

United Nations Peacebuilding Support Office (PBSO)/Peacebuilding Fund (PBF)

Project Title: Support to the Federal Government of Somalia in Stabilization in Newly Recovered Areas	Recipient UN Organization(s): UNDP and Somalia UNMPTF National Window	
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Project Number: <i>To be completed by UNDP MPTF Office</i>	Project Location: South Central Somalia	
Project Description: The project will support the FGS in its stabilization efforts in the newly recovered areas, through establishment of caretaker and interim local administrations capable of leading an inclusive dialogue towards the formation of governance structures and promoting reconciliation.	Total Project Cost: FGS Stabilisation Strategy:	\$28,600,000
	Peacebuilding Fund:	\$4,205,295
	Government Input:	\$1,700,000
	Others:	\$6,020,000
	Total:	\$11,925,295
	Shortfall:	\$16,688,705
Gender Marker Score¹: <u>2</u>		
PBF Outcomes² (from an existing National Planning Framework or, if it does not exist, then PBF specific/ related to peacebuilding): PBF Outcomes across 2.1, 2.2 and 2.3 To deliver tangible and visible peace dividends to all Somali citizens Milestones: <ol style="list-style-type: none"> 1. Four stabilisation programmes endorsed and discussion with development partners on alignment behind these programmes; 2. Action plans for agreed geographic priority areas finalised 3. Implementation of agreed workplans initiated 		
Project Outputs and key Activities: Caretaker Administration is established in the 25 newly recovered areas that will oversee the peaceful establishment of interim local administration through inclusive dialogue process, including through empowerment of youth and women; initial law enforcement presence in newly recovered areas ensured.		

¹ The PBSO monitors the inclusion of women and girls in all PBF projects in line with SC Resolutions 1325, 1612, 1888, 1889.

PROJECT DOCUMENT COVER SHEET

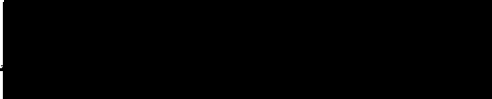



<i>(for IRF-funded projects)</i>	
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SECTION 1: (The “WHY”)

a) Situation analysis and problem statement, financial gap analysis and assessment of critical peacebuilding needs

a1) General

Somalia's eight years of political transition ended in September 2012 when the 825 members of the Constituent Assembly, including the 24% women members, adopted the new provisional Federal Constitution of the Federal Republic of Somalia, the selection of the new Parliament, and the inauguration of President Hassan Sheikh Mohamud. The end of the transition ushered in a period of opportunity and great optimism in Somalia. The interim period (2012-2016) is widely seen as the best chance in a generation for sustainable peace and development in Somalia. It presents a new phase of peace consolidation, leading to finalization of a permanent Constitution and conduct of elections by 2016.

The Federal Government of Somalia (FGS) and the international community formally endorsed the Somali Compact at the Brussels Conference in September 2013. The Compact reflects the priorities for the period 2013-2016 under five Peacebuilding and Statebuilding Goals (PSGs).

Based on the New Deal principles of engagement, the priorities and principles presented in the Compact were developed on the basis of consultations with citizens, at the national level and with international partners. Citizens, civil society and parliament were consulted in Mogadishu, Baidoa, Galkayo and Garowe, culminating in a multi-stakeholder consultative meeting (September 2013) in Mogadishu, where validation of the Compact took place. The international community was part and parcel of providing support and input.

The Compact presents specific priorities drawn from the Six Pillar Programme of the FGS, and further defined through consultative processes. It also reflects Puntland's commitment to contribute to peaceful, just and productive life for the whole of Somalia and its top priorities, drawn from the Puntland's second Five-year Development Plan. The Compact incorporates a Special Arrangement for Somaliland, which represents Somaliland's PSG priorities and is the result of several consultations. These priorities are framed by the five Peacebuilding and Statebuilding Goals (PSGs) of the New Deal and represent agreement on what is required to move towards peace and recovery. **The Compact aims to foster the resilience of Somali people and institutions, restoring the Somali people's trust in the state and its ability to protect and serve their basic needs for inclusive politics, security, justice, an economic foundation and revenue and services, in full respect of human rights.**

Gender is crosscutting within the New Deal Compact, in recognition of women's crucial roles in Somali society as peace-builders, economic actors, and centrality to the promotion of community stability and social cohesion. However, women have a circumscribed role and face specific challenges due to religious and clan based systems, the impact of conflict and the humanitarian crisis. The Compact commits to enhancing women's roles in Somali society and specifically spells out the need that 'key interventions will ensure equitable participation of women, youth and other marginalized groups in national political processes, and should respond directly to the acute challenges contributing to sustained gender disparities across multiple sectors.' It further commits to 'address contributing factors perpetuating gender inequality through strategic priorities under all PSGs, including emphasis on improved participation in political and decision-making fora, access to justice and protection from sexual and gender-based violence, economic empowerment, and access to basic services such as health and education, particularly for the most vulnerable populations e.g. female-headed households.'

In addition, the FGS convened a Vision 2016 Conference in Mogadishu (September 2013) to advance the political process by engaging the Somali people on the constitutional review and the process of transitioning to democratic legitimacy. The FGS is currently finalising the framework for action for implementation of the Vision 2016. Furthermore, following the formation of the new cabinet in February 2014, the FGS developed its workplan for 2014, which is aligned with the Compact.

The challenges that Somalia faces are complex, multifaceted and differ according to various political, social and regional contexts. The strategy to address these challenges and effectively lead Somalia on a path of recovery, development and durable peace, must include: focused and committed leadership, solid government structures capable of delivering basic services, peoples' trust, mediation and community participation, sound civic dialogue, and good and friendly international relations based on mutual respect.

Substantive progress has been made since 2012 in tackling the different challenges faced by Somalia, the political and security gains of the post transition period are real, but require consolidation. Much of the country, especially rural areas, is still under the influence of Al-Shabaab, while recently recovered areas, including several blockaded towns, are extremely volatile. The human rights situation remains concerning, although the Government has committed to building its capacity to protect the rights of its citizens.

In regards to the socio-economic situation³, Somalia is one of the poorest countries in the world; about 43% of the population lives on less than 1 US dollar a day, about 24% of those found in urban areas and 54% live in rural areas⁴. However, despite experiencing civil unrest, Somalia has maintained a relatively healthy informal economy, based mainly on livestock, remittance/money transfer companies and telecommunications. In 2012 over 2 million Somalis faced acute food insecurity, of which 73% resided in the South⁵. Most Somalis live in rural areas and only 7% of those have access to water sources; only 23% have access to sanitation facilities⁶. The nutritional status of the population is very poor.

In addition to gender disparities across socio-economic indicators, demonstrating the disadvantaged situation of women, youth are also disadvantaged. Over 70% of the population is under 30 years old, and most of those youth have not received proper education, skills training or employment, leaving them poorly equipped to engage in social and economic activities and extremely vulnerable to be mobilised to the armed conflict. Almost one-third of young women is neither in school nor employed⁷.

The humanitarian situation remains dire, with a sizable number of Somalis continuing to require life-saving assistance. Delivery of assistance is made difficult due to limited access and endemic threats. In addition, there are an estimated 1.1 million internally displaced Somalis and one million Somalis registered refugees in neighbouring countries⁸.

The Somalia conflict analysis undertaken by Ken Menkhaus (January 2013) identified a number of underlying factors and causes of conflict in Somalia. **Contestation over state resources and power has consistently been a major underlying factor in the armed conflict in Somalia.** Resource scarcity in the countryside, exacerbated by reduced mobility and access, is another driver of communal conflict over pasture and wells. Outstanding disputes over land and property in both rural areas and in cities are serious and are linked to wider unresolved debates over identity, rights, and land. The political and economic dominance of some clans are also conflict drivers.

³Source: Human Development Report <add year/reference>, Somalia Economic Recovery Plan.

⁴Source: Central Bank of Somalia – Economy and Finance, 2011

⁵Source: UNOCHA 2012

⁶Source: Human Development Index 2012

⁷Source: Human Development Report 2012

⁸See below for information on the humanitarian impact of the military offensive.

The mentioned analysis further indicates that clannism is not a conflict driver per se, but manipulation of clans by political entrepreneurs has consistently contributed to armed conflict. Furthermore, the protracted nature of the Somali crisis has produced a political economy in which others have an interest in perpetuating conditions of lawlessness and disorder. Moreover, the analysis identified **the selection or election of leadership of local and national governmental institutions as a potential trigger of armed conflict**, while the introduction of new and valuable resources also has the potential to spark conflicts.

Thus, the conflict analysis underlines the paramount importance of governance and statebuilding for the peace consolidation in Somalia.

a2) Stabilisation

The last two years have seen major strides in the Somalia stabilisation process. Major security gains in Somalia over this period created an enabling environment for the successful completion of the transitional period and the establishment of the Federal Government of Somalia. These developments presented a strategic opportunity for the international community to support the Federal Government of Somalia to consolidate the peace process. The new political reality and the military gains against the Al Shabaab, such as their ejection from Mogadishu in August 2011 and from Kismayo in October 2012, provided the Federal Government of Somalia, the African Union (AU) and the international community with a strategic opportunity to consolidate the political and security gains made thus far, by investing in the restoration and extension of state authority through effective governance, rule of law and the delivery of peace dividends.

Against this background, and following the adoption of the UN Security Council Resolutions 2073(2012)and 2124(2013), the Somalia National Army (SNA) forces and the African Union Mission in Somalia (AMISOM) have, in March 2014, renewed offensives to retake control of the territory from Al-Shabaab. To date, the offensives have recover 8districts, Waajid, Xudur, Rab Dhuure (Bakool), Bulo Burto, Mahaas (Hiraan), Ceel Buur (Galgadud), Warsheikh (Middle Shabelle), and Qoriyoley (Lower Shabelle).

In parallel, the government developed and presented a strategy for stabilisation (Annex A), focusing on the establishment of administrations, initiating the process of dialogue and reconciliation and addressing immediate needs in each location.

The government strategy envisages a gradual process for the establishment of temporary administrations and law enforcement, coupled with establishment of a reconciliation and dialogue process with citizens, through the establishment of District Peace and Stability Committees (DPSCs).

The action plan derived from the strategy also identifies immediate support needs for the functioning of the administration, as well as the addressing citizens' immediate needs and urgent infrastructure needs (such as administrative buildings and police stations).

This strategy and the action plan have been presented to the international community and discussed with partners, in order to ensure coordination of efforts. To date, several partners have pledged support, mainly for community level projects, in different locations.

One month after the military operations have been initiated, six regions had been directly impacted: Bakool, Galgaduud, Gedo, Hiraan, Lower and Middle Shabelle. To date, the situation remains fluid with continued reports of temporary movements. According to UNHCR, between 40,000 to 44,000 persons have been on the move since the start of the offensive. Reports from humanitarian partners and local authorities indicate that people have returned to some towns, which they had left as a precautionary

measure, for example, in Bulo Burto and Maaxas in Hiraan region and Waajid in Bakool region. Al Shabaab continues to restrict movement of people and control of supply routes to most of the recovered areas, according to local authorities and humanitarian partners. This has negatively impacted the availability of basic commodities in local markets in Bulo Burto, Burr Dhuubo, Rab Dhuure, Waajid and Xudur and has resulted in an uptake in prices of food items and other consumables. According to local authorities, shallow wells had been filled with sand and cement and mines planted around borehole generations.

B) Project (Portfolio) Justification

Regaining territorial control is paramount for the extension of State authority and the establishment of a peaceful Somalia, providing opportunities to all its citizens. To this aim, the military gains must be accompanied by extension of state apparatus to the citizens, coupled with reconciliation and dialogue, leading to the formation of governance structures.

For the FGS, administration of these areas raises fundamental and unresolved questions about federalism and decentralization, and over who holds authority to form local governments in liberated zones. For local communities, newly liberated areas offer the promise of prosperity and peace, after years of Shabaab control, but may also ignite tensions over competing clan claims on towns and cities.

This brings a triple challenge of (i) developing state structures and presence in each district; (ii) initiating the process of reconciliation and dialogue and (iii) addressing immediate needs of the population.

The government strategy to address these three challenges is progressive and based upon the immediate deployment of administration, coupled with a process of dialogue and reconciliation which is linked to the establishment of governance structures complemented by the implementation of community based projects, as well as refurbishment of basic administrative infrastructure⁹.

The strategy envisages the immediate nomination and deployment of a caretaker administration, which will lay the foundation for establishing an interim administration. The interim administration will then lead to the establishment of a permanent local administration. This process is envisaged through creating space for inclusive dialogue and reconciliation, through the establishment of District Peace and Stability Committee (DPSC).

The FGS conducted a process for identification and nomination of the members of caretaker administrations. Where, pre-existing legitimate administrations existed (for example in Xudur), these are being reinstated. The FGS efforts in deployment of these administrations have been seriously hindered by the lack of resources for their training, deployment, and basic functionality in the district (equipment, buildings, transport, etc.). At the end of May, the training of the members of the caretaker administration was completed. Currently, administrations are in place in Xudur, Waajid, Warsheikh, Qoriooley and Bulo Burto.

In parallel, efforts are ongoing to ensure the deployment of a basic civilian law enforcement capacity. The approach is to deploy 10 officers of the existing force (2 commanders and 8 field officers) of the Somalia Police Force (SPF), and to locally recruit 35 community security officers in each districts. This would then be followed by a structure build-up of police force, ensuring that the force is built from local agents, in order to ensure acceptance with the community and inclusiveness of different clans.

⁹Further details on the government approach can be found in Annex 1

The deployment of police is paramount in ensuring the rule of law in this volatile locations, and paramount for the regain of trust and confidence of the population, thus fostering peace and statebuilding.

The reconciliation process must also be accompanied by visibly erasing the scars of the conflict from the city environments and ensuring that infrastructure is built and rehabilitated in a conflict sensitive manner. This requires preparation and building the capacity of the Ministry of Public Works, in order to ensure that the government has the necessary expertise and capacity to prepare urban infrastructure and roads projects which can contribute to the reconciliation and the peacebuilding process.

The FGS has led since February 2013 discussions with international partners on the support requirements for the newly recovered areas where there are urgent security and governance requirements and humanitarian and livelihoods needs. To date, several pledges have been received for outreach activities and community projects, albeit not yet covering all requirements for all 25 districts. However, pledges to support the administrative capacity have been lacking. Similarly, resources are lacking in ensuring that the necessary training of police officers is in place, in order for them to deploy to newly recovered areas, as well as the training of forces to be recruited locally, as well as for building the basis for the government's capacity of developing conflict-sensitive urban infrastructure projects.

It is thus suggested that the PBF support focus on addressing the critical gaps of the overall needs for the newly recovered areas, with a strong focus on the areas which are critical to ensure the basic presence of the government in these areas and its capacity to conduct the dialogue process leading to the establishment of local governments, as well as complementary support to the urgent need of ensuring law enforcement agents are in place in these locations. This would be accompanied by an initial assistance on the development of conflict-sensitive infrastructure projects. For example, the FGS intends to prioritise the rehabilitation of the Mogadishu-Afgooye and Mogadishu-Balcad-Jowhar roads, pending additional funding.

The project will cover all the 20 districts to be recovered through the military offensives, both those already recovered to date, as well as those still to be recovered, through the offensives later in 2014. It will target the conflict driver of local political contestation over resource and power in the demise of Al-Shabaab. Prevention of dangerous clan clashes over newly recovered areas is imperative and requires close and sustained cooperation and dialogue between international security and political actors, the FGS, and local political actors.

Women face challenges in the recovered areas, related to reduced social mobility, exclusion from decision making processes and exposure to sexual and gender based violence, due to the control of Al-Shabaab. Taking this into account, the project will have a specific component to ensure a meaningful participation of women in processes leading to the establishment of caretaker administrations. In compliance with national commitments undertaken within New Deal Compact, it will be ensured that women form a minimum of 30% of District Peace and Stability Committees, interim and permanent local administrations. The project will provide specific support to women representatives for their consultation with local women, as well as training activities and briefings on the political and peace-building processes, in order to enable a meaningful and fully informed participation of women.

C) Funding gap analysis:

At the London Conference in May 2013, US\$390 million was pledged to Somalia by the international community. At the Brussels Conference in September 2013, US\$2.4 billion was pledged. These pledges capture both existing and new activities. However, efforts are still required in giving the government the necessary visibility and oversight of the use of ODA. A renewed effort in ensuring

availability of the data is currently ongoing, and the expectation is to have a functional mapping of all existing activities towards the second half of 2014.

As recognised by the Paris declaration on aid effectiveness and the Principles of Engagement in Fragile States and the New Deal outcome document, use of government systems should be the preferred channel for ODA. In the Somalia context, the Compact enshrines a commitment to the progressive use of national systems. However, progress in this regard is slow and there is a need to build the confidence of international partners on the national systems and the financial accountability of the government. The Special Financing Facility (SFF) funded by Norway has assisted in developing systems and mechanisms to allow for better financial management and accountability of use of funds by the government. This is complemented by the establishment of the Financial Governance Committee (FGC), which is independent and reviews procurement processes above a certain threshold.

Specifically regarding stabilisation, a donor mapping prepared by the Ministry of Interior and Federalism (MoIF) indicates critical funding gaps in a number of the important activities (Annex B).

It is in this context that PBF was considered to provide fast and risk tolerant funding for Somalis in support of peacebuilding in the newly recovered areas, and in the longer-term to catalyze assistance to Somalia's compact with the wider international community. Moreover, the channelling of part of the funds (component 1) through national systems will build upon the systems and mechanisms developed by the SFF and contribute to building the necessary systems and accountability of national systems, thus contributing to increase donor confidence in the use of national systems.

