Bay, Bakol and Gedo regions, and the process is ongoing in the Middle and Lower Shabele regions. Following the Djibouti Peace Talks in June 2008, both TFG and the ARS requested that this process speed up in order to establish legitimate councils in the whole of South Central Somalia by the end of 2008. If the JPLG should respond to this request, an estimated additional USD 10 million needs to be mobilised to secure sufficient funding. Fund raising for this amount will require improved security and furthermore requests to new potential development partners that have not traditionally funded these types of activities in Somalia. In addition, extensive recruitment of staff and provision of logistical support would be necessary. However, the current security situation does not allow for this to take place, and the JPLG has toned down ambitions to finalise four more regions by the end of 2010 (see more details above). While selected districts in some regions may be accessible, it is anticipated that most of the district establishment will take place in Middle Shabele, Lower Shabele, Middle Juba, Lower Juba and Hiran by the end of 2010. The anticipated funding needs for these regions are included in this Workplan and Budget 2009-2010.

Result 1.3: Up to 10 district councils’ capacity to govern and manage service delivery enhanced The JPLG has agreed with counterparts on the development of a district capacity development package including a ‘basic’ and an ‘advanced’ package. Considering the current security situation in South Central Somalia the main target for capacity building over the next 24 months is the basic package.

The basic package includes nine series or sets of modules (see attachment 3).

- Series 1-4 is the basic package consisting of the following: Series 1: Introduction to structures, roles and responsibilities (including basic training on HIV/AIDS, basic labour rights to work, wages, decent working conditions, gender equity, human rights, basic conflict resolution and environmental awareness).
- Series 2 contains training on basic planning, basic financial management (basic budgeting and accounting), basic procurement and basic M&E. This training follows the district planning and investment process and kick-starts the planning process, with the larger part of the training being on-the-job training for councillors and staff in the actual planning process. This process is fundamental for allocation of district funds, and comes along with the funds (see below for further details on the funds).
- Series 3 is on Basic Revenue Collection and includes training on billing and collection systems. This is designed to help ensure that councils collect revenues and manage the revenues in a proper manner in order to cover recurrent costs and part of the development budget for the district.
- Series 4 is on project cycle management for service delivery for district staff and addresses project planning, design, implementation, supervision, technical oversight and environmental management.

Districts will be expected to have undergone basic training and acquired skills in basic planning, investment and financial management and basic service delivery before they can proceed with the advanced capacity building package. Refresher training on the basic package will be given to districts according to needs. It is anticipated that basic and refreshment training will be the main focus with regards to capacity building for rural districts and C districts not only for the period covered by this workplan but most likely for the entire Joint Programme period.

The advanced package (meant for municipalities and advanced districts and hence not likely to be relevant for South central over the next 24 months) covers series 5-9.

- Series 5 is on District Financial Management and is meant for district staff. It will include training on basic public financial management, accounting and public auditing.
- Series 6 is for district councillors and district staff and is on procurement covering public-private partnerships, contracting and contract management.
- Series 7 is on conflict and dispute resolution and is for district councillors and staff.
- Series 8 is on performance management systems and is for district staff.
- Series 9 is on land management and administration and is for district councillors and staff.

The following principles will be followed in the development and delivery of the package (i) the JPLG will work primarily with already established institutions (ii) fixed rates have been agreed within the context of the UN regulations; (iii) for workshops and training at district level, lunch but no DSA will be provided to trainees, except for those that need to stay overnight in the place where training is arranged.

Part of the support to the districts will also be development of a Management Information System, which can inform all levels of government as well as UN and development partners on the progress towards improved local governance and service delivery and the use of funds. This is further elaborated in the M&E chapter below.

Result 1.4: Targeted district councils have awareness about options of revenue generation. A special focus will be given to the development of capacity to increase revenue collection, and an appropriate management of these funds. The vision is that all recurrent costs of the district and regional councils will be covered by own source revenues, as well as part of the development budget (30 % in urban areas and 10% in rural areas, the latter most likely in the districts covered over the next 24 months). In the initial phase poorer districts will only be required to cover their recurrent costs from own source revenues. Links will be developed with the activities under the Public Finance Management activities supported by the World Bank, DFID and UNDP to develop fiscal management and the transfers and collection of tax, tariffs and fees at the local level. This is key to increase ownership at the local level and to enhance sustainability.

Result 1.5: All eligible district councils have at least 1 priority service delivery project funded annually. Funds to strengthen the district councils' capacity to deliver services to local people will be provided. The JPLG will move towards developing a Local Development Fund (LDF). Pilots for this will be implemented through the establishment of a District Based Fund (DBF), which will be the central focus in 2008 and 2009. The DBF will be allocated to eligible districts that have completed series 1 and series 2 training. Series 2 will allow for the planning and investment process to take place, and funds will only be released for service delivery projects in districts that have followed the process as identified in the planning process. It is proposed that up to USD 100,000 will be allocated to eligible districts, based on an allocation formula to be agreed upon. With the current critical situation in South Central Somalia a flat allocation formula will be applied until such time that an allocation formula is agreed upon. The funds will be transferred directly to contractors or service providers following the regulations as stipulated in the planning manuals. The councils will be required to issue Request for Proposals, carry out the

procurement process including transparent and public bid opening meetings with UN or other independent observers present, and to enter into contracts with the eligible service provider. Until proper financial management systems are set up through Treasury the service providers will be paid directly from the JPLG based on requests from the district councils supported by a statement from the user group and with technical verification by UN Staff or independent monitoring. Details of requisite documentation as proof for each step of the planning and investment process are specified in a separate M&E framework, which the councils are taken through as part of series 2 training.

The DBF will include the current Community Driven Development (CDD) Fund supported by the World Bank, UN Habitat and UNICEF. The intention is that the relevant community consultation aspects of the CDD planning process will be harmonised and become a part of the consultation by district councils with the communities. Once the DBF system is up and running and proven to be efficient, the CDD fund as it is presently disbursed directly to communities, will be phased out and the money will be transferred to communities through the district council. It will thus become an earmarked part of the DBF targeted at communities. The DBF will therefore consist of a fully discretionary part, and an earmarked part for community projects.

The district council will be responsible for the planning and investment process of the DBF. The district council will be signatory to all contracts. For the part of the DBF that is earmarked for community projects, the district will delegate to the Village Development Committee to enter into contracts on its behalf. 'Communities' through their Village Development Committee will be able to enter into "community contracts" with the councils and deliver services or implement works, however, they too will be subject to defined implementation standards, monitoring and reporting controls.

The planning process/cycle entails, an annual workplan and budget meeting in each target district to kick-start each year's planning process. This meeting will bring together stakeholders from district, regional and central government level as well as relevant non-state actors to discuss/review and amend (as appropriate) the planning process and other regulations, the legal framework of relevance to the planning and investment process. Fund allocations from the District Basket Fund and other relevant funds will also be announced at this meeting. The intention is that this will become an annual event driven by central authorities in which intergovernmental transfer and all donor funds can be announced in order to facilitate the budget forecast for the districts as an input to the planning process. An initial workshop has already taken place in Baidoa (6-7 April 2008) and the next is planned before the end of 2008, security permitting.

Result 1.6: Capacity to deliver services developed within 20 communities and 5 private sector service providers. It is recognised that capacity to deliver services must be built among communities and the private sector in order to strengthen the supply of capacitated service providers. This capacity development support will focus on developing skills among small enterprises and communities to engage in service delivery through building of management skills such as understanding the procurement process, writing project proposals, basic financial management and reporting; technical implementation skills and basic enterprise and business management skills. Community groups will also be trained on how they can formally organise themselves and bid for service delivery.

Specific output 2 – *Local governments are accountable and transparent.*

Specific output 2 will focus on strengthening of the ‘demand’ side, i.e. to build understanding and capacity among communities enabling them to engage in the participatory planning process, in monitoring and evaluation of delivery of services, supported by appropriate tools and mechanisms to hold councils accountable.

The major actions and effectiveness will include the following:

Result 2.1: Communities in up to 10 districts have basic understanding of their rights and responsibilities vis-à-vis district councils. This action will provide support to civic education through community capacity building. The JPLG will support the development of an understanding among communities of what rights and responsibilities they have, and what they should expect of the council. This will include their rights and responsibilities related to participation in planning processes, transparency and budget insight, and to pay tax, etc. The action will also seek to ensure the communities understand the role of the council, in order to hold it accountable and require transparency.

A ‘community capacity building package’ (see annex 3) will be developed and implemented to build capacity and confidence among communities to demand that councils are transparent and accountable. Different tools will be applied for the implementation for the community capacity building package. District facilitators will train community resource persons to deliver these packages. Use of innovative media including the use of radio as a medium and group listening with community facilitators will be explored for example self-powered (solar/wind-up) radios for group listening.