SECTION 2: (the "What")

a) Project strategy/focus and target groups

This project strategy aims to assist the FGS to rebuild its relationship with citizens, through the re-establishment of administrative structures/systems and capacities in the newly recovered areas of South Central Somalia, to be achieved through consultative and inclusive peace building efforts. Through components 2& 3 Empowerment and Local Governance & Enablers¹⁰, the project focuses on capacitating local administration, and providing support to its peace consolidation activities in the newly recovered areas, in addition to contributing to the deployment of police capacity to the newly recovered areas.

The following is a detailed explanation of the proposed activities, outcome and target groups of the two Components (see diagram below).

Component 1 "Revival of State-Citizen Social Contract through Peace Dividends"

This component will not be funded by PBF/IRF. However, the PBF funded components will make a crucial contribution in ensuring the capacity of the government and the activities on reconciliation, consultation and governance at the local level which will provide the necessary capacity and enabling environment for the delivery of peace dividends. Community projects will be funded by other sources (SSF, SFF, TIS programme, EU¹¹).

According to the government strategy on stabilisation, the identification and decision making of community projects should be done through the DPSCs, in order to ensure the linkages between the

¹⁰see Diagram below

¹¹See annex 2 for a mapping of support by other partners

dialogue and governance structures and the decisions on how to address the needs of the community. This, however, requires the formation and training of the DPSCs.

This approach will ensure that the PBF has a catalytic effect in the distribution of peace dividends to the population. This component also requires large financial resource that will enable the delivery of basic social service in 20 of the newly recovered areas. International partners have traditionally been comfortable in funding projects at this level and also have the comparative advantage in mobilizing large sum of fund. Thus UN support will be at the coordination support to the government.

Component 2 “Empowerment and Local Governance”

Statebuilding efforts must start through peacebuilding at the local level. This entails FGS engagement in community-based dialogues, establishment of community based interim administration and empowerment of marginalized groups that will enable dialogue on peaceful negotiation of disputes and allocation of resource. Without this component, allocation of peace dividends from international donors will risk sparking a local power contestation over limited aid resources. UNSOM and UNDP will jointly provide technical support to the component through drawing financial resource from PBF/IRF to the project. UN support will mainly be on support to functioning of the Caretaker Administration (CA), public communication, outreach, dialogue and Interim Administration (IA) formation and training.

This will lead to the provision of necessary capacity of both the administration and communities at large, which constitutes the foundation of an enabling environment for the larger scale nation and statebuilding.

Under this component, assistance will also be provided in conducting the training of the 10 officers per district, as well as the training of 35 locally recruited community security officers per district. Activities in this regard have been initiated by UNDP and UNSOM, in cooperation with AMISOM, for 10 districts (regarding the training of the officers) and 5 districts (regarding the training of the locally recruited 35 community security officers). The PBF funding will complement these efforts, by supporting the training for the remainder districts (15 for the officers and 20 for the locally recruited community security officers).

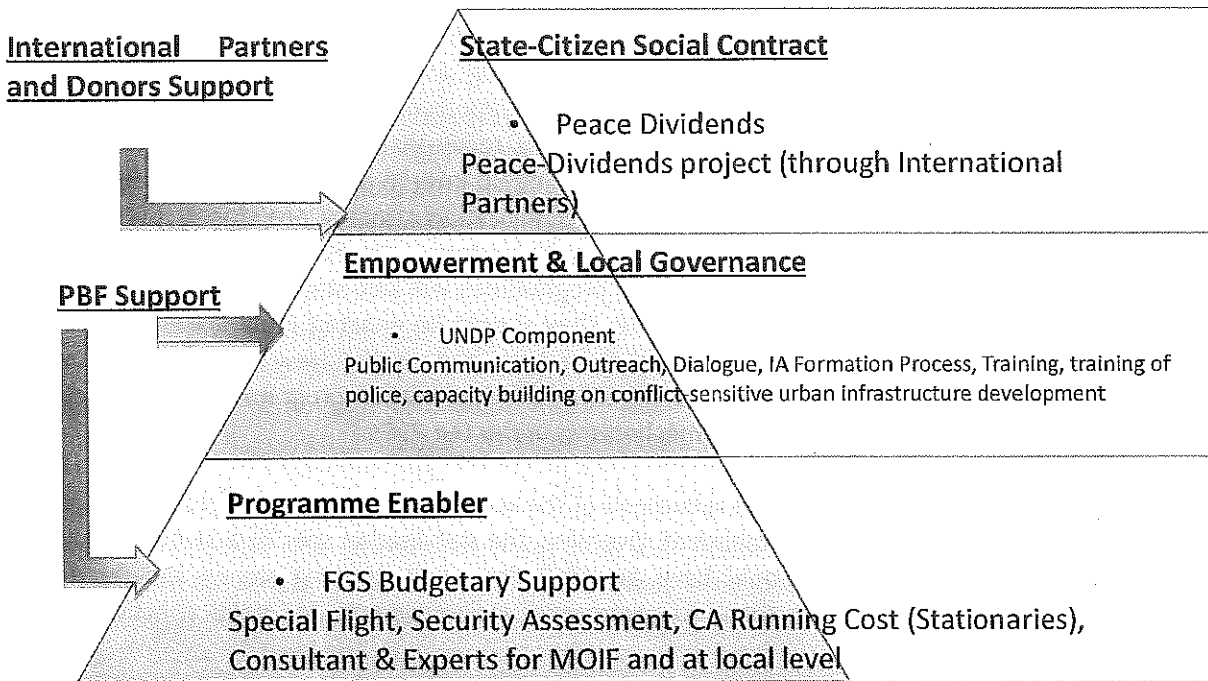
This component will also place technical assistance within the Ministry of Public Works, in view of initiating capacity building for the development of conflict-sensitive urban infrastructure projects. This will also assist in developing concrete proposals that can be funded subsequently, by the UN or bilateral donors. The terms of reference of an Infrastructure Technical Advisor are indicated in Annex G.

Component 3 “Enabler”

In this component UN will provide direct budgetary support from the PBF/IRF to the FGS, MoIF, through the Somali Development and Reconstruction Facility/UN MPTF national stream. The component will focus on financial support to the MoIF where it has comparative advantage in the arrangement and where systems are being developed, with embedded monitoring of expenditures.

The focus of the component will be basic running costs for the caretaker administration (equipment and stationary) and hiring of consultant and experts by the MoIF, in support of the Ministry's capacity to oversee and implement the overall stabilisation activities. This component will also enable the FGS, jointly with UNDP, to place technical advisors in each district, to assist with the implementation of all activities and reporting back to the MoIF. This component also foresees the hiring of a project manager for the PBF project, to be done jointly by UN and MoIF and who will oversee both components supported by PBF.

In addition, through this component, a contribution will be made to assist the government in accessing the necessary air assets to be present in the newly recovered areas. Most of these districts are only accessible by helicopters, which need to be chartered to this aim. These air assets will be used for the deployment of the administration, visits by the federal government, as well as transport of food and other items to respond to the needs of the population.



Component 1 on State – Citizen Social Contract is outside of the PBF/IRF scope.

This component will focus on two groups, the caretaker administration and the civil society. Somali civil society is a major source of resilience to conflict and women’s groups are an especially important part of civic peacebuilding. A gender focus in the project is essential in this context. Women, especially from weak social groups, are among the principal victims of conflict, violence, and sexual assault in Somalia. Moreover, women play a complex role in conflict itself, as peace-builders in some contexts, but also as fund-raisers. The fact that a growing percentage of Somali households are female-headed means that peace-building strategies addressing community-level, household dynamics, and socialization of youth must prioritise the roles, perceptions, and interests of women.

While women have crucial economic and social roles in Somali society, they are underrepresented in formal reconciliation, dialogue and peacebuilding initiatives, as well as in decision-making levels at government structures. As such, their interests, needs and perspectives are not taken into account in peace and state building. The current project will take these aspects into account by creating opportunities and building an enabling environment for women to voice their concerns and play an active part in peace and state building.

The project includes targeted activities aiming at ensuring that women are fully engaged and prepared for an effective participation and representation in the stabilization process in the 20 districts. These activities will focus in promoting discussions and capacity building of women groups on their roles in the local governance process, sensitizing them to the roles of the local administration and having targeted reconciliation efforts for women.

b) Theory of Changes: linking activities to results

As stated in the Somali Compact, the long-term objective of re-building citizen-state relations can only be achieved by building confidence and trust in public institutions and through broad-based and inclusive consultative processes with the participation of an empowered civil society and Somali citizens. In the short-term the state needs to deliver tangible and visible peace dividends to all Somali citizens. In recognition of this challenge, the FGS has developed a stabilization strategy intrinsically related to statebuilding and the reestablishment of a social contract, towards a Somalia in peace and offering equal opportunities to all its citizens. This strategy is composed of four critical strands covering security, reconciliation, basic service delivery and the establishment of government authority by setting up interim administrations at district and regional levels. The four critical strands of the stabilization strategy are closely aligned with priorities under the five PSGs. In consultation with partners, the FGS has developed priority programmes for each of these strands. These programmes will kick-start implementation of the first phase of the Compact at the local level. They should be enacted immediately, leading to action plans for priority geographic areas. Over time and as the New Deal Architecture is established, a process will be initiated to transition the stabilization programmes and structures into overall implementation plans and mechanisms under the PSGs.

Stabilisation is thus conceived as the spearhead of the activities under each PSG that allow for the platform for this process to be established. Overtime, the stabilisation specific activities should no longer be required, as they would have provided the initial stepping stones allowing for a mainstreamed and inclusive approach to governance, socio-economic and political activities and strategies.

The PBF/IRF support will enable access for the government to immediately engage with the local communities in the newly recovered areas with proper preparation and capacity. The project will further support the outreach and dialogue process that will bring the community together to establish a system that will enable disputes to be resolved through established mechanism and resource to be shared to the neediest. This will enable the international community to catalyze their support on statebuilding.

SECTION 3: (the “How” or Implementation Strategy)

a) Implementation approach

Bringing tangible results to people:

The project will immediately start in 8 of the newly recovered areas in South Central Somalia and thereafter follow the AMISOM expansion into Al-Shabaab held areas. The progress of the project will depend on the complexity of the local environment, such size and geography, clan diversity, and existence of disputes, and risk posed by Al-Shabaab.

Most activities under the project will be implemented at the local level, with the exception of the consultants being deployed within the Ministry of Interior and Federalism.

Implementation in each modality will generally follow the sequence below:

1. Access to the area by FGS MoIF (Component 3)
2. Security assessment in the area (Component 3)
3. CA Running cost (Component 3)
4. CA Outreach activity (Component 2)

5. CA empowerment and dialogue activity (Component 2)
6. Establishment of Interim Administration through dialogue (Component 2)
7. Training of interim administration (Component 2)

Peace dividends and statebuilding activities through IA (Component 1) will be implemented concomitantly.

The component 2 and 3 of the project will be implemented through different modalities. A project management selected jointly by the MoIF and the UN (UNSOM and UNDP) will oversee and coordinate the project. The project manager will report to a coordination board, composed of one senior representative of the Ministry of Interior and Federalism, one representative of UNDP and one representative of UNSOM. Terms of reference for the project manager and coordination board will be drafted and agreed upon by the three partners.

The enabler (component 3) will be implemented through direct budget support to the government. Implementing partner will be the MoIF. The fund transferred from PBF will go through the SDRF – UNMPTF national window, thus enabling transparency and coordination of the fund at the highest level of the government. The use of this modality will take advantage of the arrangements already in place between the Multi-Partners Trust Fund Office (MPTF Office) and the Ministry of Finance of Somalia for the functioning of the National window, and the exception agreed between PBSO and MPTF Office to channel PBF resources through the government systems. Specific operating procedures will be put in place for the disbursements to be made at the district level (including petty cash rules). Expenditure will follow the processes in place with the Central Bank, developed with the assistance of SFF. Arrangement for oversight and accountability of the funds, including the possibility of using an external fiduciary agent, mirroring the SFF arrangements will be put in place and agreed upon, ahead of the funds being channelled through the UNMPTF national window.

The empowerment and local governance (component 3) will be implemented through UNDP.

Decisions on terms of reference of consultants to be recruited for the project will be taken by all partners jointly. All partners shall participate in the recruitment and selection process of consultants.

UNSOM New Deal and Stabilization Team will support the FGS to coordinate the overall stabilization strategy and ensure coherence with AMISOM and other international partners.

b) Budget

The FGS estimates that the total funding needs for the stabilization initiative covering the 25 districts in South Central Somalia will be about US\$28.6 million, i.e. based on a budget of \$1,144,000 per district. The PBF contribution from the IRF facility will be \$4,191, 295 million. Additional funding comes from government resources and other partners. As per the project budget, Component 2 to be channeled through the UNMPTF-national window will receive an allocation of \$1,887,500 and Component 3 (UNDP) an allocation of \$2,303,795.

UNDP budget explanation: UNDP will support Component 2 through its Community Security Project (National Project Team Leader (SC10) through 40% of time; Project Manager (P4) through 20% of time and Project Assistant (SC6) through 20% of time. It will also be supported and oversight provided through the Governance and Rule of Law Programme Senior National Officer (NOC) through 30% of time. Public relation, awareness, sensitization materials and

activities will be procured and through the services of local NGOs, community based organizations, and contractors the implementation of the proposed activities will be ensured.

PBF PROJECT BUDGET (US\$)			
CATEGORIES	Somalia MPTF National Window	UNDP	TOTAL
1. Staff and other personnel	\$894,600	\$151,008	\$1,045,608
2. Supplies, commodities, and materials	\$842,900	\$425,539	\$1,268,439
3. Equipment, vehicles, and furniture (including depreciation)	-	-	-
4. Contractual services*	-	\$1,431,065	\$1,431,065
5. Travel	\$150,000	\$71,348	\$221,348
6. Transfers and grants to counterparts	-	-	-
7. General operating and other direct costs	-	\$87,205	\$87,205
Sub-Total Project Costs	\$1,887,500	\$2,166,164	\$4,053,664
8. Indirect Support Costs	-	\$151,631	\$151,631
TOTAL	\$1,887,500	\$2,317,795	\$4,205,295
*Includes fee of \$200,000 for contracting a fiduciary agent for portion of the contribution going through the Somalia MPTF National Window			

Use of the national system for budget support:

The challenge in Somalia is not only weak national systems, but also lack of a banking system. Through the SFF work, systems are being developed that allow money flows on the short term and build the basis for the future.

For now, the Central Bank is acting as a bank, receiving and distributing money flows. The budget control (budget check and approval of expenditure) is centralized in the Ministry of Finance. Other ministries ask for expenditure through vouchers, to Ministry of Finance, who approves and sends to the Central Bank for disbursement. The Central Bank then issues checks or pays vendors directly, for salaries payment is done directly by the Central Bank, with use of biometrics controls.

The system to flow resources from Federal to State, Region and District levels is not yet in place. The PBF will help build on the SFF work to develop those systems. At the beginning, money will flow from Federal to District level but this exercise will also explore some form of involvement of State (where existing) and regional level, even if only for information purposes. Consideration is underway for the system to fund operational costs (petty cash) for the administrations at local level in the newly recovered areas. The rules for use and accountability for will also be considered in this process.

On the operational side, allocated project funds will move to a holding account at the Central Bank, from there, upon request and approval by the Ministry of Interior and Federalism (co-

signed by the Ministry of Finance) the money would be moved within the treasury as required for expenditure. This allows for all concerned project parties to keep the money trail, while channeling the money through the treasury. The details financial procedures which describe the process whereby the funds channeled through treasury will be spent are as described in Annex D.

For the support to be channeled to the districts, through the project will then either use the Hawala system or have case disbursements under the accountability of the MoIF. The case disbursements would only be until the Hawala licensing is finalized. The project would have to accompany this with a registry and riles for petty case at the district level (for the operating costs).

The transfer of the PBF funds to treasury will be based on the Memorandum of Agreement (MoA) between the MPTF Office and the Ministry of Finance, and facilitated by an Letter of Agreement between PBSO and MPTF Office to channel PBF funds through the government systems (also referred to as the Exception Agreement) [Annex E]. Upon endorsement by the MPTF Office of these agreements, the PBF's funds will be transferred by the MPTF Office [acting as fiscal agent to the Somalia UN MPTF national funding stream at no cost]. Based on the Somalia UN MPTF operational arrangement for the fast track window, the MPTF Office, as Administrative Agent (AA) of the UN MPTF, will transfer the funds to the Central Bank, upon receipt of a formal transfer request with Central Bank account details.

The project will transfer the budget support payment in one tranche.

The transfer of the PBF funds on treasury is based on the Memorandum of Agreement (MoA) between the MPTFO and the Ministry of Finance. Based on the Somalia UN MPTF operational arrangement for the fast track window, the MPTF Office, as Administrative Agent (AA) of the UN MPTF, will transfer the funds to the Central Bank, upon receipt of:

- I. Approved fund transfer request, which will clearly note the national budget line(s) against which this support is being directed. Once the funds are received, the Central Bank will move the funds to a dedicated holding account. For support to be channeled to the districts, the Central Bank will either use the Hawala system or have cash disbursement under the accountability of the Ministry of Interior and Federalism. The cash disbursements under the accountability of the Ministry of Interior and Federalism are only to be used until such a time as the Hawala licensing is finalized by the Central Bank of Somalia.
- II. The project will transfer the budget support payment in one tranche. The internal government processes (developed with the support of the Somalia Financing Facility – SFF) will be used to ensure proper oversight and accountability of the flow of resources from the Central Bank to the districts, as well as accountability of districts for the use of the allocated resources.

The money channeled through the treasury will be under the supervision and control services of a Monitoring Agent. The oversight by the monitoring agent will be done as follows:

1. Monitoring of flow of funds and FGS payment processing

- a. Carry out review of all funds received by the FGS, from the time the funds reach the specified Designated Account (DA) of the Government's Treasury Single Account (TSA) at the Central Bank of Somalia (CBS) to the time the funds are disbursed to the authorized representative of the

Ministry of Interior and Federalism (MoIF) or to beneficial recipients, as is expected to the case with individuals remunerated under activity 3.3.

b. Carry out review of flow of funds and related controls with procedures to be performed every second month, beginning at month three, in order to allow for adequate time for spending during each two month period, as well as preparation and submission of required reporting. The following will be considered:

- i. Within the approved budget according to the FGS Appropriation Act, plus supplementary budget information as presented in the FGS centralized budget management system;
- ii. Authorized for transfer from the Designated Account (DA) to the Treasury Single Account (TSA) by MoIF (co-signed by MoF);
- iii. Processed by way of Payment Vouchers authorized by the MoIF and Accountant General;
- iv. Paid by the Central Bank of Somalia (CBS) per FGS instructions, as evidenced by the FGS bank statement received from the CBS, to an authorized representative of MoIF or to the beneficial recipient.

c. Carry out review of documentation providing evidence of funds received by authorized representative of District Administration, whether by cash disbursement or by licensed commercial bank or money transfer agent. This will be done by comparing the name and signature on the evidence of receipt of funds by the district administration to specimen signature records maintained by the MoIF.

d. Review and provide advisory opinion on the adequacy of payment process and controls.

I. Monitoring of payments to consultants and experts (budget activity 3.3)

- a. Examine contracts for four consultants and experts to determine if payments made are consistent with the contract with respect to period of time, payee, and amount;
- b. Perform enquiries and procedures to assess whether payments were made to individuals contracted;

II. Monitoring in the field: site visits to districts

- a. Carry out three site visits to selected districts over the life of the project, one visit every second month, beginning at month two, in order to allow for adequate time for the districts to spend against their allocated funds and prepare and submit required reporting;
- b. Perform enquiries and procedures to assess whether cumulative expenditures made against running costs are consistent with the appropriate budget for each line item;
- c. Perform enquiries and procedures to assess how expenditures are documented and authorized;
- d. Examine supporting documentation for payments to MoIF Liaison and Community Liaison's as well as procedures to determine if payments made are consistent with the contract with respect to period of time, payee, and amount.

c) Sustainability

The purpose of the PBF/IRF component of the support to the government led stabilization approach is cementing peace in the aftermath of the AMISOM/SNA liberation of an area from Al-Shabaab, laying the foundations for dialogue, reconciliation, and local governance. The project will create an environment conducive for other donors to support a peace dividends projects and ensure their linkage with the dialogue, reconciliation and governance processes. Many donors, including USAID, UK, and EU, have shown interest in supporting such projects. In addition, successful implementation of the first component of the project through direct budget support, will contribute to increasing the confidence of donors in using national systems to channel ODA.

Successful implementation of the project in 20 of the 25 districts will largely depend on the successful AMISOM military campaign against Al-Shabaab.

d) Risk management

The overall risk involved in stabilization activities is inherently high. However, this risk is largely compensated by the consequences of non-action. Without the swift establishment of governance and law enforcement capacity and dialogue and reconciliation processes the military gains cannot be consolidated, citizens will not receive services and statebuilding will be jeopardized.

Stabilization Project - Risk Analysis			
Risk	Likelihood (high, medium low)	Severity of impact on project (high, medium, low)	Mitigating Strategy
"Enabler" FGS Budget Support Component			
Misappropriation of funds	Medium	High	All expenditure will be closely scrutinized in the High Level Partnership Forum
Incompetency of hired experts	Low	Medium	Prior consensus on experience and duration of a contract
Unclear or untraceable expenditure	High	Medium	Share standardized voucher form and provide budget
"Empowerment and Local Governance"			
UNDP Component			
Renewed Al-Shabaab attack and/or threats to communities	Medium	High	Security Assessment
Project delay due to political dispute among the communities	High	Medium	Rushed conclusion of results will negatively affect the peace in long run. It is better to limit the funding and give time for local process to mature.
Exclusion of some marginal groups	Medium	High	Extensive local assessment and intervention
Humanitarian and food crisis associated with the military offense	High	High	Efforts will be made to harmonize humanitarian and political efforts in severe crisis situations

UNSOM Component			
local communities fail to embrace caretaker administrators	Medium	High	More time and resource for community consultation and reconciliation will be required
Misappropriation of funds	Medium	High	All expenditure will be closely scrutinized in the High Level Partnership Forum
Delays in establishing systems for funds flow to regions/district levels	Medium	High	Alternative mechanisms will be required for CA and IA to access funds for local administrations
Lack of progress on Federalism process	Medium	High	

e) Results framework and monitoring and evaluation

The MoIF will report to the SDRF on the activities of stabilization support efforts, including the PBF. At the project level, the project evaluation and monitoring functions will be the responsibility of the Project Coordination Board, composed of one representative of MoIF, one representative of UNDP and one representative of UNSOM. The project manager will have the day-to-day role of tracking and monitoring progress. The project M&E will use the Project Results Framework (Annex E).

SECTION 4: (The “Who”)

a) Implementing Agencies and their capacity

UNSOM capacity: On 26 February, the United Nations signed the Status of Mission Agreement (SOMA) with the Federal Government of Somalia in Mogadishu. As of 28 April, a total of 316 international staff and 972 national staff members from UNSOM, and the United Nations agencies, funds and programmes were deployed: 379 staff in Mogadishu, 65 in Hargeisa, 13 in Boosaaso, 41 in Garoowe, and nine in Gaalkacyo was deployed. In South-Central Somalia, the presence of international staff remained limited, with eight in Baidoa, three in Dollow, and four in Kismaayo. UNSOM deployment strength stood at 66 international and 19 national staff. The United Nations is now operating as an integrated presence and an Integrated Strategic Framework (ISF) is being developed as the United Nations response and contribution to the implementation of the Somali Compact. The strategic component of the ISF is expected to be finalized by August 2014, whereas its operational component will be completed in tandem with the finalization of the Peace-building and State-building Goals’ action plans.

Since 1991, the United Nations Development Programme (UNDP) has been working in Somalia, in the areas of peacebuilding and conflict management, people-centred governance and law, economic recovery and environmental protection, and protecting and empowering women. It carries out its work through two main programmes: Governance and Rule of Law (GROL) and Poverty Reduction and Environmental Protection (PREP). In South Central Regions, UNDP has offices in Mogadishu and Baidoa with more than a dozen internationals and over two-dozen national staff. UNDP is a key partner of the Federal Government of Somalia and has an

established relationship with the Ministry of Interior and Federalism. UNDP support the Ministry with the provision of technical expertise.

Through its operational mechanism, such as the Letter and Micro Capital Grant Agreements, UNDP is able to place consultants and staff promptly and provide substantial support to areas of difficult accessibility. This mechanism provides substantial flexibility that enables UNDP to scale up if required and reach out to additional areas, resources allowing.

In addition, from 2006 to 2008 UNDP implemented two projects (namely the District Based Peace Building Project and the Community Based Peace Support Project) with the Transitional Federal Government and local communities toward the establishment of community based local councils and administration in South Central Regions of Somalia. This project resulted in the establishment of eighteen elected district councils. The community based process for 2006-2008 served as inspiration for the governance approach of the current FGS Stabilization strategy.

b) Institutional structures and project management arrangements and coordination

b1. Institutional structures:

Under the New Deal Framework, the High Level Partnership Forum (HLPF) is the main platform for dialogue and policy discussion on Compact implementation and a central mechanism for strategic coordination and information-sharing. Under the chairmanship of the President of Somalia, the Forum meets quarterly in Mogadishu in plenary format, monthly in its executive format, and at least once a year at ministerial or senior official level with development partner participation from headquarters to ensure constant political attention and review overall performance in implementing the compact, including PSG milestones and partnership principles. Under the HLPF lies the SDRF - Steering Committee (SC) that is the authority that provides strategic oversight and guidance for the Somalia Development and Reconstruction Facility (SDRF) and the implementation of the New Deal Compact, including commitments related to policy, financing and aid delivery. Based in Mogadishu, the Steering Committee is chaired by the Prime Minister of the Federal Government of Somalia and will be composed of representatives from relevant FGS Ministries, the Parliament, Civil Society, contributing donors, the UN, the Organization of the Islamic Conference, World Bank, and the African Development Bank.

The stabilization strategy is coordinated under the SDRF as one of the cross cutting issue in the New Deal Compact. The MoIF is the main focal point on stabilization within the government with some related capacity in the Prime Minister's office Stabilization Support Unit and Ministry of Finance TIU. The MoIF hosts a bi-weekly meeting with the government counterparts and international community, including the UN and AMISOM. Besides the bi-weekly meeting there are daily interaction between MoIF and UNSOM New Deal and Stabilization team on coordination. This forum will become the main conduit for coordination of the project in coherence with international support.

The FGS developed SDRF brings together under a common governance framework several funds, including the Somalia UN MPTF, the World Bank Multi Partner Fund for Somalia, a Somalia Fund managed by the African Development Bank, and the Special Financing Facility (SFF). The Somalia Multi-Partner Trust Fund has been established to receive funding from donors to finance activities undertaken through two separate funding streams: the United Nations Multi-Partner Trust Fund for Somalia (the "Somalia UN MPTF"), established by the participating UN organizations to finance activities of participating UN organizations; and the Somalia Multi-

Partner Trust Fund National Funding Stream (the “Somalia National Funding Stream”), established by the Government to finance activities of National Entities. Funding for Component 3 of the project is channelled through the Somalia MPTF National Funding Stream (Annex F).

The UN MPTF Office as AA for the PBF and Somalia UN MPTF, will transfer funds from the PBF to the Somalia UN MPTF National Funding Stream. The Somalia Multi-Partner Trust Fund National Funding Stream Account and the UN Somalia MPTF will be reflected as recipient organisations as per article 4.4 of the TOR of the Peacebuilding Fund of 13 August 2009 and complemented by the exception agreement between PBSO and MPTF Office (Annex E). These two new recipients will assume full programmatic and financial accountability for the funds disbursed to them by the MPTF Office. In particular, the Ministry of Finance uses the funds on the basis of the National Regulatory Framework and assumes full programmatic and financial accountability for the funds disbursed to it by the MPTF Office.

B2. Project management:

As mentioned above, the day-to-day project management will be done by a project manager jointly selected by FGS and the UN, and with the support a technical team who terms of references are attached in Annex G. S/he will report to the project coordination board. The Project will not establish a new mechanism to coordinate/manage the project but rather strengthen the existing structure under the new deal framework and stabilization strategy to manage the project in coherence with the international community support.

Liaison at the policy and/or funding levels with PBSO and the UNDP Multi-Partner Trust Fund Office (MPTF Office) will be the responsibility of the SRSG, working in close consultation with the Minister of Interior and Federalism. On a day-to-day basis the Project Manager will provide information and clarifications as requested by PBSO and/or MDTF Office pertaining to project implementation status and progress.

c) Administrative Arrangements

Recipient UN organization (RUNOs) and the Government of Somalia will assume full programmatic and financial accountability for the funds disbursed to them by the Administrative Agent (AA). In line with the PBF Memorandum of Understanding (MOU) and Somalia MOA, such funds will be administered by each RUNO and the Government of Somalia in accordance with its own regulations, rules, directives and procedures.

Accountability, transparency and reporting of the Recipient United Nations Organizations and the Federal Government of Somalia

Recipient United Nations Organizations and the Federal Government of Somalia (hereafter referred to as “recipient organisations”) will assume full programmatic and financial accountability for the funds disbursed to them by the Administrative Agent. Such funds will be administered by each recipient organisation in accordance with its own regulations, rules, directives and procedures.

Each recipient organization shall establish a separate ledger account for the receipt and administration of the funds disbursed to it by the Administrative Agent from the PBF account. This separate ledger account shall be administered by each recipient organization in accordance with its own regulations, rules, directives and procedures, including those relating to interest.

The separate ledger account shall be subject exclusively to the internal and external auditing procedures laid down in the financial regulations, rules, directives and procedures applicable to the recipient organization.

Each recipient organization will provide the Administrative Agent and the PBSO (for narrative reports only) with:

- Bi-annual progress reports to be provided no later than July 31st;
- Annual narrative progress reports, to be provided no later than three months (31 March) after the end of the calendar year;
- Annual financial statements as of 31 December with respect to the funds disbursed to it from the PBF, to be provided no later than four months (30 April) after the end of the calendar year;
- Final narrative reports, after the completion of the activities in the approved programmatic document, to be provided no later than four months (30 April) of the year following the completion of the activities. The final report will give a summary of results and achievements compared to the goals and objectives of the PBF; and
- Certified final financial statements after the completion of the activities in the approved programmatic document, to be provided no later than six months (30 June) of the year following the completion of the activities.
- Unspent Balance at the closure of the project would have to be refunded and a notification sent to the MPTF Office, no later than six months (30 June) of the year following the completion of the activities.

Ownership of Equipment, Supplies and Other Property

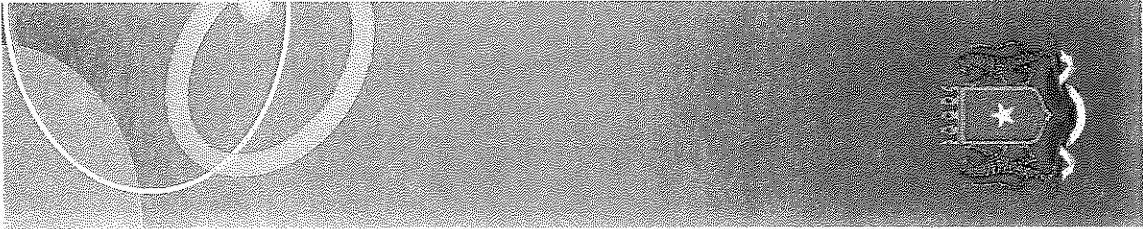
Ownership of equipment, supplies and other property financed from the PBF shall vest in the recipient organization undertaking the activities. Matters relating to the transfer of ownership by the recipient organization shall be determined in accordance with its own applicable policies and procedures. Although there are no assets envisaged in this tranche of funding, any assets procured in the event of additional funding would be transferred to the FGS upon the completion of the project.

Public Disclosure

The PBSO and Administrative Agent will ensure that operations of the PBF are publicly disclosed on the PBF website (<http://unpbf.org>) and the Administrative Agent's website (<http://mptf.undp.org>).

SECTION 5: Annexes

Annex A: FGS stabilisation strategy and approach



Somalia: Stabilization of the Newly Accessible Areas

Approach and coordination

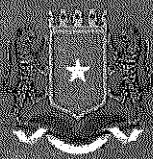


Structure for dialogue with the partners

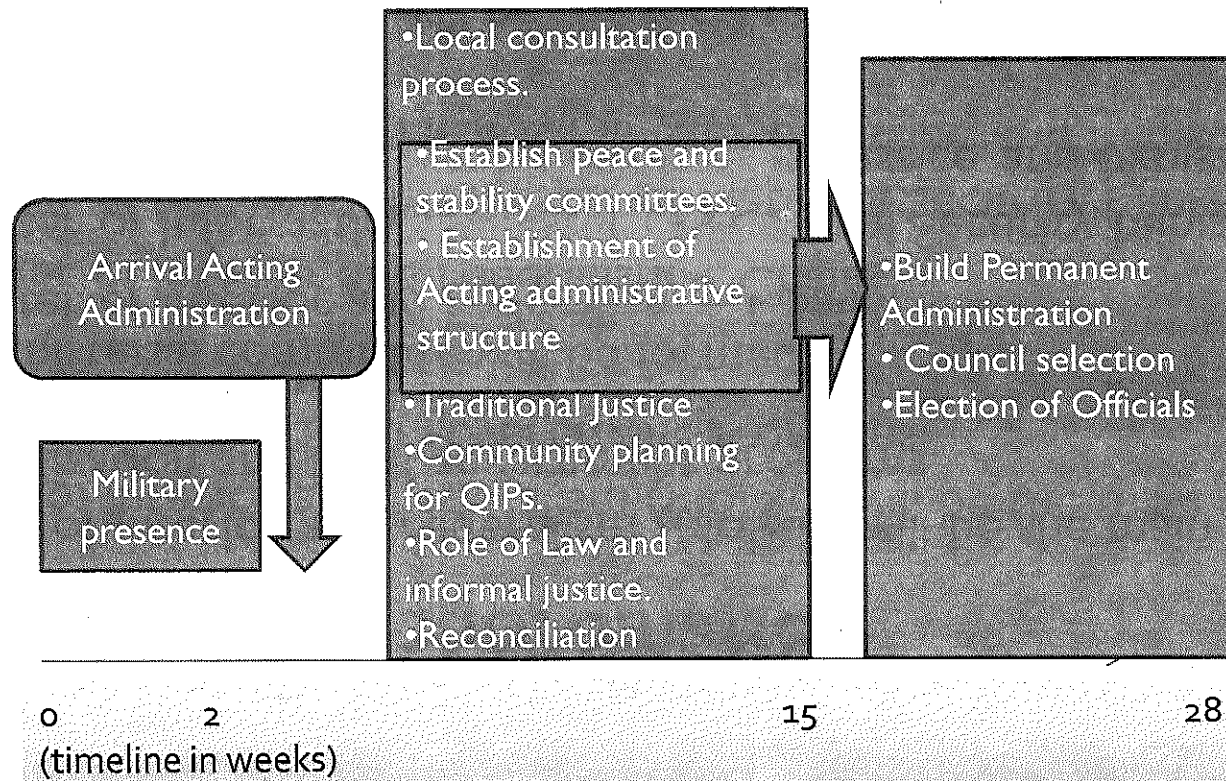
- Strategic level coordination mechanism with international partners, TOR is being finalized and will be shared.
- Operational level coordination mechanism with international partners, TOR is being finalized and will be shared.