Result 2.2: Annual district plans and budgets in up to 10 councils reflect community priorities. These actions are related to the participatory planning process to ensure that there is equitable access to services and equitable distribution of resources. The councils will initiate this process. A central part of the district planning process includes consultations with the local communities. In order for the communities to be able to contribute effectively in these meetings, it is critical that they understand what role they have in this process, what funds that are available, how they would be allocated to the communities, what type of projects can be funded and their potential role in the delivery process. This knowledge is also critical to avoid misunderstanding, high expectations and potentially conflict. The experiences from the CDD process will inform these activities, but they will differ in the sense that the community priorities are discussed in a wider context and become part of the district plan. This will allow for a coordination of activities, i.e. the district can ensure an appropriate distribution of investment and service delivery from an economic, geographic and equity perspective. Attention will be given to building of social capital, and addressing marginalised groups including women and Internally Displaced People (IDPs), as well as economic potential and resource mapping.

Result 2.3: Basic mechanisms for community monitoring of all projects funded by the development fund strengthened. This action is related to the establishment of monitoring user groups amongst beneficiary communities. Tools will be developed and capacity to manage these tools strengthened amongst communities to monitor that their

councils plan, procure and implement in a transparent and accountable manner. The planning process will include identification of user groups, which play a critical role in project approval. Funds will only be disbursed to vendors or contractors after an independent verification by the user group is in place. The challenge will be to ensure that the tools are implemented, and that communities develop or strengthen their understanding of the tools they can use to hold the council accountable. These actions will also look into option for peer review between councils where councillors from one district review the performance of councillors from another district, specifically on issues of transparency and accountability.

Roll out of the District Based Peace Building (DBPB) activities

The establishment of regional and district councils in South Central Somalia sets the pace for support to capacity building and service delivery to the districts. The DBPB activities follow a model of 21 days of community consultation and reconciliation between representatives of the communities and the clan elders. During this process, they are supposed to come to an agreement on the council composition. The lessons learned so far is that the DBPB activities have led to the establishment of councils that can claim legitimacy as they are proven to be accepted by all parties at the local, regional, national, and international level. Following the establishment of the councils, support to capacity building, rehabilitation of town halls and support to service delivery follows.

Roll out of the DBPB activities follows request from local people, and requires that the process is welcomed by regional authorities. Currently, both TFG and the ARS have requested the JPLG to speed up implementation in order to finalise the establishment of legitimate district and regional councils as soon as possible. The JPLG partners' assessment is that the district formation process may be completed in most districts in 7 regions by the end of 2010 (including the three already completed in Bay, Bakol and Gedo regions), as the progress and roll out is contingent on the security situation on the ground. The budget for the rollout of the DBPB activities in each region varies from USD 0.5 million in Hiran region to USD 2 million in Galgadud region, and USD 6 million in Benadir region including Mogadishu. The total estimated cost for completion of the DBPB is USD 10 million in addition to what is currently requested for in this Workplan and Budget.

The strategy for roll out of DBPB is to conduct the activities in secure districts across the regions. Follow up support will be provided according to the roll out plan of the JPLG. However, as this follow up support is comprehensive (includes the District and Community Package and District Basket Fund) and requires extensive funding, several districts will experience a gap between the establishment of the council and follow up support.

Link to other relevant projects

The JPLG activities have developed links with the following activities:

Community Driven Development (CDD) (World Bank, DFID, UNICEF, UN Habitat, and Danish Refugee Council): It has been agreed that the CDD activities will be streamlined into the district planning system and that the funds will become part of the DBF. The CDD approach will be separated into three parts: (i) the awareness raising component of the CDD will become part of the 'community capacity building package'; (ii) the planning

process of the CDD approach will be reviewed and integrated into the district planning and community consultation process; and (iii) the funding of the CDD will be integrated into the development funds for the district as a earmarked part of the DBF for community projects.

Recovery and Sustainable Livelihoods (RSL) (UNDP): The RSL will use the results from the community consultation phase of the district planning and investment process to identify projects for funding. Hence, RSL will use the same prioritisation process and the communities will not have to go through one process for each project. This is essentially what the harmonisation of the regulatory framework aims to achieve.

Rule of Law and Security (ROLS) (UNDP): Discussions are ongoing in terms of how best to link the ROLS programme to the JPLG. Initially, the agreement is that ROLS roll out its activities after the DBPB activities. Further to this, discussions have taken place on options for supporting community policing to strengthen security in the districts and then reduce the current costs incurred by the districts to pay for security. Anecdotal information indicates that most of the own source revenues collected in South Central rural districts is used for security. If this cost can be reduced, more funds will be available for recurrent costs for council staff and for development interventions.

Employment Programme in Support of Peace, South Central Somalia (ILO) Funded by EC and the Government of Norway and implemented by ILO in Bay, Bakool and Mogadishu over the last two years. The programme supported district councils deliver services through employment intensive works projects, creating large scale-employment opportunities enabling the newly established councils (under the UNDP DBPB) provide visible and tangible services nurturing their legitimacy. Lessons learnt from the project will feed into the JP, particularly for building local accountability, institutional and technical capacities of district council, as well as community planning, and pro-poor service delivery. Closing date for the project was March 2008. Similar programmes taking forward and scaling up gains are presently being initiated by ILO in Bay and Bakool regions, with new funding from Norway and USAID covering 2008 and 2009. Work planning is such that activities under these programmes and the JP will be synchronized to the extent possible to optimize and leverage resources and cross-learning.

Somali Institutional Development Project (SIDP) (UNDP) The project consolidates various institutional capacity building projects. It focuses on four fundamental pillars of institutional development, namely: (i) the development of the systems and processes of making and implementing policy and law; (ii) the development of human resources; (iii) The improvement of public financial management (PFM); and (iv) the development of physical infrastructure. Common areas of joint opportunities will be identified and pilot projects explored and implemented. Common areas of intervention may include the strengthening of budget execution and service delivery capacities.

HIV/AIDS activities will be integrated into the JPLG District and Community Packages. USAID and UNDPs HIV/AIDS unit is currently designing training that will be delivered as part of series 1 training. Further mainstreaming of HIV/AIDS is required and will be sought integrated during the work planning processes.

Link to central government and sector policies and systems

Constitutional process (UNTP outcome 1): The Transitional Federal Charter stipulates the drafting of a new constitution for a federal Somalia by 2009, which is to be adopted by popular referendum. It is hoped the preparation and drafting of the new constitution will be the result of an inclusive and participatory process. Some of the contentious issues expected to arise include decentralisation/federal structures, the future role of traditional governance structures, electoral models, judicial and legal structures addressing the roles of customary and Shari'a Law, citizenship rights, promotion and protection of the rights of minority groups and solutions to contested land issues. The Joint Programme will make an important contribution to this process of dialogue through increased awareness and role of communities in defining and realising their local development, and the Programme's emphasis on transparency, accountability and participation.

Public financial management (UNTP outcome 1): The World Bank is providing leadership on the public financial policy and framework for Somalia. The Joint Programme will work within this framework for local governments and be engaged in technical support such as training and establishing the Local Development Fund mechanism as a means for increasing fiscal transfers from central government/line ministries to local governments.

Systems for planning, reporting, budgeting and procurement (UNTP outcome 1): In developing similar systems for local government, the Joint Programme will ensure compatibility with those in place at the federal/state level.

Civil service policies and human resources (UNTP outcome 1): In developing local government staffing policies and conditions for service, recruitment system and affirmative action policy (30% quota for women), the Joint Programme will ensure compatibility with those at the federal/state level. The same vision applies to both central and local government levels: lean, professional, efficient institutions, functioning with competent civil servants, capable of planning, providing key regulatory functions and engaging partners to deliver public services and promote local development.

Social Services (UNTP outcome 4): Strengthening capacity in data management, planning, financial management, general administration, monitoring and evaluation will apply to social sector administration within District Councils, as well as the council executive, as a means to increase access to quality education and health services.

Land policy and legislation (UNTP outcome 3): Policy and legislation development related to equitable access to land and efficient land management will be carried out, and the formulation of procedures and mechanisms for housing, land and property dispute resolution and restitution will be done in co-operation with rule of law initiatives for Somalia. Similar co-operation will be pursued for strengthening associated legal institutions for processing housing, land or property dispute claims.

Livelihoods: (UNTP outcome 5): While the Joint Programme will develop local planning procedures, fiscal management systems and capacities for service delivery required for local direct investment projects and implement community-led and district managed projects, projects specifically addressing sustainable livelihoods, employment creation and emergency preparedness are part of outcome 5. This comprises projects to rehabilitate, construct and manage livelihoods-related community infrastructures and assets, local economic development assessments ("LED"), development of legal, policy and micro-finance frameworks for enterprises and business services for community-based livelihoods and

community capacity building and training. These activities will increase livelihoods and enterprises and thus the revenue base for districts and as such will contribute to the sustainability of the districts capacity to delivery services established within the Joint Programme.

Synergies with Humanitarian Assistance: For provision of legal assistance and counselling related to housing, land and property disputes, particularly for IDPs and returnees, and strengthening local capacities in monitoring disputes and resolutions, the Joint Programme will engage and co-ordinate closely with other UN agencies and various international NGOs that are implementing such support and activities. Since protection is an important factor in the face of land issues, the Joint Programme will need to link its support to existing protection endeavours, particularly those of OCHA, OHCHR and UNHCR. In supporting the district and community-level planning process, the Joint Programme will ensure that emergency planning is factored in and that needs of marginalised groups, including IDPs and returnees are addressed.

6 METHODOLOGY

The following basic **principles** will guide the implementation of activities:

- **Harmonisation.** Harmonisation of donor funds into one overall fund for local councils; harmonisation of rates for DSA, salary stipends/performance based pay; harmonisation of regulations. This is already taking place in that the CDD funds will be combined with the DBF; and processes to harmonise planning and community consultation processes are ongoing.
- **Coordination.** Coordination between partners and stakeholders to ensure complimentary approaches and efficient management. Coordination structures between and within the relevant ministries will be established.
- **Piloting, learning-and-doing, and reviews:** as a rule, experiences from the ground will inform policy development, roll-out approaches, etc; and roll-out will be phased to ensure sufficient (absorptive) capacity on the ground. Regular reviews of procedures will take place to assess soundness and regular changes to these procedures will be made as required. In addition, service delivery systems in certain sectors will also require a pilot approach to learn lessons.
- **Predictability:** donor funds available through the District Basket Fund/Local Development Fund and other mechanism will be announced to the beneficiary district councils at the beginning of the annual local planning and budgeting process; and the participating councils will be assured of a certain minimum of annual allocation for investment to facilitate multi-year planning, preparation for maintenance cost, etc. The AWBP workshops arranged by the JPLG in Baidoa and Hargeisa in April and June 2008, respectively, is the first of its kind which allowed for discussions of the regulatory framework and input to changes, and the workshop in Baidoa announced the fund allocation.
- **Transparency and Accountability:** transparency of operations will be a guiding principle for all actors and stakeholders involved in order to set good governance standards. Appropriate checks and balances will be embedded into the process to ensure accountability at all level. Anchoring processes at community level will allow communities to hold their councils accountable. Capacity support will be given to develop community participation and monitoring.
- **Simple and Action Oriented:** all procedures and processes designed will be clear and as simple as possible to facilitate action while ensuring attention to accountability, efficiency and quality. Simple operations manuals will be developed to allow the councils to carry out the planning, budgeting, manage service delivery, monitor, control and report within a reasonable time frame and at a reasonable cost.
- **Encompass roll-out and exit strategies:** all designs, systems and procedures will be developed with the clear vision for roll out to cover all districts and regions as resource allow and for the respective governments to ultimately contribute to part of the fund requirements through intergovernmental transfers coupled with local government own source revenues. With this in mind, the JPLG will not pay any recurrent costs, as this should be covered by own source revenues. Rather, support can be given to payment of professional consultant input to a government institution to help strengthen capacity within prioritised fields.
- **Needs-based and not supply based.** Planning for the JPLG will be based on an assessment of minimum needs in order to develop and implement a local

government programme that makes sense. The workplans will be guided by this, rather than by the supply of funds available to the JPLG. This does not imply that planning will be beyond reasonable limits.

Implementation Methodology for Major Programme Components

Policy, systems and regulatory framework review and development

Supportive policy, legal and regulatory frameworks are essential to facilitate delivery of decentralized local service delivery and good local governance. However, in situations where such structures are inexistent or inadequate, a bottom-up approach to policy, legal and regulatory framework development will take place. A dual approach will be adopted under the JPLG to suit the prevailing policy, legal and regulatory frameworks in the different regions; where policies exist these will be assessed, reviewed or reformed and then harmonized (where in conflict) through a guided process engaging all stakeholders. This process would be informed by local practice (as well as international and regional best practice), specific context, and ongoing JPLG interventions on the ground. However, where appropriate policy and legal frameworks are absent or weak, the JPLG will work towards a bottom-up approach and develop structures, processes and tools on the ground that may be used to guide policy formulation if/when conditions allow. The Programme will seek to draw from regional best practice in this area of work through use of regional technical expertise amongst the partners and external consultants, as well as through study tours to expose and influence key stakeholders.

Establishment of legitimate regional and district councils

This will take place in South Central Somalia, through a political process of community consultation and reconciliation that facilitates the establishment of district and regional councils. The process entails steps towards reconciliation, settlement of disputes and transparency through prior public information and sensitisation, and decisions on ‘power-sharing’ taken before the actual selection of representatives. These procedures are seen as transitional, noting that democratic elections are the preferred future mechanism for the formation of these councils. The process is important for the legitimacy and future performance of the councils. It seeks to be inclusive of minority groups and allow the participation of women and youth.

District Capacity Building package

According to the phased approach, all established Councils that are accessible will be trained through a district capacity building package, comprising several series that cover a range of topics related to governance, service delivery, project cycle management, financial management and performance management (see table annex 3). This will be delivered through a combination of classroom training and actual implementation of specialised training projects. Most of the training will be sequential, with districts having to meet minimum basic criteria to become eligible for the next module. The JPLG will adopt an approach whereby trained trainers will be deployed to the districts to deliver the training, backstopped by JPLG experts. Where possible, the JPLG will seek to build the capacity of local research & training institutions, and engage them in further capacity building work.

The training will be complimented with an initial allocation of the District Basket Fund for a specialised training project (which will eventually form the Local Development Fund - LDF) after the councils have gone through a participatory planning process involving the communities they serve. This will allow them to manage and deliver services through a practical learning-by-doing approach. The districts will be taken through specialised training projects, which will allow them to go through the project cycle practically from planning to actual implementation of a public works or services project.

Subsequent stages of assistance to Councils will be results-driven and performance-based. In the initial phase, allocation of funds to the districts will only require that they have established a district council through a participatory process, approved by the central government institutions. Later in the implementation period, allocation of LDF funds for eligible districts will be based on meeting certain benchmarks and qualifications; as a result, there will be no *a priori* allocation of a set amount of resources to districts, nor will the allocations necessarily be of equal amount. This approach will create an incentive for good performance. In areas where government-owned fiscal transfer mechanisms are not yet in place, districts will receive minimum support with regard to service delivery and infrastructure development.

Criteria to determine the districts for each phase and benchmarking methods will be developed in consultation with government counterparts and endorsed by the Joint Programme Coordination Unit. The Programme will be prioritised in locations where it will actively contribute to peace and equitable, priority service delivery. In South-Centre Somalia, roll-out of plans and district selection will be based on areas where DCs are legitimately established and operational. Guiding principles for selecting districts and rolling out the support are illustrated in annex 4. There will be flexibility for districts (urban and rural) to advance at their own pace, however by the end of the Programme period it is expected that up to 10 districts in South Central Somalia should have achieved some minimum standards of performance, even if some have exceeded.

The JPLG will adapt existing training modules to local needs and priorities as far as possible, although some will be generic across regions.

To achieve the geographical coverage envisaged, the JPLG will adopt the model of training of trainers and a cascading system of assistance based on performance.

Development of capacity among communities to participate in the planning and delivery of services

A community Capacity Building Package will be developed to empower communities to become active citizens and to play a role in processes that impact on their own development. This will include creation of awareness on civic rights and responsibilities, the role of the councils and how to hold them accountable, how to participate in planning, prioritisation, budgeting and monitoring processes (see annex 3). Different tools and methodologies will be employed, based around the participatory integrated community development approach already developed under the CDD programme. The programme will employ trained trainers to undertake the training of community facilitators in participatory approaches. The trained facilitators will be deployed in the districts to undertake the work amongst communities. The programme will put in place monitoring capacity to ensure standards and to mentor the facilitators. Public media, namely radio, will be used to

increase outreach. Programme materials will be developed to suit the communication patterns and styles of the communities as well as their literacy levels.

Capacity building of communities and the private sector to deliver services

It is recognised that capacity to participate in delivery services must be built among communities and the private sector in order to strengthen the supply of capacitated service providers. This capacity development support will focus on developing skills among small enterprises and communities to engage in service delivery through building of management skills in procurement processes, writing project proposals, basic financial management and reporting; technical implementation skills and basic enterprise and business management skills. Community-based groups will also be trained on how they can formally organise themselves and bid for service delivery projects.