Structure for coordination

- Ministry of Interior and Federalism (Mol&F) will be the main entry point for stabilization and local government programs.
- Inter-ministerial committee will be formed:
 - Minister of Interior and Federalism – Chair
 - Minister of Information, Minister of National Security, Minister of Education, Minister of Health, Minister of Justice, and Minister of Finance)
- Stabilization Secretariat will be the focal point for partners. The Secretariat will consist:
 - Existing SSU team
 - Inter-ministerial committee.



Approach and interventions



Approach and interventions

- The overall stabilization strategy addresses 5 strands of work which cover:
 - Public awareness campaign
 - Peace and security
 - Acting administration: create a conducive environment District Peace and Stability Committees (DPSC)
 - Justice and public security initiatives.
 - Infrastructure rehabilitation and service delivery.
 - Reconciliation and community dialogue towards development of sustainable governance structures applying a bottom-up approach.



Acting Administration Officials

- In consultation with MPs and elders from each location, pre-identify and nominate interim administration. The Acting administrator will be in office maximum of 3 months.
 - Acting administrator/head of local peace and stability committee.
 - Assistant Acting Administrator (Social affairs)
 - Assistant Acting Administrator (Security).



Scope of work: Acting Administration

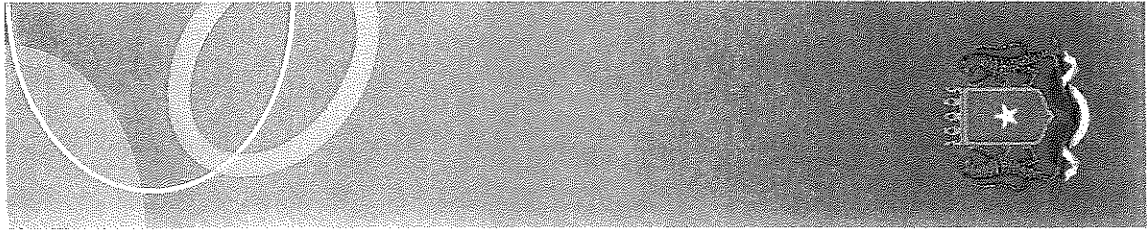
- Facilitate establishment of District Peace & Stability Committees (DPSC)
- Security, maintaining law & order
- Advancing government policy on good governance.
- Community engagement
- Basic Service delivery
- Creating awareness on the government's planned establishment of all inclusive permanent local district & regional administrations through bottom up approach.



Functions of DPSC

- Act as an advisory body to the Acting administration
- Prioritize community needs
- Assist security and peace building.
- Community dialogue & traditional reconciliation
- Awareness creation among own community:
ownership/participation of community governance.
- Community engagements towards permanent administrations

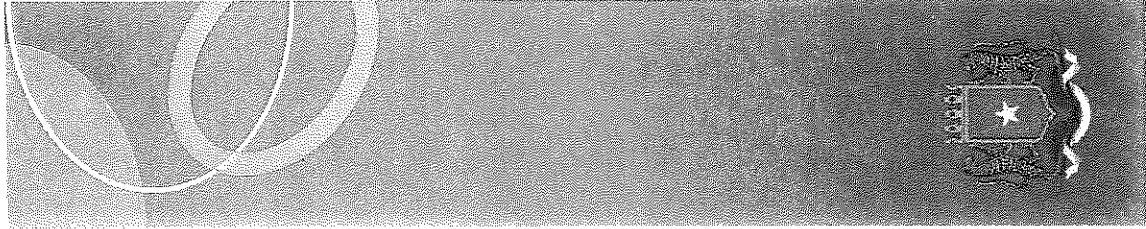
Immediate Needs



Areas where immediate support is required

- Development of Community awareness campaign
- Training for Acting administration and DPSC
- Logistic support for deployment of Acting administration
- Administrative support for Acting administration
 - Office equipment
 - Transports needs for Acting Admin
- Advisory teams at MOI: need for support related to:
 - Expert on local governance and administration.
 - Expert on community engagement and community reconciliation.





Rehabilitation of administration buildings & other utilities.

- Administration buildings;
- Court;
- Police station;
- School;
- Hospital;
- Borehole;



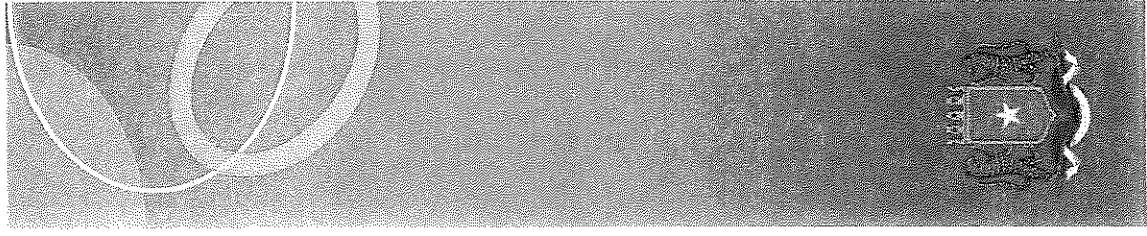
Management of Deliverables

- Prioritize & identification of projects through consultative mechanism.
- Projects will be tracked through operational level coordination mechanism.
- Project visibility must be linked to empowerment of local consultative process and government (both local and Federal levels).

Contributions already identified

Federal Government:

- Salaries for the Acting Administration
- Running cost
- Communication and utilities expenses



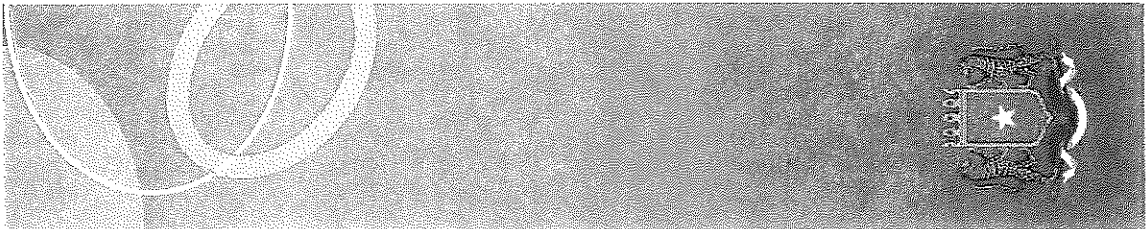


Next Steps

- Finalize identification of administrators
- Finalize preparation of training
- Logistic preparation for deployment
- Working with partners to identify what support is already available or soon to be available.
- Identification with partners of who can deliver what, where and within what timeframes (delivery process and channels) on peace dividends

END

THANK YOU



ANNEX B: Matrix of FGoS Stabilisation 'Project' Strategy in Regions (10) and Districts (25)

updated as of 10.06.2014

No.	Region	No.	District	Status	Administration Building	Court	Police Station	School	Health Center	Other (CDPD) (Donor / Partner / Amount)	Comments
1	Bay	1	Dinsoor		SSF - partner TBD - amount \$200k					SSF - partner TBD - amount \$200k	
2	Bakool	2	Tiyeglow		SSF					SSF	
		3	Wajjid	AMISOM/SNA liberated in March 2014 Interim DC appointed	SSF - partner NIS - amount \$200k					SSF - partner NIS - amount \$200k	
		4	Rab Dhaure	AMISOM/SNA liberated in March 2014 Interim DC appointed							
		5	Xudur	AMISOM/SNA liberated in March 2014 Interim DC appointed	SSF - partner TBD - amount \$200k					SSF - partner TBD - amount \$200k. USAID TIS program has allocated \$500k for Xudur Planning session June 2014.	
		6	Jalalaqsi		SSF					SSF	
3	Hiraan	7	Bulo Burto	AMISOM/SNA liberated in March 2014 Interim DC appointed	SSF - partner TBD - amount \$200k					SSF - partner TBD - amount \$200k	
		8	Mahaas	AMISOM/SNA liberated in March 2014							
		9	Harardheere								
4	Mudug	10	Galhaarere								
5	Galgadud	11	Ceel Buur	AMISOM/SNA liberated in March 2014	SSF - partner NIS - amount \$200k					SSF - partner NIS - amount \$200k	
		12	Ceel Dheere								
6	Middle Shabelle	13	Cadale		SSF - partner TBD - amount \$200k					SSF - partner TBD - amount \$200k	
		14	Warshikh	AMISOM/SNA liberated in March 2014 Interim DC appointed							
		15	Adan Yabaal		SSF					SSF	
7	Lower Shabelle	16	Baraawe		SSF - partner TBD - amount \$200k					SSF - partner TBD - amount \$200k	
		17	Kurtunwaarey								
		18	Qorilooley	AMISOM/SNA liberated in March 2014 Interim DC appointed	SSF - partner TBD - amount \$200k					SSF - partner TBD - amount \$200k	USAID TIS exploring CDPD
		19	Awdegle								
		20	Sablaale								
8	Gedo	21	Baardheere		SSF - partner TBD - amount \$200k				SSF - partner TBD - amount \$200k		
9	Middle Juba	22	Buale		SSF					SSF	
		23	Jilib		SSF - partner TBD - amount \$200k					SSF - partner TBD - amount \$200k	
		24	Sakow								
10	Lower Juba	25	Jamaame		SSF				SSF		

Comments:

- a. [Pattern] = regional capital
- b. [Pattern] = to be recovered area, as of date at top of sheet
- c. [Pattern] = recently recovered during the new AMISOM/SNA offensive
- d. [Pattern] = pending funding

- e. SFF TIU has allocated \$750,000 per region. The identification of projects utilising this funding is conducted using a community prioritization approach. To date, SFF TIU have conducted consultations in Bendair (road rehabilitation and solar street lights), Hiraan (district and regional administration office reconstruction, and rehabilitation of public market(s), and Galgadud (regional governor's office/residence, rehabilitation of livestock market, and bush clearing (short term employment generation)
- f. The USG has indicated it can expand the TIS program to 4 newly recovered districts, and also support police stations and courts in 4 districts - specific districts have not yet been decided (Xudur and Qorilooley being explored).

Annex C: Somalia IRF Stabilization Project Detailed Budget

Activity	Unit	# of Unit	Cost/Unit	Unit2	Total Government	Total UNDP	GRAND TOTAL COST USD	Comments
1. Formation and Capacitating of Caretaker Administrations (CA) and police deployment								
1.1 MIF, MNS, MJC joint consultations with district MPs/elders to agree on composition & nomination of a Caretaker Administration (CA)								
1.2 Mobilizing of CA to Mogadishu								
1.3 Training of CA at police training academy								
1.4 MNS deployment of police & intelligence forces								
1.5 FGoS / UNSOM conduct joint security assessment								
1.6 Deployment of CA to districts and transport of humanitarian assistance from government	lumpsum	Lumpsum	lumpsum	lumpsum	\$150,000.00		\$150,000.00	Transportation of the Caretaker Administrations and as needed for delivery of humanitarian goods. Including \$25,000 for deployment of police commanders.
1.6.1 Project Office running cost	lumpsum	Lumpsum	lumpsum	lumpsum	\$42,900.00		\$ 42,900.00	Breakdown: 1) Setting up Project office:\$6,900 is for computers, printer for the office. 2) \$36,000 (\$2,000 month x 18months) for running cost including office utilities- electricity, Internet, stationery.
1.7 Running Costs for CA	months	8	\$5,000.00	districts x 20	\$800,000.00		\$800,000.00	In summary: \$5000 per month per district: breakdown would include: 1) Utilities \$1,000 2) Fuel and lubricants \$ 1,000 3) Office equipment, materials \$ 1,500 4) Other specialized materials and services (Administrative Support) \$ 1,000 5) Other expenses \$ 500 Government Budget Revision: \$50,000 allocated from 1.7 to Line 3.1 to cover staff 18 month salary of CLO and LG. (i) 1.7 Number of units increased for 6 units. In total 8 months support to CA running costs
1.8 Public awareness of the role and responsibilities of the CA	district	20	\$ 2,500.00	50,000 - 42,500 (SSF) net total 7,500		\$7,500	\$7,500.00	Specific awareness raising materials are developed and printed for women (Out of the \$7,500 the total of \$2,500 is allocated for this purpose)
1.9 Consultations to select District Peace & Stability Committee (DPSC)								

Annex C: Somalia IRF Stabilization Project Detailed Budget

Activity	Unit	# of Unit	Cost/Unit	Unit2	Total Government	Total UNDP	GRAND TOTAL COST USD	Comments
1.10 MIF, CA, and implementing partners (IP) to conduct training for DPSCs	district	20	\$5,000.00			\$100,000.00	\$ 100,000.00	(CSP) Estimated training costs for the District Peace and Stability Committees include engaging an implementing partner with experience in administration capacity building to work alongside the MoI&F. \$5,000 per district includes fees and costs to deploy local experts from the IP to the districts (transport, accommodation, per diem), as well as preparation of training materials & Refreshments. If required amount for training is higher and other donors' contributions added, MoI&F will ensure that the process is one and the same.
Subtotal 1					\$ 992,900.00	\$107,500.00	\$ 1,100,400.00	
2. Formation and Capacitating of Interim Local District Administrations (IA)								
2.1 MIF / CA / DPSC conduct consultations to choose delegates who will select Interim Local District Administration (IA)								
2.2 Wider community consultations								
2.3 Host conference (50-75 delegates, including MPs, elders, clerics, youth, women, political leaders, etc.) - IA to be comprised of 9 individuals (4 community selected / 5 nominated) 2.3.1. Specific dialogue sessions designed only for women for political empowerment and participation (minimum 50 women / dialogue / district). Out of the \$187,500 the total of \$40,000 will be allocated	district	20	\$7,500.00			\$150,000.00	\$150,000.00	(LG) Assumes that per district, there will be costs associated with mobilizing individuals to be present for the IA selection process, travel costs (\$2,000), accommodation and per diem (\$2,000), materials for conducting the conference (\$1,000), banners and publicity materials (\$1,000) & facilitation charges for IP (\$1500).
2.4 1-week induction training for IA	district	20	\$5,000			\$100,000.00	\$100,000.00	(LG) Same cost assumptions as in 1.10 above.

Annex C: Somalia IRF Stabilization Project Detailed Budget

Activity	Unit	# of Unit	Cost/Unit	Unit2	Total Government	Total UNDP	GRAND TOTAL COST USD	Comments
2.5 Reconciliation and ongoing public awareness	district	20	\$45,000.00			\$900,000.00	\$900,000.00	Breakdown of the \$900,000 Trauma Healing session targeting only women (minimum 20 women / district) - \$45,000 1. Dialogue session for women on primary needs (minimum 30 women / district) - \$25,000 2. Traditional story-telling among women (minimum 30 women / district) - \$ 20,000 (CSP) SSF funded FCA/CRD program can support reconciliation efforts in central regions – Mudug, Galgadud, Hiraan. Further support required for additional regions / districts. Reconciliation work will be primarily sub-contracted to an experienced implementing partner agency. Costs include an estimated \$45,000 per district for reconciliation - human resources for IP, travel and accommodation costs per district (for IP and for non-IP stakeholders such as SFG officials), hosting reconciliation forums (intra- and inter-clan per district) - and \$20,000 per district for public awareness activities (\$5,000 for media coverage, \$5,000 for printed materials / banners, \$5,000 for print, radio, and web-based publicity, and \$5,000 for arts based publicity, e.g. drama, song, art). Work ongoing to ensure that methodology for consultation implemented by different partners is these same throughout
2.6 training and deployment of command officers	officers	2		per district (15 districts)		\$33,930	\$33,930.00	(Police)
2.7 training of field training officers	officers	8		per district (15 districts)		\$90,480.00	\$90,480.00	(Police)
2.8 training of community security officers	officers	35		per district (20 districts)		\$28,275.00	\$28,275.00	(Police)
2.9 Running Costs for IA - (not including salaries - see HR requirements)								
Subtotal 2					\$0	\$1,302,685	\$1,302,685	
3. Human Resource Needs								
3.1 Provision of a Local Governance Technician (MIF liaison for each district) and community liaison per district	months	18	\$ 750.00	2 per district x 20	\$540,000.00		\$540,000.00	Profiles and hiring of the two persons to be discussed between UNDP and the government and overseen by both.
3.3 3 profiles to assist MoIF with overall stabilisation work + 1 project manager for PBF.	months	1		18 months	\$333,000.00		\$333,000.00	Project manager to be hired by government, overseeing all project (both components) and reporting to project board composed of MoIF, UNDP and UNSOM
3.3.1 administrative assistant to support clerical and administrative duties.	months	1	\$ 1,200.00	18	\$21,600		\$21,600.00	Project admin assistant salary
3.4 technical assistance to Ministry of Public Works on developing conflict-sensitive infrastructure projects	months	8				\$133,610.00	\$133,610.00	(UNOPS)