Establishment of the District Basket Fund for prioritised service delivery

The JPLG will develop a district funding mechanism to channel funds to the districts to enable them to deliver priority services to their constituents. Pilots for this will be implemented in 2008 and 2009 through the District Basket Fund. This will be developed into a more full fledged LDF at a later stage. The DBF will be allocated to eligible districts that have completed Series 1 and 2 training covering the basic planning and investment process. The funds will only be released on the basis of district plans for priority projects. Disbursements will be limited to a maximum of USD 100,000 for each eligible district in the initial phase, but the aim is to increase this amount at such time when the districts show absorption capacity. The districts will be required to procure directly or contract and manage services for the implementation of the project. The DBF will be combined with the current CDD-Fund supported by the World Bank, UN-HABITAT and UNICEF.

The intention is that lessons learned and best practice from the community consultation aspects of the CDD planning process will be harmonised and become a part of the consultation by district councils with the communities. The CDD fund as it is presently disbursed directly to communities will cease to exist and the money will be transferred to communities through the district council. It will thus become an earmarked part of the DBF targeted at communities. The DBF will therefore consist of a fully discretionary part, and an earmarked part for community projects. For the part of the DBF that is earmarked for community projects, the district can delegate to the Village Development Committee to enter into contracts on its behalf. 'Communities' through their VDC will be able to enter into "community contracts" with the councils and deliver services or implement works, however, they too will be subject to defined implementation standards, monitoring and reporting controls. Complementary capacity building of communities to engage and undertake contracts will be provided through targeted training activities.

The disbursement of funds will be complemented with training on financial management, taxation and revenue collection to boost own source revenues, and other support actions to put in place accounting and budget control, and reporting mechanisms. In addition, the strategy will also ensure that funds provided to districts are integrated into the intergovernmental transfers as these are strengthened, and that own source revenue collection becomes an important part of funds available to the districts.

Institution-building for sustainable capacity development

The Programme will seek out, develop and build capacities of local experts and institutions to sustain capacity development and to institutionalise national and local planning functions, land administration, and create a local foundation centre for a wide range of central and local authorities.

7 RISK ASSESSMENT AND ASSUMPTIONS

The risk assessment to evaluate the risks for United Nations (UN) and other international partners implementing the Joint Programme is based on experience and lessons learned during the last years and the possible scenario for the first 24 months of JPLG implementation.

In South Central, while the overall risk levels are relatively high, the opportunity costs of not supporting state building and the re-establishment of institutions that deliver basic functions and services, the re-establishment or strengthening of the rule of law, as well as not providing direct assistance to the poor, the vulnerable and the marginalized segments of Somali society to strengthen their livelihoods are significant since a failure of this endeavour would endanger the overall objective of the transition process

Although the Djibouti process has invigorated hope, progress on reconciliation in the South and Central Somali region is slow and limited, and international political and donor assistance remains tempered by political concerns. Security is fragile and security incidents persist all over, with recent escalation. Some areas in Central South are accessible but access is unpredictable. Presence of international staff in Central South is limited and changing over time. The deployment of AMISOM is slow and hampered by shortfalls in contributions, funding and logistics. Ethiopian presence is continued although more and more under attack. The strong depreciation of the Somali shilling creates public unrest; the drought in parts of Central South and the strong increases of global and local food prices (also in Dollar terms) are negatively impacting on livelihoods and rapidly worsening the humanitarian situation.

Planning assumptions

South & Central Somalia

- High insecurity
- Weak or no Central Government
- Continuing demand for establishment of local authorities

Implementation priorities

- (a) Establishment of district and regional councils
- (b) Basic training packages for District Councils
- (c) Basic technical assistance towards delivery of essential services incl. emergency interventions

The **types of risks** being considered are

Security risks: These risks translate into lack of, or restricted access to Joint Programme field locations and limited international staffing levels. Security risks for all regions of Somalia are managed by the United Nations Department for Safety and Security (UNDSS). All deployment of international and national staff under the Joint Programme and the programme activities undertaken by them are governed by UNDSS and Security Management Team (SMT) regulations, constantly updated security assessments, and security risk mitigation measures. In Security Phase 4 and Phase 5 areas - that is South Central Somalia and Puntland - access to programme locations, staff levels, and staff mobility are extremely restricted.

Political and social risks. These risks translate into lack of, or weak and controversial partners (District, Regional and Central Government Authorities) of the Joint Programme

and the general degree of political stability, and lack of, or controversial community buy-in for Joint Programme activities.

The TFG and the ARS control a limited number of districts and regions.. At the same time, there remains a steady demand for the establishment of local authorities as these are seen by all parties to be legitimate and have proven to be able to handle difficult security threats. However, due to increased targeting of international and national UN and other agency staff, previously planned activities will be extensively reduced.

Operational risks. These risks emanate from the security, political and social scenarios and occur whenever national partners have limited capacity to implement their parts of the Joint Programme or when implementation costs due to insecurity become unduly high. These risks are constantly addressed through field monitoring and tight implementation controls as well as different options of implementation outsourcing (INGOs, LNGOs, private sub-contractors etc.) However, the TFG is presently not always in favour of outsourcing options. In general, operational risks go hand in hand with delays in programme implementation.

Budget allocations and risks: Lack of donor confidence in Somalia operations causes unpredictable funding levels, insecure medium- and longer-term programme and resource planning horizons, erratic programme implementation, and negative reactions from Somali partners and beneficiaries, whose expectations may not be met. Although the JPLG has sought not raise expectations, this is inevitable in a process of consultation and discussions, and the Somali counterparts are expecting a minimum level of engagement from the UN and the development partners. This AWPB covers the first 24 months only, but the donors will need to pledge funding over a longer period of time to allow the UN and the Somali counterparts to plan effectively.

The proposed budget allocation for South Central has been adjusted downwards to USD 19,3 million in order to reflect the challenging environment for implementation. It should be noted, however, that establishment of district councils in Benadir, Galgadud and Modug is excluded from this calculation. Should these activities go ahead in 2009-2010 it may add another USD 10 million to the workplan and budget.

8 SUSTAINABILITY

The JPLG will support lean and efficient systems for local government to avoid over-burdening and complicated bureaucratic methods that consume unnecessary time and resources. At the same time, the Joint Programme will seek to institutionalise these systems through a substantial capacity development and mentoring approach, and will seek to build local Somali training institutions. Training will be conducted as much as possible through local Somali organisations/experts and in Somali language in order to enhance understanding and Somali ownership.

Funding for service delivery is eventually anticipated to be transferred through the Local Development Fund, meant to become part of the inter-government financial transfer system for governments in Somalia. The LDF will cover capital/development expenditures as well as contribution to recurrent costs, the JPLG will commence with a pilot approach through a District Basket Fund in order to demonstrate planning, allocation, management systems and community participation, and to test it as a viable model that can be replicated across all districts in Somalia. In this manner, the JPLG will promote resource mobilisation and government cost-sharing for selected districts to reach a level of financial sustainability, i.e. once started in a district the District Basket Fund will continue annually at least for the duration of the JPLG with a calculated approach to expansion. The JPLG will be sensitive to the absorptive capacity of the various institutions it will support

While the JPLG covers a five year period, the need for external support to service delivery will be needed in the long term. The aim for sustainability would be to reach a stage where own source revenues and intergovernmental transfers will cover the recurrent budget and part of the development budget. The challenge here will be to increase the transparency of the use of own source revenues and work towards intergovernmental transfer, and ensure a lean administration and a larger part of the budget for service delivery. In South Central Somalia, no intergovernmental transfer system is in place and collection of own source revenues is rudimentary and lack transparency. Hence, it is likely that the UN agencies will carry out direct transfers to contractors in South Central during 2009 and 2010 and that the establishment of intergovernmental transfers and the strengthening of the own source revenue collection can be initiated during this time.

It is anticipated that , the local governments will not be financially sustainable after the completion of the intervention, but it is envisaged that 100% of the recurrent budget and 10% (rural) and 30% (urban) of the development budget will be covered by own source revenues and intergovernmental transfers by the end of the project period.

However, it is envisaged that the structure and capacities put in place under the JPLG will be institutionally sustainable due to the high interest and commitment towards decentralisation across the regions. This is already witnessed in the councils that have been established as part of UN support in South Central Somalia where on many occasions the districts has been under attack, have proven their legitimacy and commitment to services to their constituents. Further to anchor accountability, capacity support, planning and service

delivery will all be driven by local people and the district councils, and not by external actors, hence local ownership is at the core of all actions.

The JPLG is envisaged to be sustainable at the political level due to the fact that all work on guidelines and procedures will be for government procedures and legal framework, and not developed for the purpose of the JPLG. Hence, all policy documents will remain in use after the closure of the project.

9 MONITORING AND EVALUATION

The JPLG is currently developing a Monitoring, Evaluation and Reporting Framework which will consist of the following:

Management Information System (MIS): The MIS will be developed for the Somali administration and JPLG partners to monitor planning, service delivery and how the development funds to districts and communities are being used. The MIS will develop a coding system for the planning process as well as a contract data base. This will allow for tracking of the extent to which there is a link between the priorities established in the planning process and the actual service delivery. The MIS will consist of data collected at the community and district level that are of relevance for the planning process. Hence, the MIS will serve the needs of the district. Over time it will be linked to the needs of the region for eventual regional planning, but this will be developed over time. The Contract Data Base (CDB) will form part of the MIS and allow the JPLG to follow up and monitor all district and community level contracts.

Outcome Evaluation: The JPLG pays great attention to the *learning process*, not simply in the sense of capacity building initiatives but rather with a view that all partners need to take part in a dynamic learning process where regular changes are inevitable and where the need for urgent action on the ground necessitates development of systems and support structures as we go, rather than before implementation starts. In order for this to be possible, there is a need for a research based outcome evaluation system. Outcome evaluation will take place as a continuous process where a team of researchers follow the decentralisation process and other key process over time, at least for the duration of the JPLG. The objective will be to help stakeholders and decision makers make informed decisions. The methodology would be that a team of researchers have regular meeting for example twice a year with stakeholders at all levels in order to assess the outcome (i.e. the indirect results) of the intervention, and to feed this information to decision makers. It is assumed that these observations and the presentation of field experiences from independent researchers will trigger discussions among stakeholders and help improve the JPLG during the implementation. This method differs from summative evaluations and biannual reviews in that it allows for regular and constant improvements based on dialogue and critical review, rather than once off reviews that are at risk of being less informed.

The outcome evaluation approach depends on the willingness of donors to set aside funds for research and learning, and it requires the willingness of all stakeholders to participate in regular, critical dialogue on outcomes of the interventions.

Reporting Framework: The JPLG will develop a reporting framework supported by the MIS system under development, to respond to the needs of the government, the donor institutions, as well as internal UNTP and agency specific requirements. In addition to this, donors and the government will receive briefings on an ad-hoc outside the established steering committee procedures (for the Steering Committee TOR, see annex 5) which will be provided.

The JPLG will aim to develop a Reporting Framework that can be accepted by all stakeholders and which requires as little time as possible on the part of the implementing agencies, and thus leave as much time and resources as possible for actual implementation.

In addition to this, monitoring on the ground will take place through the use of user groups, i.e. community groups who are targets of the intervention. They will have to approve that the service delivered is according to agreement before the contractor/service deliverer will be paid.

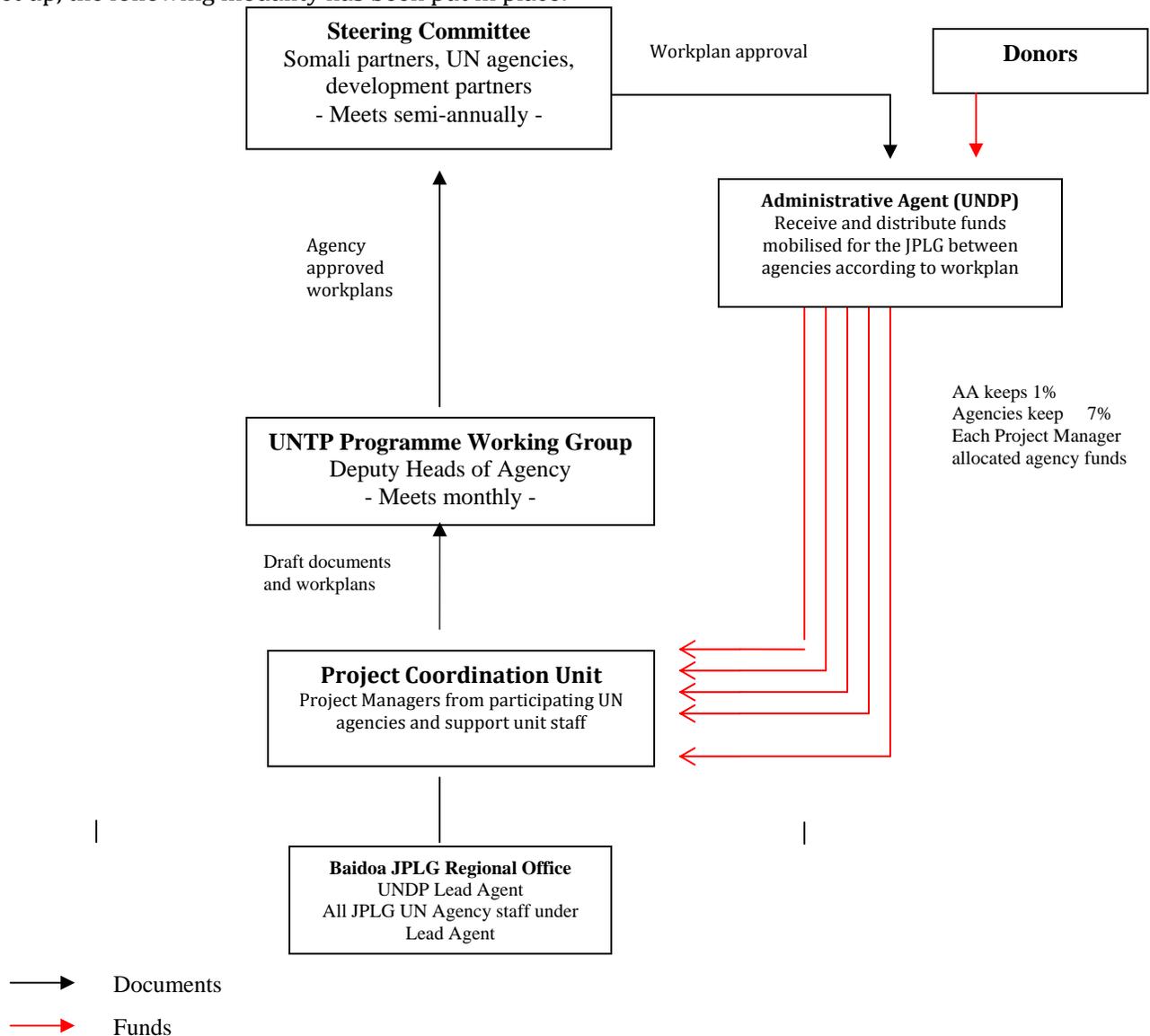
Also, a detailed and simple Monitoring and Reporting Framework has been developed for the councils to help guide them through the list of documents and proofs they need to gather to show that the planning and investment process has been conducted according to the manual.

Implementation monitoring will be a challenge in South Central Somalia where implementation is likely to be done with minimal presence of UN staff. This requires an extensive reduction in ambition and also the postponement of several activities. For example, while series 1 training can take place with minimum monitoring, series 2 training and implementation (i.e. training on the participatory district planning process and implementation of service delivery projects) will require presence of monitors on the ground.

10 MANAGEMENT ARRANGEMENTS

The JPLG is implemented by 5 UN agencies in three separate regions. While the intention is to move towards 'One UN' the agencies are nevertheless tied to current individual agency regulations, and while coordination is taking place in all possible ways, the 5 agency modality requires flexibility, trust and respect of the fact that all have something important to contribute.

In order to allow for the most efficient management arrangements under the current agency set up, the following modality has been put in place:



The JPLG Project Documents identifies UN Habitat as the Lead Agent for Outcome 2 for the duration of the UNTP, i.e. until the end of 2009. This entails taking strategic lead and guiding the JPLG.

The Programme Coordination Unit (PCU) comprises the Technical Working Group represented by the Project Managers from the five agencies that collaborate and drive the JPLG forward. The PCU consists of the TWG, plus a Senior Project Manager and support staff (for administration, communication and M&E). The PCU drafts the workplan and budgets for review of the UNTP Programme Working Group (PWG), and under the supervision of UN-Habitat, designs all relevant strategy documents, proposals, etc. Extensive coordination takes place at the regional level.

A regional office will be established (most likely in Baidoa) and UNDP has been appointed to act as the team leader for South Central Somalia. All the JPLG UN staff, notwithstanding their agency affiliation, will report to this team leader. A local Steering Committee will be established to help guide the programme during its implementation.

The overall role of the Steering Committee is to acknowledge the workplan and budget (see annex 5 for detailed TOR). The workplan will then guide the Administrative Agent (AA) in the distribution of jointly mobilised funds between agencies.

Funds received by the AA will be handled in the following manner: 1% goes to the AA, 7% will be retained by the agency receiving the funds. The remaining 92% will go to the agency's JPLG activities, operational and management costs.