Annex C: Somalia IRF Stabilization Project Detailed Budget

Activity	Unit	# of Unit	Cost/Unit	Unit2	Total Government	Total UNDP	GRAND TOTAL COST USD	Comments
3.5 Caretaker Administrations (7 persons x 2 months)								
3.6 Interim Administrations (9 persons x 6 months)								
Subtotal 3					\$894,600	\$133,610	\$1,028,210	
4. Formation of Interim Local Administrations								
4.1 Assessments and awareness creation on formation of Interim Local District Administrations	district	20	\$10,000.00			\$200,000.00	\$200,000.00	(LG) Assumes approximately \$3000 for Assessment cost, \$4,000 for media (television, print, radio, web) and \$3,000 for arts-based public awareness (drama, song, art) accompanying each permanent administration. Specific dialogue for women for political empowerment and participation (minimum 50 women / dialogue / district). Out of the \$200,000 the total of \$50,000 is allocated
4.2 District-wide reconciliation conference	district	20	\$18,000.00			\$360,000.00	\$360,000.00	(LG)
4.3 Conduct initial district consultative meeting to select delegates (100/150)								
4.4 Conduct District Conference - selection of District Council (21/27) & election of DC/Deputies								
4.5 Contracting of fiduciary agent						\$200,000.00	\$200,000.00	Contracting of fiduciary agent for portion of the contribution going through the national window
Subtotal 4					\$ -	\$760,000.00	\$760,000.00	
TOTAL					\$1,887,500	\$ 2,303,795	\$4,191,295	

Annex C1: Somalia IRF Stabilization Budget of Ministry of Interior & Federalism						
Sl No.	Costs	Unit Type	No. of Units	Unit Cost	Value US\$	Comments
1	Personnel Costs					
1.2	Infrastructure Specialist	Month	8	9,800	78,400	3rd party contract fees and access to UNOPS systems
1.4	Subtotal Personnel Costs				78,400	
2	Project Costs					
2.1	Comms and other IT equipment	Lumpsum	1	9,000	9,000	Laptops, satellite, phones, printer/scanners, PPEs etc.
2.4	Travel and DSA	per person	1	18,000	18,000	This includes travel from point of origin, travel within Somalia and internationally and DSA
2.9	Subtotal Project Costs				27,000	
3	Direct Support Costs				11,300	
4	Subtotal Direct Costs				116,700	
5	Implementation support fee (7%)				8,169	
6	SUB-TOTAL				124,869	
7	UNDP GMS				8,741	
8	GRAND TOTAL				133,610	

Annex D: Financial procedures and oversight for disbursements

Section 1: Introduction

1. The PBF support to stabilisation focuses on addressing the critical gaps of the overall needs for the newly recovered areas, with a strong focus on the areas which are critical to ensure the basic presence of the government in these areas and its capacity to conduct the dialogue process leading to the establishment of local governments, as well as complementary support to the urgent need of ensuring law enforcement agents are in place in these locations. This would be accompanied by an initial assistance on the development of conflict-sensitive infrastructure projects.
2. The project will support the capacity of the Ministry of Interior and Federalism in its coordination and oversight role of stabilisation activities. It will also cover needs at the district level. The project covers all the 25 districts to be recovered through the military offensives. The activities to be covered are described in the project document, signed by the UN and Ministry of Interior and Federalism on 19 November 2014.
3. PBF activities will be implemented by the UN and by the Ministry of Interior and Federalism. Part of the allocation (US\$1,887,500 million) is to be channelled through treasury.
4. The present document describes the process whereby the funds channelled through treasury will be spent, including the financial procedure and oversight roles. The funds will be overseen by the same processes developed through the work of the Somalia special Funding Facility (SFF), and procedures developed by the World Bank.

Section 2: Expenditures Eligible for Financing by the Fund

The following expenditure items are eligible for financing by the PBF for the whole duration of the project, initially envisaged for 18 months from release of funds. The release of funds will be considered as the date the funds are credited in the account of the Central Bank of Somalia (CBS):

A. Recurrent Costs

1. **Salaries or consultants remunerations for technical experts** under key institutions to address the capacity gaps identified by the Ministry of Interior, as per project document:
 - a. Ministry of Interior
 - b. District level community liaison officers

2. District Administration eligible expenses incurred within the limits established in the Ministry of Interior budget

- Payment to District offices will be based on a set of budget items totaling \$5000, as per attached standard budget for districts, predetermined and approved by the Ministry of Interior.
- The breakdown of the \$5000 per month per district includes \$1,500 for non-expendable equipment, \$500 for expendable supplies, and \$3000 for fuel and vehicle operating costs.
- The Ministry of Interior will provide a budget template with approved list of items eligible to be covered under the PBF. This includes office supplies and/or equipment as needed. Equipment will be limited to no more than 30% of the monthly allotment, and could be used for office items such as computers and/or printers. Supplies include expendable office supplies. Running costs includes fuel costs for vehicles.

Section 3: Financial Management Procedures

3.1 Financial management guidelines for Salaries & Expenses

The budget and payment process for salaries and expenses will be based on the established system in the Ministry of Finance and aligned to the SFF procedures, which is as follows:

Step 1: Ministry/Agency submits proposed payroll and expenses to the Director of Budget

Step 2: The Director of Budget cross-checks to budget before authorizing the payment

Step 3: Ministry/Agency submits an expenditure warrant to the Accountant General, requesting payment against the authorized pay list.

Step 4: The Accountant General submits the expenditure warrant to Auditor General for verification before approving the warrant

Step 5: Ministry/Agency submits a payment voucher to the Accountant General against the approved warrant and pay list. There are two signatories to the payment voucher at the Ministry/Agency level: the Director General and the Director of Administration & Finance

Step 6: Accountant General signs against the payment voucher, authorizes payment.

3.2 Payment system for Salaries

Payments will be processed by the CBS. Initially, payments will be processed via check by the CBS, until such time that commercial banks can be used as payment agents (targeting January 2015).

Step 1: Ministry of Finance submits approved payment voucher to CBS for processing

Step 2: CBS Director of Accounting reviews payment voucher and authorizes funds to be transferred from the Single Treasury Account to the Ministry of Interior account

Step 3: Ministry of Interior issues checks based on the payment voucher to technical experts for salary payments

In January 2015, the salary payments will be deposited into the local commercial bank accounts of the technical experts rather than issuing checks.

3.3 Payment system for District Administrations Expenses (\$5000)

Payment to District offices will be based on a set of budget items totaling \$5000, predetermined and approved by the Ministry of Interior.

Step 1: Ministry of Finance submits approved payment voucher to the Central Bank of Somalia (CBS) for processing

Step 2: CBS Director of Accounting reviews payment voucher and authorizes funds to be transferred from the Single Treasury Account to the Ministry of Interior account

Step 3: Funds (\$5000) are transferred from the Ministry of Interior account to the district administration account held in a local commercial bank (Hawala branches).

Step 4: District Commissioner and Deputy District Commissioner to held signatures of the district account, can authorizes payments of the district account.

Category	Budget p/ Month	Budget p/Two months	Total budget 20 Districts
Office Equipment <ul style="list-style-type: none"> • Computers • Printers • Furniture (desks, chairs, fridge, Air Conditioners, file cabinets • Generator (as required) • Safety deposit (for petty cash) • Camera (for evidence/reporting) • Fax machines (for reporting, where this no access to internet) • Mobile phones 	\$1,000.00	\$8,000.00	\$800,000.00
Office Supplies <ul style="list-style-type: none"> • Papers, file folders, note pads, binding folders, envelopes, post-it notes • General ledger templates, invoice templates, purchase order templates • Pens, pencils, highlighters 	\$500.00	\$4,000.00	

<ul style="list-style-type: none"> • Staplers, paper clips, ink, etc. • Business cards • SIM cards, airtime 			
Gas (fuel for transport)	\$1,000.00	\$8,000.00	
Utilities	\$1,000.00	\$8,000.00	
<ul style="list-style-type: none"> • Water • Electricity • Internet, telecommunications • Rent of office space (as required) 			
Administration Support	\$1,000.00	\$8,000.00	
<ul style="list-style-type: none"> • Training • Logistical support • Travel • Car rental 			
Miscellaneous (patty cash): Supplies, non- personal items, meals and /or light refreshments for meetings, emergency needs	\$500.00	\$4,000.00	
Total	\$5,000.00	\$40,000.00	

3.4 Processing Payments at the District Administrations

3.4.1 Delegation of Authority:

- Level of Authorities for payments and signatories for approving expenditures and issuing checks to vendors have been identified
- Names and signatories on District Administration account held in local commercial bank are being established (See step 3)
- Secretariat District Local Government or/and District Deputy Commissioner will be trained in financial procedures and responsible for processing and reporting on expenditures

3.4.2 Expenditure Procedures

- Expenditures will be approved and executed based on the prepared and approved budget
- General Ledgers will be maintained at the District level for basic book keeping to record all transactions
- Payments of running costs will be authorized to vendors with supporting documentation, i.e. invoices
- Payments will be made via check, to reduce the reliance on cash transaction and limit cash handling to petty cash, when possible

- Records will be maintained to track the authorization of transactions and the dates of authorization. The persons indicated must possess the necessary authority granted in accordance with the established financial authority regulations; and
- The dates the transaction will be posted to the books of account and the persons responsible for that posting.
- Regular (monthly) expenditure reporting in line with budget.

3.4.3 Basic Procurement

Basic procurement procedures to be followed for the purchase of eligible items in the budget, e.g. equipment, fuel, etc. Procurement must be carried out in accordance with FGS legal and regulatory framework that can include directives, circulars, and orders issued by the Minister of Finance.

3.4.3.1 Procurement Methods and Proceedings

Depending on the value of the procurement, the different methods of procurement allowed under these guidelines are:

- A. Open Competitive Bidding
- B. Request for Quotations (Shopping Procedure) – Under \$50,000
- C. Single Source Selection – Under \$2000

3.4.3.2 Supporting documentation requirements

Transactions must be supported by appropriate documentation and must include the documents below as appropriate.

- a) A payee invoice
- b) Evidence of receipt of goods or services;
- c) In cases of daily allowances for travel – boarding passes evidencing dates of travel;
- d) The relevant contract, when applicable
- e) Documentation evidencing the procurement process:
 - i. In case of single or sole sourcing;
 - An explanation indicating the justification for single or sole sourcing and the justification for vendor selection approved by the spending authority;
 - ii. In case of requests for quotations;
 - Copy of request for quotations;
 - Complete and authorized bid analysis form together with quotations submitted;
 - iii. In case of competitive bidding;
 - Photocopy or electronic copy of advertisements announcing bidding opportunity;
 - Request for proposal;
 - Register of bids received;
 - Bid evaluation meeting minutes documenting assessment of bids;
 - Award letter;
 - Photocopy or electronic copy of advertisements announcing award.

- Due to the budget and value of transactions under the PBF, procurement procedures will likely fall under single source selection. In addition, the districts are operating in an environment where there is not much selection of competition.

3.4.4 Petty Cash

- Petty cash will be capped at \$500 dollars. Rules of petty cash are established in each district.
- Petty cash will be issued to Secretariat District Local Government. If such position is not available then issued to District Deputy Commissioner by the district commissioner.
- Petty cash will be kept in safe deposit box. A ledger will be maintained to track petty cash spending.
- A reconciliation of the petty cash is to be documented monthly by each district, and last day of the calendar month. This is to reconcile the total amount of petty cash issued to the amount of cash on hand.
- Show cross reference numbers to all the related documentation such as cheque numbers & bank accounts, supplier invoices received, purchase orders, delivery notes, invoices issued;

The above financial procedures will have been reviewed and approved by the Ministry of Finance, in coordination with the Ministry of Interior.

3.5 Financial reports

Financial reporting will be done according to the process and regularity envisaged in the project document. The financial reports will be integrated in the expenditure reporting of the Treasury Single Account produced by the Accountant General

Section 7: Monitoring

7.1 Monitoring

The Ministry of Interior is responsible for expenditure verification at the District Administration level. These will take place as spot check paper-based verification. Paper-based verification will involve reviewing documentation for expenditures, and ensuring that procedures have been followed.

The Ministry of Finance (MoF) will have oversight of the fund and the overall expenditure and reporting. The monitoring role of the MoF is as follows:

- 1) As part of the country PFM systems, the MoF will receive the payment vouchers outlining the expenditure of the funds from the MoIF for approval. The Budget Director of the MoF will receive the payment voucher and review it against the budget prior to approval. Once approved by the Budget Director, the payment voucher will be submitted to the Accountant General for review and release of funds to MoIF.
- 2) The MoF will receive and review monthly expenditure reports on fund activity
- 3) The MoF will conduct periodic spot checks of expenditures

Section 8: Evaluation & Audit

8.1 Annual Audit

The execution of the PBF will be audited as part of the function of the Auditor General, as it is being channeled through the country systems, including treasury.

**Annex D1: Scope of Work – Fiduciary monitoring agent
Peacebuilding fund support to stabilization**

III. Background

The Peacebuilding Fund of the United Nations (PBF) is supporting activities related to stabilization in Somalia for a total of US\$4,205,295. A portion of these funds are to be channeled through the Somalia treasury, for a total of US\$1,887,500, over 18 months (of which approximately 1/3 is to be spent over the first 6 months' time frame of this scope of work).

The challenge in Somalia is not only weak national systems, but also lack of a banking system. Through the SFF work, systems are being developed that allow money flows on the short term and build the basis for the future.

For now, the Central Bank is acting as a bank, receiving and distributing money flows. The budget control (budget check and approval of expenditure) is centralized in the Ministry of Finance. Other ministries ask for expenditure through vouchers, to Ministry of Finance, who approves and sends to the Central Bank for disbursement. The Central Bank then issues checks or pays vendors directly, for salaries payment is done directly by the Central Bank, with use of biometrics controls.

The system to flow resources from Federal to State, Region and District levels is not yet in place. The PBF will help build on the SFF work to develop those systems. At the beginning, money will flow from Federal to District level but this exercise will also explore some form of involvement of State (where existing) and regional level, even if only for information purposes. Consideration is underway for the system to fund operational costs (petty cash) for the administrations at local level in the newly recovered areas. The rules for use and accountability for will also be considered in this process.

On the operational side, allocated project funds will move to a holding account at the Central Bank, from there, upon request and approval by the Ministry of Interior and Federalism (co-signed by the Ministry of Finance) the money would be moved within the treasury as required for expenditure. This allows for all concerned project parties to keep the money trail, while channeling the money through the treasury.

For the support to be channeled to the districts, the project will then either use the Hawala system or have cash disbursements under the accountability of the MoF. The cash disbursements would only be until the Hawala licensing is finalized. The project would have to accompany this with a registry and rules for petty cash at the district level (for the operating costs).

The transfer of the PBF funds on treasury is based on the Memorandum of Agreement (MoA) between the MPTFO and the Ministry of Finance. Based on the Somalia UN MPTF operational arrangement for the fast track window, the MPTF Office, as Administrative Agent (AA) of the UN MPTF, will transfer the funds to the Central Bank, upon receipt of:

- III. Approved fund transfer request, which will clearly note the national budget line(s) against which this support is being directed. Once the funds are received, the Central Bank will move the funds to a dedicated holding account. For support to be channeled to the districts, the Central Bank

will either use the Hawala system or have cash disbursement under the accountability of the Ministry of Interior and Federalism. The cash disbursements under the accountability of the Ministry of Interior and Federalism are only to be used until such a time as the Hawala licensing is finalized by the Central Bank of Somalia.

- IV. The project will transfer the budget support payment in one tranche. The internal government processes (developed with the support of the Somalia Financing Facility – SFF) will be used to ensure proper oversight and accountability of the flow of resources from the Central Bank to the districts, as well as accountability of districts for the use of the allocated resources.

The money channeled through the treasury will be under the supervision and control services of a Monitoring Agent.

IV. Scope of work

The monitoring work entails performing procedures to assess whether and to what extent project funds have been administered based on criteria agreed to by the donor and the recipient, as outlined above and in annex 1.

The scope of work encompasses project activities to be executed, over a 6 months period, by the Federal Government of Somalia (FGS), which includes expenditures for running costs for the districts' Caretaker Administrations (CA), and support for human resource needs. Budgeted amounts for these activities are presented as 1.7, 3.1, and 3.3 of Annex C to the Project Document.

The budget to the program document also foresees expenditures under activity 1.6 "Deployment of CA to districts and transport of humanitarian assistance from government" to be executed by FGS. No monitoring procedures are included in this description of services with respect to expenditures under this activity as amount is to be paid lump-sum without a requirement for subsequent reporting of expenditures. Flow of these funds from the donor to FGS is to be tracked.

Monitoring work is to be directed at amounts withdrawn by FGS from the project Designated Account (DA). Expenditures subject to monitoring procedures are to be presented in monthly reporting provided to the monitoring agent by the Ministry of Finance (MoF). It is foreseen that such reports are to be prepared by the Ministry of Interior and Federalism (MoIF) and subject to MoF review.

Monitoring procedures are to be carried out every two months, beginning in the third month after spending begins for in (month three). Monitoring work would therefore be scheduled for months three and six.