The role of the UNTP Programme Working Group (note: this applies only to the five UN agencies in the JPLG) is to review draft workplans and documents before it goes to the Steering Committee, and provide general advice and support to the Project Coordination Unit.

11 WORKPLAN AND BUDGET

The first workplan for the JPLG covers 24 months from the date of approval by the JPLG steering committee and reception of funds. While this is likely to happen before the end of 2008, for simplicity reasons, the workplan and budget covers the entire 2009 and 2010. The AWPB will be reviewed in the last quarter of 2009.

The 2009-2010 Workplan and Budget is based on consultations with local counterparts, partly those that took place during the Joint Needs Assessment (JNA) and more recently between the Joint Programme partners. The workplan is attached in annex 2.

At the time of writing, the JPLG has covered USD 8,726,700 of the total budget of USD 19,309,264.

In an attempt to explain the overall content of the budget, a separation has been made between investment, programme support and technical assistance. Investment covers all capacity building activities to districts and communities, as well as all investment funds. Programme support covers support to regional and central government to fulfill their mandate vis-à-vis the districts. Technical assistance covers all national and international consultancy input to policy formulation, manuals development, technical assistance to ministries, etc.

TABLE 1 OVERVIEW OF ALLOCATION PER LEVEL OF GOVERNMENT

| FUND ALLOCATIONS | SC | % |
|---|-------------------|------------|
| DISTRICT | 16,979,307 | 88 |
| Investment (district and community grants, training, rehab. of buildings) | 16,913,307 | 88 |
| REGION | 212,000 | 1 |
| Programme Support | 212,000 | 1 |
| NATIONAL | 2,117,957 | 11 |
| Programme Support (national partners) | 207,980 | 1 |
| Technical Assistance (consultancies international+local) | 1,909,977 | 10 |
| TOTAL | 19,309,264 | 100 |

ANNEXES

Annex 1 Logframe for all regions

Please note the logframe targets herein are those set for the three regions – Somaliland, Puntland and South Central.

| Joint Program on Local Governance and Decentralized Service Delivery | | | | |
|---|---|---|--|---|
| Logical Framework (2 years) | | | | |
| | Intervention Logic | Objectively Verifiable Indicators | Source and Means of Verification | Assumptions |
| Overall objective | Local governance contributes to peace and equitable priority service deliver in selected locations | | | |
| Specific objective 1 | Communities have equitable access to basic services through local government | Significantly positive results of representative surveys on improved access to basic services | Opinion surveys | |
| Specific objective 2 | Local governments are accountable and transparent | Significantly positive results of representative surveys on improved performance of district councils | Opinion surveys | |
| Expected results | Expected results under specific Objective 1 | | | |
| 1.1 | Local government policy, legal and regulatory framework in the 3 regions of Somalia initiated | No. of regions that have initiated local government policies No. of regions that have initiated local government regulations | Policy commitments Regulation commitments | Political will to endorse / enact local government policies and regulations |

| | | | | |
|-----|---|---|--|--|
| 1.2 | Up to 24 districts have legitimate Councils established and operational in selected locations | No. of legitimate regional councils established Number of legitimate district councils established | Regional council registration with central government District council registration with central government | (1) Stability in districts, (2) Commitment from councils and communities to go through reconciliation and council identification process |
| 1.3 | Up to 24 rural and urban councils' capacity to govern and manage service delivery enhanced | No. of urban councils whose capacity is improved | To be based on MIS. Will among others focus on whether functions, roles & responsibilities are in place and adhered to, including: planning, budgeting, accounting, auditing, service logs, conflict resolution mechanisms | (1) Stability in target councils, (2) commitment to capacity development process by councils |
| 1.4 | Target district councils have increased awareness about options of revenue generation | No. of district councils whose awareness is raised | To be based on MIS. Will include: 1) revenue generation options identified, 2) sources of revenue established (taxes, tariffs, fees) | Stability to undertake revenue generation activities |
| 1.5 | All eligible district councils (up to 24) have at least 1 priority service delivery project funded annually | No. of districts with projects funded No. of projects funded | Project reports | Funding mechanism operational |

| | | | | |
|-----|--|---|---|--|
| 1.6 | 75 communities and 25 private sector service providers have increased capacity to deliver services | No. of community service providers whose capacity is developed; No. and nature of services delivered No. of private sector service providers whose capacity is developed | District project reports; User satisfaction on quantity and quality of service | |
| | Expected results under specific Objective 2 | | | |
| 2.1 | Target communities in up to 24 districts have basic understanding of their rights and responsibilities vis-a-vis district councils | No. of districts where civic education is implemented | (1) Civic education project progress reports, (2) Outcome evaluation system will address the extent to which the civic education programmes have resulted in increased awareness | Stability prevails in districts |
| 2.2 | Annual district plans and budgets in up to 24 councils reflect community priorities | No. of districts with annual plans reflecting community needs | (1) District annual plans, (2) Outcome evaluation will seek to clarify whether the plans truly reflect community priorities | (1) District councils committed to transparent and accountable management, (2) Conflicts resolved and stability prevails in districts |

| | | | | |
|-------------------|---|---|---|--|
| 2.3 | Basic mechanism for community monitoring of all projects funded by the development fund strengthened | No. of projects with community monitoring component | District project reports | Communities accept role as monitoring agent |
| Activities | Activities under specific objective 1 result 1 | Means | Costs (refer to workplan & budget breakdown Annex 2) | Assumptions |
| 1.1.1 | Review and facilitate the formulation of policies relevant to local government | Consultants; Staff time; Workshops | | Political will to enact local government policies and regulations |
| 1.1.2 | Review and facilitate formulation, harmonisation and implementation of laws and regulations related to local government | Consultants; Staff time; Workshops | | Political will to enact local government policies and regulations |
| | Activities under specific objective 1 result 2 | | | |
| 1.2.1 | Facilitate community consultations and reconciliation for agreement on Council composition | Staff time; Workshops; Meetings | | (1) Stability in districts, (2) Commitment from councils and communities to go through reconciliation and council identification process |
| | Activities under specific objective 1 result 3 | | | |
| 1.3.1 | Assess local government capacity needs | Consultants; Staff time; Meetings | | |

| | | | | |
|-------|---|---|--|--|
| 1.3.2 | Develop capacity development package (district development package) | Consultants; Staff time; material development | | (1) Stability in 18 urban and 80 rural councils, (2) Commitment to capacity development process by councils |
| 1.3.3 | Implement the capacity development package | Staff time; trainings; workshops; consultants; | | |
| | Activities under specific objective 1 result 4 | | | |
| 1.4.1 | Asses revenue generation capacity | Consultants; staff time; meetings | | |
| 1.4.2 | Identify revenue generation opportunities | Consultants; staff time; meetings | | Stability to undertake revenue generation activities |
| 1.4.3 | Develop capacity for revenue generation | Staff time; trainings; workshops, equipments | | |
| | Activities under specific objective 1 result 5 | | | |
| 1.5.1 | Allocate funds to eligible community and district projects (based on a funds transfer system specific to the three regions) | Staff time; workshop; districts and community grants; specialised training projects | | Funding mechanism operational |
| 1.5.2 | Monitor the grant transfer system | Staff time; training on MIS | | |
| | Activities under specific objective 1 result 6 | | | |
| 1.6.1 | Conduct a rapid enterprise survey | Consultants; Staff time | | |
| 1.6.2 | Design a capacity development package for community and private sector service providers | Consultants; Staff time | | Stability prevails in districts |
| 1.6.3 | Implement the capacity | Staff time; on-job training | | |

| | | | | |
|-------|---|--|--|---|
| | development package | through infrastructural projects; | | |
| | Activities under specific objective 2 result 1 | | | |
| 2.1.1 | Review and develop civic education programme | Consultant; staff time; radio programme production | | Stability prevails in districts |
| 2.1.2 | Implement the civic education programme | Staff time; trainings; radio air time | | Stability prevails in districts |
| | Activities under specific objective 2 result 2 | | | |
| 2.2.1 | Initiate review and revision of participatory planning and budgeting mechanism | Staff time; workshops | | (1) District councils committed to transparent and accountable management, (2) conflicts resolved and stability prevails in districts |
| 2.2.2 | Facilitate the implementation of participatory planning and budgeting mechanism | Staff time; workshops; trainings; community dialogue | | (1) District councils committed to transparent and accountable management, (2) conflicts resolved and stability prevails in districts |
| | Activities under specific objective 2 result 3 | | | |
| 2.3.1 | Develop participatory community monitoring tools | Staff time; workshops | | Communities accept role as monitoring agent |
| 2.3.2 | Pilot with communities the use of the participatory monitoring tools | Staff time; trainings; consultants | | Communities accept role as monitoring agent |