The scope of work is defined across the following work streams:

1. Monitoring of flow of funds and FGS payment processing

- a. Carry out review of all funds received from the donor to the FGS, from the time the funds reach the specified Designated Account (DA) of the Government's Treasury Single Account (TSA) at the Central

Bank of Somalia (CBS) to the time the funds are disbursed to the authorized representative of the Ministry of Interior and Federalism (MoIF) or to beneficial recipients, as is expected to the case with individuals remunerated under activity 3.3.

b. Carry out review of flow of funds and related controls with procedures to be performed every second month, beginning at month three, in order to allow for adequate time for spending during each two month period, as well as preparation and submission of required reporting. The following will be considered:

- v. Within the approved budget according to the FGS Appropriation Act, plus supplementary budget information as presented in the FGS centralized budget management system;
- vi. Authorized for transfer from the Designated Account (DA) to the Treasury Single Account (TSA) by MoIF (co-signed by MoF);
- vii. Processed by way of Payment Vouchers authorized by the MoIF and Accountant General;
- viii. Paid by the Central Bank of Somalia (CBS) per FGS instructions, as evidenced by the FGS bank statement received from the CBS, to an authorized representative of MoIF or to the beneficial recipient.

c. Carry out review of documentation providing evidence of funds received by authorized representative of District Administration, whether by cash disbursement or by licensed commercial bank or money transfer agent. This will be done by comparing the name and signature on the evidence of receipt of funds by the district administration to specimen signature records maintained by the MoIF.

d. Review and provide advisory opinion on the adequacy of payment process and controls.

V. Monitoring of payments to consultants and experts (budget activity 3.3)

- c. Examine contracts for four consultants and experts to determine if payments made are consistent with the contract with respect to period of time, payee, and amount;
- d. Perform enquiries and procedures to assess whether payments were made to individuals contracted;

VI. Monitoring in the field: site visits to districts

- e. Carry out three site visits to selected districts over the life of the project, one visit every second month, beginning at month two, in order to allow for adequate time for the districts to spend against their allocated funds and prepare and submit required reporting;

- f. Perform enquiries and procedures to assess whether cumulative expenditures made against running costs are consistent with the appropriate budget for each line item;
- g. Perform enquiries and procedures to assess how expenditures are documented and authorized;
- h. Examine supporting documentation for payments to MoF Liaison and Community Liaison's as well as procedures to determine if payments made are consistent with the contract with respect to period of time, payee, and amount.

VII. Capacity building

- a. Assist the Ministry of Finance and Ministry of Interior in organizing a training session for the financial officers of the Ministry of Interior and Federalism and districts receiving funds (total of 25-30 participants) in how to follow the public finance manual and procedures established for expenditure at district level;
- b. Assist the Ministry of Finance in developing a manual for financial controls and fiduciary oversight of the contributions channeled to treasury through the UN MPTF National Window.

V. Reporting

In addition to working closely with the Minister of Interior and Federalism and Ministry of Finance the fiduciary agent will report to the United Nations as follows:

- a. A total of three advisory reports, submitted every two months, with the first report to be made after monitoring work commences in month two, consistent with monitoring and district site visit schedule;
- b. Advisory reports with reimbursement advice covering all funds withdrawn from the specified Designated Account within the Scope of Work, to be submitted to the UN after all required supporting documentation from the Government is received.

Financial Procedures Manual

Federal Government of Somalia

Version issue number and date
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Ministry of Finance
Federal Government of Somalia

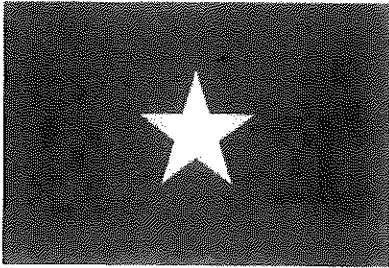
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MEMORANDUM OF AGREEMENT
FOR
MANAGEMENT AND OTHER SUPPORT SERVICES
RELATED TO
THE SOMALIA UN MPTF'S NATIONAL STREAM

MEMORANDUM OF AGREEMENT
between
the Federal Government of Somalia
and
the United Nations Development Programme
for
Management and Other Support Services
Related to the Somalia Multi-Partner Trust Fund (MPTF) National Funding Stream

WHEREAS, the Federal Government of Somalia (hereinafter the "Government") has developed the Somalia Development and Reconstruction Facility (hereinafter the "Facility"). The Facility brings together under a common governance framework several funds, including the Somalia UN MPTF, the World Bank Multi Partner Fund for Somalia, a Somalia Fund managed by the African Development Bank, and the Special Financing Facility (SFF);

WHEREAS, a Somalia Multi-Partner Trust Fund has been established to receive funding from donors to finance activities undertaken through two separate funding streams: the United Nations Multi-Partner Trust Fund for Somalia (the "Somalia UN MPTF"), established by the Participating UN Organizations to finance activities of Participating UN Organizations; and the Somalia Multi-Partner Trust Fund National Funding Stream (the "Somalia National Funding Stream"), established by the Government to finance activities of National Entities (as such terms are defined and used herein);

WHEREAS, the Somalia UN MPTF was developed by Participating United Nations Organizations, starting on 1 September 2013 and ending on 31 December 2024, as part of their respective development cooperation with the Federal Government of Somalia, as more fully described in the Terms of Reference of the Somalia UN MPTF dated 19 March 2014, (hereinafter referred to as the "TOR", a copy of which is attached hereto as ANNEX A, and have agreed to adopt the Facility's coordination mechanism (hereinafter referred to as the "Steering Committee") to facilitate the effective and efficient collaboration between the Participating UN Organizations and the Federal Government of Somalia for the implementation of the Fund. The terms of the Somalia UN MPTF are set out in a Memorandum of Understanding entered into between the Participating UN Organizations and UNDP's Multi-Partner Trust Fund Office (MPTF Office), as the administrative agent of the Somalia UN MPTF;

WHEREAS, the Government has now requested the UNDP MPTF Office to serve as the Administrative Agent of the Somalia National Funding Stream and provide fund administration, management and other support services related to management of the Somalia National Funding Stream for funding activities undertaken by the National Entities, as more fully described in the Somalia MPTF National Funding Stream Terms of Reference, dated 19 March 2014 (hereinafter referred to as the "Somalia MPTF National Funding Stream TOR" or "TOR"), a copy of which is attached hereto as ANNEX B;

WHEREAS, UNDP agrees to serve as the Administrative Agent and provide the fund administration, through its MPTF Office (hereinafter "Administrative Agent-Somalia National Funding Stream"), as well as management and other support services for the Somalia National Funding Stream, pursuant to its Financial Regulations and Rules, and the terms and conditions set out in the Terms of Reference of the Somalia National Funding Stream;

WHEREAS, the Government has designated the Ministry of Finance (MOF) to coordinate the development and implementation of the Somalia National Funding Stream activities on behalf of the Government and assume full financial and programmatic accountability for the funds disbursed by the Administrative Agent to the government entities through MOF National Account, that shall implement the activities funded by the Somalia National Funding Stream (hereinafter the "National Entities"), and shall have such other responsibilities as set forth herein;

WHEREAS, UNDP as the Administrative Agent-Somalia National Funding Stream on behalf of the Government will conclude with the Contributors the Standard Administrative Arrangements for the Somalia National Funding Stream (hereinafter "SAA for Somalia National Funding Stream"), a template of which is annexed hereto as ANNEX C;

WHEREAS, this Memorandum of Agreement governs the relationship between UNDP and the Government, including MOF, as well as the related Agreements with the Contributors (ANNEX 3);

NOW, THEREFORE, the Government and the Administrative Agent (hereinafter "the Parties") agree as follows:

Article 1 **Establishment of the Somalia UN MPTF's National Stream**

1. The signature of this Memorandum of Agreement (hereinafter the "MOA") marks the commencement of the Somalia National Funding Stream. The establishment of the Somalia National Funding Stream shall facilitate the effective and efficient collaboration between the Government, Contributors, the Administrative Agent, and other stakeholders for the implementation of the Somalia National Funding Stream, as set out in the TOR. All terms defined in the TOR are used in this MOA in the same manner as though set out and defined in full herein.
2. The Somalia National Funding Stream shall be governed by the Steering Committee that will set the criteria and scope for approving programmes/projects, and determine the overarching priorities for the Somalia National Funding Stream. The Steering Committee will carry out the functions stated in the TOR, including prioritizing the programmes approved by the PSG Working Groups, making fund allocation decisions, and overseeing the effective

monitoring and evaluation of the Somalia National Funding Stream's financed activities.

3. The same Steering Committee will serve as the primary coordination and governance mechanism for the SDRF, as described in the SDRF Steering Committee TOR and the Somalia UN MPTF TOR.

4. A National Stream Secretariat will be set up within the Aid Coordination Unit to support the proper functioning of the Steering Committee and the High Level Partnership Forum. The Somalia National Funding Stream will designate dedicated staff to work on the Somalia National Funding Stream. The Secretariat will facilitate the preparation and conduct of the Steering Committee meetings, organize the vetting process of programmes submitted to funding decisions, and undertake Somalia National Funding Stream-level monitoring, reporting and evaluation.

5. Somalia National Funding Stream-financed activities undertaken by the National Entities shall be carried out on the basis of the applicable national laws, regulations and procedures (hereinafter referred to as the "National Regulatory Framework"), provided they do not contravene the principles set out in UNDP's regulations and rules.

6. The Government and UNDP shall consult closely with respect to the management and other support services provided under this MOA. The Government shall ensure that all necessary support is given by the relevant Somali authorities to UNDP to facilitate the activities to be carried out by UNDP under the Somalia National Funding Stream. The Steering Committee will approve the Operational Manual to detail its rules of procedure, processes, and templates, consistent with the TOR.

7. Resources from the Somalia National Funding Stream, including interest accrued to the National Stream Account, will be utilized for the purpose of meeting the direct and indirect costs of programmes undertaken by the National Entities, as well as meet the direct costs related to its administration, technical review tasks of the Secretariat and required Somalia National Funding Stream-wide evaluations. Details of such proposals, including respective budgets and description of the National Entities will be set out in the relevant programme documents and/or proposals, approved by the Steering Committee.

Article 2 **The Administrative Agent**

8. The Government hereby engages UNDP, through its MPTF Office, to administer the Somalia National Funding Stream on its behalf, in accordance with the TOR. UNDP shall use its multi-donor trust fund management mechanism adapted for the management support services arrangements described herein.

9. Upon signature of this MOA, UNDP will conclude on behalf of the Government an SAA for the Somalia National Funding Stream with the Contributors for the receipt of funds.

10. UNDP as Administrative Agent - Somalia National Funding Stream, through its MPTF Office, will carry out the following functions for the Somalia National Funding Stream:

- (a) Receive financial contributions from Contributors and deposit those in the Somalia National Funding Stream Account;
- (b) Administer the funds received, in accordance with UNDP regulations, rules, policies and procedures and the TOR;
- (c) In accordance with the decisions of the Steering Committee, and subject to availability of funds disburse the funds to National Entities through MOF upon instruction the Steering Committee, taking into account the budget set out in the approved programmatic document¹, as amended in writing from time to time by the Steering Committee;
- (d) Consolidate statements and reports, based on submissions provided to the Administrative Agent by MOF, based on the submissions of each National Entity, as set forth in Article 5, and provide these to MOF, the Steering Committee and Contributors through the Secretariat;
- (e) As applicable, provide final reporting; and
- (f) Disburse funds to MOF and to any National Entity, through MOF, for any additional costs of the non-fund administration tasks that the Steering Committee may decide to allocate to any of the aforementioned in accordance with the TOR.

11. The Administrative Agent - Somalia National Funding Stream will conclude the SAA for the Somalia National Funding Stream with each Contributor that wishes to provide financial support to the Somalia National Funding Stream for activities undertaken by the National Entities. The Administrative Agent will not agree with the Contributor to amend the terms of ANNEX 3 without prior written agreement of MOF. The Administrative Agent- Somalia National Funding Stream and MOF will ensure the posting of a copy of the SAA - Somalia National Funding Stream, as well as information on contributions, on the website of the Administrative Agent - Somalia National Funding Stream (<http://mptf.undp.org>), as well as the website of the SDRF embedded in the New Deal for Somalia website (<http://www.newdeal.so>), as appropriate.

12. The Administrative Agent - Somalia National Funding Stream will be entitled to allocate an administrative fee of one percent (1%) of the amount contributed by each Contributor signing a SAA for the Somalia National Funding Stream to meet its costs of performing the functions described in this Memorandum of Agreement.

¹ As used in this document, an approved programmatic document refers to projects or programmes which are approved by the Steering Committee for fund allocation purposes.

Article 3
Financial Matters

The Administrative Agent - Somalia National Funding Stream

13. UNDP, as the Administrative Agent - Somalia National Funding Stream, will establish a separate ledger account (hereinafter, the "Somalia National Funding Stream Account") under its financial regulations and rules for the receipt and administration of the funds received pursuant to a SAA for the Somalia National Funding Stream. The Somalia National Funding Stream Account will be administered by the UNDP, in accordance with the UNDP's applicable regulations, rules, policies and procedures, including those relating to interest. The Somalia National Funding Stream Account will be subject exclusively to the internal and external auditing procedures laid down in the applicable UNDP financial regulations, rules, policies and procedures.

14. The Administrative Agent will not absorb gains or losses on currency exchanges which will increase or decrease the funds available for disbursements to MOF, and the National Entities.

15. Subject to the availability of funds, the Administrative Agent will make disbursements from the Somalia National Funding Stream Account based on decisions from the Steering Committee, in line with the budget set forth in the programmatic document, as amended from time to time by the Steering Committee.

16. The Administrative Agent - Somalia National Funding Stream will normally make each disbursement to the MOF within three (3) to five (5) business days after receipt of the relevant approved programmatic document and instruction from the Steering Committee and in line with the Somalia National Funding Stream TOR, along with a copy of the relevant approved programmatic document. The Administrative Agent - Somalia National Funding Stream will transfer funds through wire transfer. MOF will advise the Administrative Agent - Somalia National Funding Stream in writing of the bank account for transfers pursuant to this MOA. When making a transfer, the Administrative Agent - Somalia National Funding Stream will notify MOF, of the following: (a) the amount transferred, (b) the value date of the transfer, and (c) that the transfer is from the UNDP in respect of the Somalia National Funding Stream pursuant to this MOA.

17. Where the balance in the Somalia National Funding Stream Account on the date of a scheduled disbursement is insufficient to make that disbursement, the Administrative Agent - Somalia National Funding Stream will consult with the Steering Committee and make a disbursement, if any, in accordance with the Steering Committee's instructions.

Ministry of Finance (MOF)

18. The Government has designated MOF to serve as the primary interlocutor on all aspects of the Somalia National Funding Stream including with respect to the Administrative Agent - Somalia National Funding Stream. MOF assumes full programmatic and financial accountability for the funds disbursed to the MOF by the Administrative Agent - Somalia National Funding Stream.

19. In order to carry out activities financed by the Somalia National Funding Stream, National Entities shall be proposed by MOF, in consultation with relevant ministries, and approved by the Steering Committee, following assessments of financial, managerial and technical capacity by the Secretariat. The Steering Committee, chaired by MOF, shall review and approve the proposals recommended for funding. It is understood that National Entities will receive funds and carry out activities on the basis of the National Regulatory Framework, in accordance with Article 1, Paragraph 5.

20. MOF will establish a separate ledger account under its financial regulations and rules for the receipt and administration of the funds disbursed to it by the Administrative Agent - Somalia National Funding Stream from the Somalia National Funding Stream Account.

21. The National Entities, receiving funds directly from the Somalia National Funding Stream Account based on their respective agreements (hereinafter "NE Agreement") with the MOF, will establish a separate ledger account under their respective financial regulations and rules for the receipt and administration of the funds disbursed to them from the Somalia National Funding Stream Account. The Government Coordinating Entity assumes full programmatic and financial accountability for the funds disbursed to the National Entities by the Administrative Agent - Somalia National Funding Stream. That separate ledger account will be (i) administered by the National Entities in accordance with the "National Regulatory Framework", provided the laws, regulations and procedures under such frameworks do not contravene the principles set out in UNDP's regulations and rules, policies and procedures, and (ii) subject to reviews, and internal and external auditing requirements as set forth in the TOR.

22. MOF will use, and have the National Entities, use, the funds disbursed from the Administrative Agent - Somalia National Funding Stream to carry out the activities for which they are responsible as set out in the approved programmatic document. MOF, and through it the National Entities, will commence and continue to conduct operations for the programmatic activities only upon receipt of disbursements as instructed by the Steering Committee. MOF, and through it the National Entities, will not make any commitments above the approved budget in the approved programmatic document, as amended from time to time by the Steering Committee. If there is a need to exceed the budgeted amount, MOF will submit a supplementary budget request to the Steering Committee.

Contributors

23. The Contributors will make their contributions in accordance with the provisions of the SAA for the Somalia National Funding Stream.

Article 4
Activities of the National Stream

The Role of MOF

24. Before the Administrative Agent will disburse funds to a National Entity through Somalia National Funding Stream Account, MOF will reach an agreement with each concerned National Entity setting out the terms and conditions regarding receipt of funds from the National Stream, consistent with this MOA and the TOR. MOF will ensure that each National Entity is responsible for the activities specified in its proposal, in accordance with the decisions of the Steering Committee and the National Regulatory Framework.

25. After approval by the Steering Committee of a National Entity's proposal, MOF will instruct the Administrative Agent - Somalia National Funding Stream to disburse the approved amount to the National Stream Account within MOF.

26. MOF through the Steering Committee will take the necessary steps to ensure that National Entities have the required capacities to accomplish their commitments in accordance the National Regulatory Framework.

27. Any modifications to the scope of the approved programmatic document, including as to its nature, content, sequencing or the duration thereof will be subject to mutual agreement in writing between MOF, the relevant National Entity and the Steering Committee. MOF will promptly notify the Administrative Agent of any change in the budget approved by the Steering Committee, as set out in the programmatic document of any National Entity. For Somalia National Funding Stream-financed activities undertaken by the National Entities, on the termination or expiration of this MOA, the ownership of equipment, supplies and other property financed from the Somalia National Funding Stream shall vest in the Government.

28. MOF will ensure that where a National Entity wishes to carry out its activities through or in collaboration with third parties, it will be responsible for discharging all commitments and obligations with such third parties, and the Administrative Agent - Somalia National Funding Stream will not be responsible for doing so.

29. In carrying out their activities, neither MOF nor the National Entity will be considered as an agent of the Administrative Agent - Somalia National Funding Stream, nor will the personnel of one be considered as staff members, personnel or agents of the other. Without restricting the generality of the preceding sentence, the Administrative Agent - Somalia National Funding Stream will not be liable for the acts or omissions of MOF, the National Entities, or their personnel, or of persons performing services on their behalf.

30. MOF will advise the Administrative Agent - Somalia National Funding Stream in writing when all activities for which the National Entities are responsible under the respective approved programmatic document have been completed.

31. MOF recognizes that the Contributors reserve the right to discontinue future contributions if reporting obligations are not met as set forth in the SAA for the Somalia National Funding Stream or if there are substantial deviations from agreed plans and budgets. If it is agreed among the Steering Committee, MOF, Contributors and the Administrative Agent - Somalia National Funding Stream that there is evidence of improper use of funds by National Entities, MOF will repay an amount equivalent to the amount of the funds found to have been misused, into the Fund's Account from its own resources. Should repayment to the Fund Account not occur within a reasonable period of time as shall be established by the Steering Committee, the Contributors may elect to terminate any further fund transfer to the programmatic activity in question.

32. In cases of serious or wide-spread fraud that are judged to be harmful to the reputation of the Fund, the Contributors in consultation with the Steering Committee will suspend all further fund transfers until adequate remedial measures have been taken. Once actions have been taken, the case will be presented to and discussed with the Steering Committee. In cases where the Government, Contributors and Administrative Agent are unable to reach consensus on a corrective course of action, final decision-making in relation to the future disbursement will lie with the donors, and final decision-making in relation to sanctioning individuals under Somali law will lie with the Government and will be based on the National Regulatory Framework.

The Contributors

33. The Contributors will participate in the Somalia National Funding Stream in accordance with the Somalia National Funding Stream TOR.

Article 5 Reporting

34. The National Entities through MOF, will provide the Administrative Agent - Somalia National Funding Stream with the following statements and reports for funds received from the Somalia National Funding Stream Account, as set forth in the Somalia National Funding Stream TOR:

- (a) Annual narrative progress reports, to be provided no later than three months (31 March) after the end of the calendar year;
- (b) Annual financial statements and reports as of 31 December with respect to the funds disbursed to it from the Somalia National Funding Stream Account, to be provided no later than four months (30 April) after the end of the calendar year;

- (c) Final narrative reports, after the completion of the activities in the approved programmatic document and including the final year of the activities in the approved programmatic document, to be provided no later than four months (30 April) of the year following the financial closing of the funded programme. The final report will give a summary of results and achievements compared to the goals and objectives of the programme;
- (d) Mid-year progress updates that will allow the Government and the Steering Committee to assess project implementation progress on an on-going basis; and
- (e) Certified final financial statements and final financial reports after the completion of the activities in the approved programmatic document and including the final year of the activities in the approved programmatic document, to be provided no later than six months (30 June) of the year following the financial closing of the programme.

35. The Administrative Agent - Somalia National Funding Stream will prepare consolidated narrative and financial reports, based on the reports referred to in Paragraph 33 (a) to (e) above, and will provide those consolidated reports to MOF, the Steering Committee, and each Contributor to the Somalia National Funding Stream Account, through the Secretariat, by 31 May of each year.

36. The Administrative Agent - Somalia National Funding Stream will also provide MOF, Steering Committee and Contributors through the Secretariat with the following statements on its activities:

- (a) Certified annual financial statement ("Source and Use of Funds") to be provided no later than five months (31 May) after the end of the calendar year; and
- (b) As applicable, certified final financial statement ("Source and Use of Funds") to be provided no later than seven months (31 July) of the year following the financial closing of the National Stream.

37. Consolidated reports and related documents will be posted on the websites of the Government (<http://www.newdeal.so>) and the Administrative Agent - Somalia National Funding Stream (<http://mptf.undp.org>).

Article 6 Monitoring and Evaluation

38. Monitoring and evaluation of the Somalia National Funding Stream including, as necessary and appropriate, joint evaluation by the Government, MOF, the Contributors, the Administrative Agent - Somalia National Funding Stream, and other partners, will be undertaken in accordance with the provisions contained in the Somalia National Funding Stream TOR.

39. MOF, the Secretariat, the National Entities, Contributors, and the Administrative Agent - Somalia National Funding Stream, through the Steering Committee, will hold annual consultations, as appropriate, to review the status of the Somalia National Funding Stream.

Article 7

Audit

40. The National Entities will be audited through the Ministry of Finance, in accordance with the Somalia national audit framework, and subject to external auditing requirements as set in their respective NE agreement. The Administrative Agent - Somalia National Funding Stream will be audited in accordance with its own Financial Regulations and Rules.

Article 8

Joint Communication

41. MOF will take appropriate measures to publicize the Somalia National Funding Stream and to give due credit to the other stakeholders. Information given to the press, to the beneficiaries of the Somalia National Funding Stream, all related publicity material, official notices, reports and publications, will acknowledge the leading role of the Government, the Contributors, MOF, the Administrative Agent - Somalia National Funding Stream and any other relevant entities. In particular, the Administrative Agent - Somalia National Funding Stream will include and ensure due recognition of the role of the Government, MOF, national partners, National Entities, and Contributors in all external communications relating to the Somalia National Funding Stream.

42. The Administrative Agent - Somalia National Funding Stream in consultation with MOF will ensure that decisions regarding the review and approval of the National Stream's projects, periodic reports on the progress of Fund-financed activities and associated external evaluation are posted, where appropriate, for public information on the websites of the Somalia National Funding Stream (<http://www.newdeal.so>) and the Administrative Agent - Somalia National Funding Stream (<http://mpif.undp.org>). Such reports and documents may include Steering Committee approved programmes and programmes awaiting approval, Somalia National Funding Stream-level annual financial and progress reports and external evaluations, as appropriate.

Article 9

Entry into Force, Expiration, Modification

43. This MOA will come into effect upon signature by authorized representatives of the Parties and will continue in full force and effect until it is terminated.

44. The Somalia National Funding Stream has a termination date of 31 December 2024.

45. This MOA will expire upon the winding up of the Somalia National Funding Stream or upon its termination by the Government, in accordance with paragraph 43 above, subject to the continuance in force of paragraph 46 below for the purposes therein stated. In addition, the MOA may be terminated upon 180 day notice, upon mutual agreement of the Parties, subject to the continuance in force of paragraph 46 below for the purposes therein stated.

46. This MOA may be modified only by written agreement between the Parties.

47. Commitments assumed by the Parties under this MOA will survive the expiration or termination of this MOA to the extent necessary to permit the orderly conclusion of the activities and the completion of final reports, the withdrawal of personnel, funds and property, the settlement of accounts between the Parties hereto and the settlement of contractual liabilities that are required in respect of any subcontractors, consultants or suppliers. Any balance remaining in the Somalia National Funding Stream Account, in MOF, or in individual National Entity's separate ledger accounts upon winding up of the Somalia National Funding Stream will be used for a purpose as decided by the Steering Committee and Contributors or returned to the Contributor(s) in proportion to their contribution to the Somalia National Funding Stream as decided upon by the Contributor and Steering Committee.

Article 10
Notices

48. Any action required or permitted to be taken under this MOA may be taken on behalf of the Government, by the Minister of Finance, or his designated representative, and on behalf of the Administrative Agent - Somalia National Funding Stream, by the Executive Coordinator of the UNDP MPTF Office, or his designated representative.

49. Any notice or request required or permitted to be given or made in this MOA will be in writing. Such notice or request will be deemed to be duly given or made when it will have been delivered by hand, mail or any other agreed means of communication to the party to which it is required to be given or made, at such party's address specified below or at such other address as the party will have specified in writing to the party giving such notice or making such request.

For the Government:

Name: Hussein Abdi Halane
Title: Minister, Ministry of Finance
Address: Mogadishu

Telephone:
Facsimile:
Electronic mail: hhalane55@gmail.com

For the Administrative Agent:

Name: Yannick Glemarec
Title: Executive Coordinator, MPTF Office, UNDP
Address: 730 Third Avenue, 20th Floor, New York, NY 10017, USA
Telephone: +1 212 906 6880
Facsimile: +1 212 906 6990
Electronic mail: yannick.glemarec@undp.org

Article 11
General Provisions

50. In the event of any controversy, claim or dispute between the Parties arising out of this MOA or the breach thereof, the Parties shall seek an amicable resolution thereof through good faith direct negotiations.

51. The Government agrees that the provisions of the Agreement between UNDP and the Government, relating to UNDP's assistance to the country signed on 16 May 1977 (SBAA) shall apply to UNDP and its personnel carrying out the management and other support services provided hereunder, except that the funds contributed shall be deemed resources of the Government.

52. In accordance with the SBAA, the Government shall bear all risks of operations arising under this Agreement and shall be responsible for dealing with claims which may be brought by third parties against UNDP, its officials or other persons performing services on its behalf, and shall hold them and UNDP harmless in respect of claims or liabilities arising from operations under this Agreement. The foregoing provision shall not apply where the Government and UNDP agree that claims or liabilities arise from the gross negligence or willful misconduct of the above-mentioned persons.

IN WITNESS WHEREOF, the undersigned, duly authorized representatives of the respective Parties, have signed this MOA in English, in three copies.

On behalf of the Government of Somalia:

On behalf of UNDP:

Signature:

Name: Hussein Abdi Halima

Title: Minister, Ministry of Finance

Place: Mogadishu

Date: 24/04/2014



Signature:

Name: Yannick Glemarec

Title: Executive Coordinator, MPTF Office

Place: New York

Date: 24/04/2014

This Memorandum of Agreement has been signed in the presence of:

Signature:

Name: Philippe Lazzarini

Title: DSRSG, UN Resident and Humanitarian Coordinator, Somalia

Place: Mogadishu

Date: 24/04/2014



ANNEX A – The Somalia UN MPTF Terms of Reference

ANNEX B – Somalia UN MPTF TOR and Annex 1: The Somalia UN MPTF's National Stream Terms of Reference – the Framework with Respect to the Government of Somalia Receiving the Funding Directly from the Somalia UN MPTF

ANNEX C – Standard Administrative Arrangement for the National Stream

**MEMORANDUM OF UNDERSTANDING (MOU) FOR
UNITED NATIONS MULTI-PARTNER TRUST FUND FOR
SOMALIA (SOMALIA UN MPTF)**

**Memorandum of Understanding
between
Participating UN Organizations¹
and
the United Nations Development Programme
regarding the Operational Aspects of a
United Nations Multi-Partner Trust Fund for Somalia (Somalia UN MPTF)**

WHEREAS, the Participating United Nations Organizations signing this Memorandum of Understanding (hereinafter referred to collectively as the "Participating UN Organizations") have developed a **United Nations Multi-Partner Trust Fund for Somalia (Somalia UN MPTF)** (hereinafter referred to as the "Fund") starting on 1 September 2013 and ending on 31 December 2024, as may be amended from time to time, as part of their respective development cooperation with the Federal Government of Somalia, as more fully described in the Terms of Reference of the Fund dated September 2013, (hereinafter referred to as the "TOR", a copy of which is attached hereto as ANNEX A, and have agreed to establish a coordination mechanism (hereinafter referred to as the "Steering Committee") to facilitate the effective and efficient collaboration between the Participating UN Organizations and the host Government for the implementation of the Fund;

WHEREAS, the Participating UN Organizations have agreed that they should adopt a coordinated approach to collaboration with donors who wish to support the implementation of the Fund and have developed a TOR to use as the basis for mobilising resources for the Fund, and have further agreed that they should offer donors the opportunity to contribute to the Fund and receive reports on the Fund through a single channel; and

WHEREAS, the Participating UN Organizations have further agreed to ask the United Nations Development Programme (which is also a Participating UN Organization in connection with this Fund), through its Multi-Partner Trust Fund Office (MPTF Office), to serve as the administrative interface between the donors and the Participating UN Organizations and for these purposes the United Nations Development Programme has agreed to do so in accordance with this Memorandum of Understanding.

NOW, THEREFORE, the Participating UN Organizations and the United Nations Development Programme (hereinafter referred to collectively as the "Participants") hereby agree as follows:

Section I

Appointment of Administrative Agent; its Status, Duties and Fee

1. The Participating UN Organizations hereby appoint the United Nations Development Programme (hereinafter referred to as the "Administrative Agent") to serve

¹ As indicated in the signature blocks.

as their Administrative Agent in connection with the Fund, in accordance with the terms and conditions set out in this Memorandum of Understanding. The Administrative Agent accepts this appointment on the understanding that the Participating UN Organizations assume full programmatic and financial accountability for the funds disbursed to them by the Administrative Agent. This appointment will continue until it expires, or is terminated, in accordance with Section VIII below.

2. On behalf of the Participating UN Organizations, the Administrative Agent will:
 - (a) Receive contributions from donors that wish to provide financial support to the Fund;
 - (b) Administer such funds received, in accordance with this Memorandum of Understanding including the provisions relating to winding up the Fund Account and related matters;
 - (c) Subject to availability of funds, disburse such funds to each of the Participating UN Organizations in accordance with instructions from the Steering Committee, taking into account the budget set out in the approved programmatic document², as amended in writing from time to time by the Steering Committee;
 - (d) Consolidate statements and reports, based on submissions provided to the Administrative Agent by each Participating UN Organization, as set forth in the TOR, and provide these to each donor that has contributed to the Fund Account and to the Steering Committee;
 - (e) Provide final reporting, including notification that the Fund has been fully expended or has been wound up in accordance with the Fund TOR, in accordance with Section IV below;
 - (f) Disburse funds to any Participating UN Organization for any additional costs of the task that the Steering Committee may decide to allocate (as referred to in Section I, Paragraph 3) in accordance with TOR.

3. The Steering Committee may request any of the Participating UN Organizations, to perform additional tasks in support of the Fund not related to the Administrative Agent functions detailed in Section I, Paragraph 2 above and subject to the availability of funds. Costs for such tasks will be agreed in advance and with the approval of the Steering Committee be charged to the Fund as direct costs.

4. The Administrative Agent will enter into a Standard Administrative Arrangement, in the form attached hereto as ANNEX B (hereinafter referred to as an "Administrative Arrangement"), with each donor that wishes to provide financial support to the Fund through the Administrative Agent. The Administrative Agent will not agree with the

² As used in this document, an approved programmatic document refers to an annual work plan or a programme/project document, etc., which is approved by the Steering Committee for fund allocation purposes.

Donor to amend the terms of Annex B without prior written agreement of the Participating UN Organizations. The Administrative Agent will ensure the posting of a copy of the Administrative Arrangement it enters into, as well as information on donor contributions, on the website of the Administrative Agent (<http://mptf.undp.org>), as well as the website of the UN in Somalia, as appropriate.

5. None of the Participating UN Organizations will be responsible for the acts or omissions of the Administrative Agent or its personnel, or of persons performing services on its behalf, except in regard to its respective contributory acts or omissions. With respect to contributory acts or omissions of the Participating UN Organizations, the resulting responsibility will be apportioned among them or any one of them to the extent of such contributory acts or omissions, or as may otherwise be agreed. In addition, donors will not be directly responsible for the activities of any person employed by the Participating UN Organizations or the Administrative Agent as a result of this Memorandum of Understanding.

6. The Administrative Agent will be entitled to allocate an administrative fee of one percent (1%) of the amount contributed by each donor signing an Administrative Arrangement, to meet the Administrative Agent's costs of performing the Administrative Agent's functions described in this Memorandum of Understanding.

7. Where the Administrative Agent is also a Participating UN Organization, a clear delineation, including distinct reporting lines and an accountability framework, will be established and maintained within the organization designated as the Administrative Agent between its functions as an Administrative Agent and its functions as a Participating UN Organization.

Section II Financial Matters

The Administrative Agent

1. The Administrative Agent will establish a separate ledger account under its financial regulations and rules for the receipt and administration of the funds received pursuant to Administrative Arrangement (hereinafter, the "Fund Account"). The Fund Account will be administered by the Administrative Agent in accordance with the regulations, rules, directives and procedures applicable to it, including those relating to interest. The Fund Account will be subject exclusively to the internal and external auditing procedures laid down in the financial regulations, rules, directives and procedures applicable to the Administrative Agent.

2. The Administrative Agent will not absorb gains or losses on currency exchanges which will increase or decrease the funds available for disbursements to Participating UN Organizations.

3. Subject to the availability of funds, the Administrative Agent will make disbursements from the Fund Account based on instructions from the Steering Committee, in line with the budget set forth in the programmatic document, as amended from time to

time by the Steering Committee. The disbursements will consist of direct and indirect costs as set out in the budget.

4. The Administrative Agent will normally make each disbursement within three (3) to five (5) business days after receipt of the relevant approved programmatic document, in accordance with the instructions received from the Steering Committee in line with the TOR, along with a copy of the relevant approved programmatic document, signed by all the parties concerned. The Administrative Agent will transfer funds to each Participating UN Organization through wire transfer. Each Participating UN Organization will advise the Administrative Agent in writing of the bank account for transfers pursuant to this Memorandum of Understanding. When making a transfer to a Participating UN Organization, the Administrative Agent will notify that Participating UN Organization's Treasury Operations of the following: (a) the amount transferred, (b) the value date of the transfer; and (c) that the transfer is from the United Nations Development Programme in respect of the Somalia UN MPTF pursuant to this Memorandum of Understanding.