Annex 2: Workplan and Budget

| SOUTH CENTRAL - activities only | | | | | | | | | | | | | | |
|--|------|----|----|----|------|----|----|----|-------------------|------------------|---------|----------|--|---|
| 24 months | 2009 | | | | 2010 | | | | | | | | | |
| OBJECTIVE-RESULT-ACTIVITY | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Implementing body | Total Budget USD | Funded | Unfunded | | |
| Result 1.1: Local government policy, legal and regulatory framework initiated | | | | | | | | | | | | | | |
| Activity 1.1.1. Review and facilitate the formulation of policies of relevance to local government | | | | | | | | | | | | | | |
| 1.1.1. Review and facilitate the formulation of policies of relevance to local governments | | | | | | | | | | | | | | |
| Decentralisation policy and review of structures, roles and responsibilities | | | | | | | | | UNDP | 100,000 | 0 | 100,000 | | |
| Land Management Law action plan | | | | | | | | | UN HABITAT | 7,350 | 0 | 7,350 | | |
| Mogadishu City Charter | | | | | | | | | UNDP | 118,000 | 118,000 | 0 | | |
| Support to the development, and implementation of National Water Policy | | | | | | | | | UNICEF | | | | | |
| 1.1.2 Review and facilitate formulation, harmonisation and implementation of laws and regulations related to local government | | | | | | | | | | | | | | |
| Land dispute resolution mechanism action plan | | | | | | | | | UN HABITAT | 14,700 | 0 | 14,700 | | |
| Procurement guidelines (workshops) | | | | | | | | | ILO | 50,880 | 0 | 50,880 | | |
| Harmonise participatory district and community planning guidelines, incl. LED into the manual | | | | | | | | | UNDP | 95,000 | 95,000 | 0 | | |
| Review recruitment guidelines | | | | | | | | | ILO | 40,000 | 0 | 40,000 | | |
| Review recruitment guidelines | | | | | | | | | UNDP | 10,000 | 10,000 | 0 | | |
| Service delivery sector strategies, by-laws, regulations, and institutional framework, roles & responsibilities (SWM & Roads) | | | | | | | | | ILO | 67,500 | 0 | 67,500 | | |
| Service delivery manuals and guidelines (SWM & Roads) | | | | | | | | | ILO | 60,000 | 0 | 60,000 | | |
| Management Information Systems for development funds | | | | | | | | | UNDP | 35,000 | 35,000 | 0 | | |
| Facilitate core ministries to play mandated role | | | | | | | | | | | | | | 0 |
| Facilitate regional council to play mandated role | | | | | | | | | UNDP | 212,000 | 212,000 | 0 | | |
| Result 1.2: Up to 24 district have legitimate Councils established and operational in selected locations | | | | | | | | | | | | | | |

| | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|------------|-----------|-----------|-----------|
| 1.2.1. Facilitate community consultations and reconciliation for agreement on Council composition | | | | | | | | | | | | | | |
| Middle Shabelle, Hiran, Lower Shabele, Middle Juba, Lower Juba, implemented paralell | | | | | | | | | | | UNDP | 7,700,000 | 3,910,000 | 3,790,000 |
| 1.2.2. Support to infrastructure for regional and district councils | | | | | | | | | | | | | | |
| Rehabilitation of council buildings | | | | | | | | | | | UNDP | 1,385,000 | 715,000 | 670,000 |
| Support to equipment | | | | | | | | | | | UNDP | 115,000 | 35,000 | 80,000 |
| 1.2.3. Support to systems development | | | | | | | | | | | | | | |
| Review of district administration staffing needs | | | | | | | | | | | UNDP | 20,000 | 0 | 20,000 |
| Adaptation of appropriate basic accounting system | | | | | | | | | | | UN HABITAT | 34,807 | 0 | 34,807 |
| Service delivery mngt structure and tools (PPPs, resource mngt Boards) | | | | | | | | | | | UN-HABITAT | 60,000 | 0 | 60,000 |
| Result 1.3: Up to 24 urban and rural councils' capacity to govern and manage service delivery enhanced | | | | | | | | | | | | | | |
| 1.3.1 Assess local government capacity needs | | | | | | | | | | | | | | |
| 1.3.2 Develop capacity development package (district development package) | | | | | | | | | | | | | | |
| District capacity building package development (PCM, basic planning, financial management procurement) | | | | | | | | | | | UNDP | 10,000 | 10,000 | 0 |
| | | | | | | | | | | | UN HABITAT | 84,967 | 0 | 84,967 |
| | | | | | | | | | | | ILO | 11,680 | 0 | 11,680 |
| 1.3.3 Implement the district capacity development package | | | | | | | | | | | | | | |
| Series 1 Gedo, Middle Shebele | | | | | | | | | | | UNDP | 156,000 | 156,000 | 0 |
| Series 2 Bay, Bakol | | | | | | | | | | | UNDP | 69,000 | 69,000 | 0 |
| Series 2 Gedo, Middle Shabele | | | | | | | | | | | UNDP | 89,700 | 89,700 | 0 |
| Series 1 Lower Shabele, Hiran | | | | | | | | | | | UNDP | 160,000 | 0 | 160,000 |
| Series 2 Lower Shabele, Hiran | | | | | | | | | | | | | | |
| Series 1 and 2 New districts | | | | | | | | | | | | | | |
| Series 4: Specialised EIIP technical and managerial training (10 districts) | | | | | | | | | | | ILO | 32,000 | 0 | 32,000 |
| Result 1.4: Targeted district councils have awareness about options of revenue generation | | | | | | | | | | | | | | |
| Result 1.5: All eligible district councils have at least 1 priority service delivery project funded annually | | | | | | | | | | | | | | |
| 1.5.1 Allocate funds to eligible community and district projects (based on a funds transfer system specific to the three regions) | | | | | | | | | | | | | | |
| Allocate funds to 10 districts in Bay and Bakol (or other secure districts in Gedo and Middle Shabele) | | | | | | | | | | | UNDP | 1,000,000 | 1,000,000 | 0 |
| Specialised training projects 5 districts (Bay & Bakool) | | | | | | | | | | | ILO | 150,000 | 0 | 150,000 |
| Service delivery management & mentoring | | | | | | | | | | | ILO | 30,000 | 0 | 30,000 |
| Service delivery - std, guidelines implementation and mentoring | | | | | | | | | | | ILO | 30,000 | 0 | 30,000 |

| | | | | | | | | | | | | |
|---|--|--|--|--|--|--|--|--|--------|-----------|-----------|-----------|
| Mentoring of institutional development | | | | | | | | | ILO | 30,000 | 0 | 30,000 |
| Allocate funds to Gedo, Middle Shabele | | | | | | | | | UNDP | 200,000 | 0 | 200,000 |
| Allocate funds to new districts and 2nd round successful districts | | | | | | | | | | | | |
| Allocate funds through districts to community projects: Bay, Bakol, Gedo | | | | | | | | | UNICEF | 375,000 | 0 | 375,000 |
| 1.5.2 Monitor output and outcome of support | | | | | | | | | | | | |
| Design of M&E and reporting Framework | | | | | | | | | UNDP | 20,000 | 20,000 | 0 |
| Result 1.6: 75 communities and 25 private sector service providers have developed capacity to deliver services | | | | | | | | | | | | |
| 1.6.1 Conduct a rapid enterprise survey | | | | | | | | | | | | |
| Carry out rapid enterprise survey | | | | | | | | | ILO | 22,500 | 0 | 22,500 |
| 1.6.2 Design a capacity development package for community and private sector service providers (SME/SWM) | | | | | | | | | | | | |
| Community PCM training (5 districts UNICEF/ 5d districts ILO) | | | | | | | | | UNICEF | 66,000 | 0 | 66,000 |
| | | | | | | | | | ILO | 66,000 | | 66,000 |
| Develop SME and PPP training components for service delivery (training w/shops) | | | | | | | | | ILO | 13,240 | 0 | 13,240 |
| 1.6.3 Implement the capacity development package | | | | | | | | | | | | |
| Basic Entrepreneurship Skills - 4 districts | | | | | | | | | ILO | 12,480 | 0 | 12,480 |
| Specialised PPP training projects 4 districts - incl. under training projects under 1.5.1 | | | | | | | | | ILO | | 0 | |
| Mentor service delivery partners | | | | | | | | | ILO | 15,000 | 0 | 15,000 |
| Subcontracts for SWM set up mgmt, training, mentoring | | | | | | | | | ILO | 30,000 | 0 | 30,000 |
| Community and private sector capacity building on provision of WASH services | | | | | | | | | UNICEF | 5,949,000 | 2,082,000 | 3,867,000 |
| OBJECTIVE 2: LOCAL GOVERNMENTS ARE ACCOUNTABLE AND TRANSPARENT | | | | | | | | | | | | |
| Result 2.1: Target communities in up to 24 districts have basic understanding of their rights and responsibilities vis-a-vis district councils | | | | | | | | | | | | |
| 2.1.1 Review and develop civic education programme | | | | | | | | | | | | |
| 2.1.2 Implement the civic education programme | | | | | | | | | | | | |
| Implementation of civic education programme | | | | | | | | | UNICEF | 31,000 | 20,000 | 11,000 |
| Result 2.2: Annual district plans and budgets in up to 24 districts reflect community priorities | | | | | | | | | | | | |
| 2.2.1 Regularly review and revise participatory planning and budgeting mechanism | | | | | | | | | | | | |
| 2.2.2 Facilitate the implementation of participatory planning and budgeting mechanism | | | | | | | | | | | | |
| Training of Trainers | | | | | | | | | UNICEF | 21,200 | 20,000 | 1,200 |
| Facilitator training | | | | | | | | | UNICEF | 37,500 | 20,000 | 17,500 |

| | | | | | | | | | | | | |
|---|--|--|--|--|--|--|--|--|--------|-------------------|------------------|-------------------|
| Community planning and budgeting | | | | | | | | | UNICEF | 254,000 | 90,000 | 164,000 |
| Technical assistance for community mobilization and planning | | | | | | | | | UNICEF | 180,000 | 20,000 | 160,000 |
| Mentoring of local economic mapping and plannings/study tour | | | | | | | | | ILO | 18,760 | 0 | 18,760 |
| Result 2.3: Basic mechanism for community monitoring of all projects funded by the development fund strengthened and operational | | | | | | | | | | | | |
| 2.3.1 Develop participatory community monitoring tools | | | | | | | | | | | | |
| 2.3.2 Develop the capacity of communities to use the tools | | | | | | | | | | | | |
| Community training on participatory monitoring | | | | | | | | | UNICEF | 19,000 | | 0 |
| Result 2.4: Public reporting meetings in up to 24 districts held annually | | | | | | | | | | | | |
| 2.4.1 Implement system for community performance monitoring of local government | | | | | | | | | | | | 0 |
| TOTAL BUDGET SOUTH CENTRAL ACTIVITIES | | | | | | | | | | 19,309,264 | 8,726,700 | 10,582,564 |

Annex 3: District Capacity Building Package

| C | Area of training | Content | Target / Beneficiary |
|-------------------------|--|---|---------------------------------------|
| BASIC PACKAGE | | | |
| 1 | Local governance | Introduction to structures, roles and responsibilities, including basic training on HIV/AIDS, labour rights, wages, decent working conditions, gender equity, human rights, resolution, environmental awareness | Councillors, DC staff |
| 2 | Basic planning | Profiling, consultation, objective setting, prioritization | Councillors, DC staff |
| | Basic financial management | Budgeting, accounting | |
| | Basic procurement | Bills of Quantities (BOQs), RFPs, Procurement meetings including bid openings | |
| | Basic M&E | Council and user group responsibilities | |
| 3 | Basic Revenue collection | Billing and collection systems | DC staff |
| 4 | Service delivery | Project design, implementation/ supervision, technical oversight, environmental mgmt | DC staff |
| ADVANCED PACKAGE | | | |
| 5 | District financial management | PFM, accounting & public auditing | DC staff |
| 6 | Local Economic Development, public private partnerships for service delivery | LED, PPP, contracting, contract management, enterprise training (i.e. solid waste management, roadworks) | Councillors, DC staff, private sector |
| 7 | Conflict & dispute resolution | | Councillors, DC staff |
| 8 | Performance management systems | | DC staff |
| 9 | Land management and administration | | Councillors, DC staff |

Community Capacity Building Package

| | Area of capacity | Content | Target |
|---|------------------|---|------------------|
| 1 | Civic education | Rights and responsibilities, structures | Community groups |

| | | | |
|---|------------------------|---|------------------|
| 2 | Participatory planning | Development planning, budgeting | Community groups |
| 3 | Community monitoring | User groups, associations, participatory impact monitoring | Community groups |
| 4 | Service delivery | Organisation, negotiation, procurement, business mgmt skills | Community groups |

ANNEX 4: PRINCIPLES FOR ROLL OUT OF DISTRICT CAPACITY BUILDING PACKAGE

| | Phase 1 (24 months) Basic District support | Phase 2 Mentoring on established capacities, sectoral capacities | Phase 3 (~2012 -) |
|---|---|--|---|
| Capacity development interventions | <ul style="list-style-type: none"> Basic office infrastructure and equipment Training Series 1-4 Priority project implementation Community capacity building package | <ul style="list-style-type: none"> Basic: Mentoring on Series 1-4 Advanced: Training Series 5 – 9 Priority project implementation Community and private sector capacity building in service delivery | <ul style="list-style-type: none"> Advanced capacity building support Advanced system and structure setup |
| CRITERIA FOR ROLL-OUT OF INTERVENTIONS | | | |
| | <ul style="list-style-type: none"> Legitimate District (i.e. existed in 1991) Legitimate District Council in place Absence of major clan-based disputes Disputed territories addressed directly without central government engagement | <ul style="list-style-type: none"> Completion of Phase 1, including monitoring and auditing results | <ul style="list-style-type: none"> Completion and results from Phase 2 |
| Incentive criteria for additional District support | <ul style="list-style-type: none"> 30 % of representation of women in decision-making structures Minorities represented in District Councils Own source revenue contributed to local development Recurrent costs | | |

Annex 5: TOR Steering Committee

I. The role of the Joint Programme Steering Committee

A Joint Programme Steering Committee will be established to provide strategic guidance and oversight to the Joint Programme on Local Governance and Decentralised Service Delivery. The Steering Committee will review progress in terms of programme performance and the evolving environment of local governance and service delivery. It will also promote coherence and collaboration between the Joint Programme partner agencies and between the Programme and central and local authorities' priorities.

II. Membership

Somali members

The Transitional Federal Government, the Government of the Puntland State of Somalia, and the Government of Somaliland will each be represented by one member at the most appropriate level, with two deputies. These will be nominated by the key partner Ministry for the local governance sector in South Central Somalia, Puntland and Somaliland, in collaboration with the UN.

UN members

Members of the Steering Committee will be all signatories to the Joint Programme, i.e. the Heads of participating UN Agencies. The Heads of Agency may delegate membership to a Senior Manager. In addition, the main implementing agencies, such as UNOPS, the World Bank and the UNTP focal persons for cross-cutting issues may join the Steering Committee.

Donors

Donor members are representatives of the donor organisations that contribute funding to the Joint Programme and are interested in active contributions to the management of the Joint Programme.

Other members

Additional stakeholders, such as international NGOs or individual experts, may be invited as observers to attend the Steering Committee meetings as approved by the permanent members and in accordance with their level of involvement in the Joint Programme.

III. Meetings and principles for functioning

1. The full Steering Committee will meet on an annual basis, and otherwise as required.
2. The presence of 3 donor partners, one government member and 3 UN agencies will constitute a quorum.
3. Agreements will be made on the basis of majority endorsements of clearly formulated decisions.
4. The Steering Committee will meet the representatives of the Transitional Federal Government,

the Government of the Puntland State of Somalia, and the Government of Somaliland in dedicated Steering Committee meetings to focus on issues relevant to each region (South Central Somalia, Puntland, and Somaliland).

5. The Government partners of the Steering Committee will act as the Chair of the Steering Committee meetings. However, in order to avoid burdening the Government partners with the meeting arrangements, UN-HABITAT, as 'Lead Agency' for UNTP Outcome 2, will act as Co-Chair in order to assist the Government partners in facilitating the Steering Committee meetings and preparing the agenda in consultation with the Senior Programme Manager, UN partners, donors and the Somali partners.

IV. Functions and responsibilities

The main responsibilities of the Steering Committee are to:

1. Provide guidance on the broad focus and priorities of the Joint Programme, to ensure alignment with the UNTP, the RDP and the priorities of Somali partners
2. Review and endorse Programme-level budgets and annual work plans
3. Advise on resource mobilisation for the Joint Programme and funds allocation in line with established procedures, such as the Administrative Agent modality, taking into account needs, priorities, and absorptive capacities of the Somali partners
4. Review Programme performance against the work-plans and adopted SC decisions
5. Exchange relevant information, share examples of best practices, and consider any matters related to the enhancement and implementation of the Joint Programme and its various components. This includes discussing core issues related to the Programme, for example decentralisation, local governance, and service delivery
6. Liaise with UNPOS to update the Programme in line with the political progress in Somalia
7. With input from the Programme Coordination Unit (PCU), identify any significant challenges, risks and opportunities that may arise, and advise the PCU and participating UN organisations on appropriate action
8. Initiate reviews of the Joint Programme, and advice on follow-up actions related to review and evaluation findings and recommendations, including audit.