5. Where the balance in the Fund Account on the date of a scheduled disbursement is insufficient to make that disbursement, the Administrative Agent will consult with the Steering Committee and make a disbursement, if any, in accordance with the Steering Committee's instructions.

The Participating UN Organizations

6. Each Participating UN Organization will establish a separate ledger account under its financial regulations and rules for the receipt and administration of the funds disbursed to it by the Administrative Agent from the Fund Account. That separate ledger account will be administered by each Participating UN Organization in accordance with its own regulations, rules, directives and procedures, including those relating to interest. That separate ledger account will be subject exclusively to the internal and external auditing procedures laid down in the financial regulations, rules, directives and procedures applicable to the Participating UN Organization concerned.

7. Each Participating UN Organization will use the funds disbursed to it by the Administrative Agent from the Fund Account to carry out the activities for which it is responsible as set out in the approved programmatic document, as well as for its indirect costs. The Participating UN Organizations will commence and continue to conduct operations for the programmatic activities only upon receipt of disbursements as instructed by the Steering Committee. The Participating UN Organizations will not make any commitments above the approved budget in the approved programmatic document, as amended from time to time by the Steering Committee. If there is a need to exceed the budgeted amount, the Participating UN Organization concerned will submit a supplementary budget request to the Steering Committee.

8. Indirect costs of the Participating UN Organizations recovered through programme support costs will be 7%. In accordance with the UN General Assembly resolution 62/208 (2007 Triennial Comprehensive Policy Review principle of full cost recovery), all other costs incurred by each Participating UN Organization in carrying out the activities for which it is responsible under the Fund will be recovered as direct costs.

Section III
Activities of the Participating UN Organizations

1. The implementation of the programmatic activities will be the responsibility of the Participating UN Organizations and will be carried out by each Participating UN Organization in accordance with its applicable regulations, rules, directives and procedures. On the termination or expiration of this Memorandum of Understanding, the matter of ownership of supplies and equipment will be determined in accordance with the regulations, rules, directives and procedures applicable to such Participating UN Organizations, including, where applicable, any agreement with the relevant host Government (if applicable).
2. Any modifications to scope of the approved programmatic document, including as to their nature, content, sequencing or the duration thereof will be subject to mutual agreement in writing between the relevant Participating UN Organization and the Steering Committee. The Participating UN Organization will promptly notify the Administrative Agent through the Steering Committee, of any change in the budget as set out in the programmatic document.
3. Where a Participating UN Organization wishes to carry out its programmatic activities through or in collaboration with a third party, it will be responsible for discharging all commitments and obligations with such third parties, and no other Participating UN Organization, nor the Administrative Agent, will be responsible for doing so.
4. In carrying out their programmatic activities, none of the Participating UN Organizations will be considered as an agent of any of the others and, thus, the personnel of one will not be considered as staff members, personnel or agents of any of the others. Without restricting the generality of the preceding sentence, none of the Participating UN Organizations will be liable for the acts or omissions of the other Participating UN Organizations or their personnel, or of persons performing services on their behalf.
5. Each Participating UN Organization will advise the Administrative Agent in writing when all activities for which it is responsible under the approved programmatic document have been completed.
6. The Participating UN Organizations recognize that the donors reserve the right to discontinue future contributions if reporting obligations are not met as set forth in the Administrative Arrangement; or if there are substantial deviations from agreed plans and budgets. If it is agreed among the donor(s), the Administrative Agent and the concerned Participating UN Organization under the Administrative Arrangement that there is evidence of improper use of funds, the Participating UN Organization will use its best efforts, consistent with its regulations, rules, policies and procedures to recover any funds misused. The Participating UN Organization will, in consultation with the Steering Committee and the Administrative Agent, credit any funds so recovered to the Fund Account or agree with the Steering Committee to use these funds for a purpose mutually agreed upon. Before withholding future contributions or requesting recovery of funds and

credit to the Fund Account, the Administrative Agent, the concerned Participating UN Organization and the donor will consult with a view to promptly resolving the matter.

7. The Participating UN Organizations recognize that it is important to take all necessary precautions to avoid corrupt, fraudulent, collusive or coercive practices. To this end, each Participating UN Organization will maintain standards of conduct that govern the performance of their staff, including the prohibition of corrupt, fraudulent, collusive or coercive practices, in connection with the award and administration of contracts, grants, or other benefits, as set forth in their Staff Regulations and Rules and Financial Regulations and Rules, including regarding procurement. In the event that a Participating UN Organization determines that an allegation in relation to the implementation of activities – including that corrupt, fraudulent, collusive or coercive practices may have taken place - is credible enough to warrant an investigation, it will promptly notify the Steering Committee and the Administrative Agent, to the extent that such notification does not jeopardize the conduct of the investigation. The allegation will be dealt with in accordance with the Participating UN Organization's accountability and oversight framework and by the Participating UN Organization's unit in charge of investigations. Upon completion of the investigation, the Participating UN Organization will inform the Steering Committee and the Administrative Agent about the results of the investigation.

8. As an exceptional measure, particularly during the start up phase of the Fund, subject to conformity with their financial regulations, rules and directives, Participating UN Organizations may elect to start implementation of programmatic activities in advance of receipt of initial or subsequent transfers from the Fund Account by using their own resources. Such advance activities will be undertaken in agreement with the Steering Committee on the basis of funds it has allocated or approved for implementation by the particular Participating UN Organization following receipt by the Administrative Agent of an official commitment form or signature of the Administrative Arrangements by donors contributing to the Fund. Participating UN Organizations will be solely responsible for decisions to initiate such advance activities or other activities outside the parameters set forth above.

Section IV Reporting

1. Each Participating UN Organization will provide the Administrative Agent with the following statements and reports prepared in accordance with the accounting and reporting procedures applicable to the Participating UN Organization concerned, as set forth in the TOR. The Participating UN Organizations will endeavour to harmonize their reporting formats to the extent possible.

- (a) Annual narrative progress reports, to be provided no later than three months (31 March) after the end of the calendar year;
- (b) Annual financial statements and reports as of 31 December with respect to the funds disbursed to it from the Fund Account, to be provided no later than four months (30 April) after the end of the calendar year;

- (c) Final narrative reports, after the completion of the activities in the approved programmatic document and including the final year of the activities in the approved programmatic document, to be provided no later than four months (30 April) of the year following the financial closing of the Fund. The final report will give a summary of results and achievements compared to the goals and objectives of the Fund; and
- (d) Certified final financial statements and final financial reports after the completion of the activities in the approved programmatic document and including the final year of the activities in the approved programmatic document, to be provided no later than six months (30 June) of the year following the financial closing of the Fund.

2. The Administrative Agent will prepare consolidated narrative progress and financial reports, based on the reports referred to in paragraph 1 (a) to (d) above, and will provide those consolidated reports to each donor that has contributed to the Fund Account, as well as the Steering Committee, in accordance with the timetable established in the Administrative Arrangement.

3. The Administrative Agent will also provide the donors, Steering Committee and Participating UN Organizations with the following statements on its activities as Administrative Agent:

- (a) Certified annual financial statement ("Source and Use of Funds" as defined by UNDG guidelines) to be provided no later than five months (31 May) after the end of the calendar year; and
- (b) Certified final financial statement ("Source and Use of Funds") to be provided no later than seven months (31 July) of the year following the financial closing of the Fund.

4. Consolidated reports and related documents will be posted on the websites of the UN in Somalia and the Administrative Agent (<http://mptf.undp.org>).

Section V Monitoring and Evaluation

1. Monitoring and evaluation of the Fund will be undertaken in accordance with the provisions contained in the TOR, which are consistent with the respective regulations, rules and procedures of the Participating UN Organizations.

2. The donor(s), the Administrative Agent and the Participating UN Organizations will hold annual consultations, as appropriate, to review the status of the Fund.

Section VI

Audit

1. The Administrative Agent and Participating UN Organizations will be audited in accordance with their own Financial Regulations and Rules and, in case of MPTFs, in accordance with the Framework for auditing Multi-Partner trust funds which has been agreed to by the Internal Audit Services of participating UN organizations and endorsed by the UNDG in September 2007.

Section VII

Joint Communication

1. Each Participating UN Organization will take appropriate measures to publicize the Fund and to give due credit to the other Participating UN Organizations. Information given to the press, to the beneficiaries of the Fund, all related publicity material, official notices, reports and publications, will acknowledge the role of the host Government, the donors, the Participating UN Organizations, the Administrative Agent and any other relevant entities. In particular, the Administrative Agent will include and ensure due recognition of the role of each Participating UN Organization and national partner in all external communications relating to the Fund.

2. The Administrative Agent in consultation with the Participating UN Organizations will ensure that decisions regarding the review and approval of the Fund as well as periodic reports on the progress of implementation of the Fund, associated external evaluation are posted, where appropriate, for public information on the websites of UN in Somalia and the Administrative Agent (<http://mptf.undp.org>). Such reports and documents may include Steering Committee approved programmes and programmes awaiting approval, fund level annual financial and progress reports and external evaluations, as appropriate.

Section VIII

Expiration, Modification and Termination

1. This Memorandum of Understanding will expire upon winding up of the Fund, subject to the continuance in force of paragraph 5 below for the purposes therein stated.

2. This Memorandum of Understanding may be modified only by written agreement between the Participants.

3. Any of the Participating UN Organizations may withdraw from this Memorandum of Understanding upon giving thirty (30) days' written notice to all other Participants to this Memorandum of Understanding subject to the continuance in force of paragraph 5 below for the purpose therein stated.

4. The Administrative Agent's appointment may be terminated by the Administrative Agent (on the one hand) or by the mutual agreement of all Participating UN Organizations (on the other hand) on thirty (30) days' written notice to the other

party, subject to the continuance in force of paragraph 5 below for the purpose therein stated. In the event of such termination, the Participants will agree on measures to bring all activities to an orderly and prompt conclusion so as to minimize costs and expense.

5. Commitments assumed by the withdrawing or terminating Participants under this Memorandum of Understanding will survive the expiration or termination of this Memorandum of Understanding or the termination of the Administrative Agent or withdrawal of a Participating UN Organization to the extent necessary to permit the orderly conclusion of the activities and the completion of final reports, the withdrawal of personnel, funds and property, the settlement of accounts between the Participants hereto and the settlement of contractual liabilities that are required in respect of any subcontractors, consultants or suppliers. Any balance remaining in the Fund Account or in the individual Participating UN Organizations' separate ledger accounts upon winding up of the Fund will be used for a purpose mutually agreed upon or returned to the donor(s) in proportion to their contribution to the Fund as agreed upon by the donors and the Steering Committee.

Section IX **Notices**

1. Any action required or permitted to be taken under this Memorandum of Understanding may be taken on behalf of the Administrative Agent, by the Executive Coordinator of the Multi-Partner Trust Fund Office or his designated representative, and on behalf of a Participating UN Organization by the head of office in Somalia, or his or her designated representative.

2. Any notice or request required or permitted to be given or made in this Memorandum of Understanding will be in writing. Such notice or request will be deemed to be duly given or made when it will have been delivered by hand, mail or any other agreed means of communication to the party to which it is required to be given or made, at such party's address specified in ANNEX C to this Memorandum of Understanding or at such other address as the party will have specified in writing to the party giving such notice or making such request.

Section X **Entry into Effect**

This Memorandum of Understanding will come into effect upon signature by authorized officials of the Participants and will continue in full force and effect until it is expired or terminated.

Section XI **Settlement of Disputes**

1. The Participants will use their best efforts to promptly settle through direct negotiations any dispute, controversy or claim arising out of or in connection with this Memorandum of Understanding or any breach thereof. Any such dispute, controversy or claim which is not settled within sixty (60) days from the date either party has notified

the other party of the nature of the dispute, controversy or claim and of the measures which should be taken to rectify it, will be resolved through consultation between the Executive Heads of each of the Participating UN Organizations and of the Administrative Agent.

IN WITNESS WHEREOF, the undersigned, duly authorized representatives of the respective Participants, have signed this Memorandum of Understanding in the English,

For the Administrative Agent

Signature: _____
Name: Yannick Leroy
Title: Executive Coordinator, MPTF Office
Place: New York
Date: 26 Nov. 2013

For UNDP

Signature: _____
Name: Giuseppe Lazzarini
Title: Resident Representative, Somalia
Place: _____
Date: _____

For UNICEF

Signature: _____
Name: Sikander Khan
Title: Representative
Place: _____
Date: _____

For UNSOM

Signature: _____
Name: Nicholas Kay
Title: Special Representative to the
Secretary General for UNSOM
Place: _____
Date: _____

For FAO

Signature: _____
Name: Luca Alinovi
Title: OIC
Place: _____
Date: _____

For UNSOA

Signature: _____
Name: Amadu Kamara
Title: Director
Place: _____
Date: _____

For ILO

Signature: _____
Name: George Okutho
Title: Country Office Director
Ethiopia and Somalia
Place: _____
Date: _____

For UNHABITAT

Signature: _____
Name: Dragan Tatic
Title: Human Settlements Officer and Chief
Technical Advisor
Place: _____
Date: _____

the other party of the nature of the dispute, controversy or claim and of the measures which should be taken to rectify it, will be resolved through consultation between the Executive Heads of each of the Participating UN Organizations and of the Administrative Agent.

IN WITNESS WHEREOF, the undersigned, duly authorized representatives of the respective Participants, have signed this Memorandum of Understanding in the English in [number of signatories] copies.

For the Administrative Agent

Signature: _____
Name: Yannick Glemarec
Title: Executive Coordinator, MPTF Office
Place: _____
Date: _____

For UNDP

Signature: _____
Name: David Clap
Title: Country Director, UNDP Somalia
Place: _____
Date: _____

For [UN/WHO]

Signature: _____
Name: Sikander Khan
Title: Representative
Place: Nairobi
Date: 30 September 2013

For [name of UN Organization]:

Signature: _____
Name: _____
Title: _____
Place: _____
Date: _____

For [name of UN Organization]:

Signature: _____
Name: _____
Title: _____
Place: _____
Date: _____

For [name of UN Organization]:

Signature: _____
Name: _____
Title: _____
Place: _____
Date: _____

For [name of UN Organization]:

Signature: _____
Name: _____
Title: _____
Place: _____
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For [name of UN Organization]:

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Date: _____

For [name of UN Organization]:

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Name: _____
Title: _____
Place: _____
Date: _____

For [name of UN Organization]:

Signature: _____
Name: _____
Title: _____
Place: _____
Date: _____

the other party of the nature of the dispute, controversy or claim and of the measures which should be taken to rectify it, will be resolved through consultation between the Executive Heads of each of the Participating UN Organizations and of the Administrative Agent.

IN WITNESS WHEREOF, the undersigned, duly authorized representatives of the respective Participants, have signed this Memorandum of Understanding in the English.

For the Administrative Agent

Signature: _____
Name: Yannick Glemarec
Title: Executive Coordinator, MPTF Office
Place: _____
Date: _____

For UNICEF:

Signature: _____
Name: Sikander Khan
Title: Representative
Place: _____
Date: _____

For FAO:

Signature: _____
Name: Luca Alinovi
Title: OIC
Place: _____
Date: _____

For ILO:

Signature: _____
Name: George Okutho
Title: Country Office Director
Ethiopia and Somalia
Place: _____
Date: _____

For UNDP

Signature: _____
Name: Philippe Lazzarini
Title: Resident Representative, Somalia
Place: _____
Date: _____

For UNSOM

Signature: _____
Name: Nicholas Kay
Title: Special Representative to the
Secretary General for UNSOM
Place: _____
Date: _____

For UNSOA:

Signature: _____
Name: Amadu Kamara
Title: Director
Place: _____
Date: _____

For UNHABITAT:

Signature: _____
Name: Dragan Tatic
Title: Human Settlements Officer and Chief
Technical Advisor
Place: _____
Date: _____

For UNHCR:

Signature: _____
Name: Alessandra Morelli
Title: Representative
Place: _____
Date: _____

For WHO:

Signature: _____
Name: Ghulam Popal
Title: Representative
Place: _____
Date: _____

For OHCHR:

Signature: _____
Name: Musa Gassama
Title: Chief a.i.
Place: _____
Date: _____

For UNCDF:

Signature: _____
Name: Henri Dommei
Title: Officer in Charge
Place: UNCDF 2 UN Plaza,
York, NY 10017
Date: Nov 25 2013

For UNESCO:

Signature: _____
Name: Mohamed Djelid
Title: Director – Regional Office for
Eastern Africa
Place: _____
Date: _____

For UN Women:

Signature: _____
Name: Simone Oluoch-Olunya
Title: Deputy Regional Programme Director
Place: _____

For WFP:

Signature: _____
Name: Stefano Porretti
Title: Representative & Country Director
Place: _____
Date: _____

For ICAO:

Signature: _____
Name: Kemoitse Mosupukwa
Title: Project Coordinator
Place: _____
Date: _____

For UNAIDS:

Signature: _____
Name: Martin Odiit
Title: Country Coordinator
Place: _____
Date: _____

For UNDSS:

Signature: _____
Name: Omar Castiglioni
Title: Chief Security Advisor
Place: _____
Date: _____

For UNFPA:

Signature: _____
Name: Cheikh Tidiane Cisse
Title: Representative
Place: _____
Date: _____

For UNMAS:

Signature: _____
Name: David Bax
Title: Programme Manager
Place: _____

For UNOCHA:

Signature: _____
Name: Justin Brady
Title: Head of Office
Place: _____
Date: _____

For UNODC:

Signature: _____
Name: Loide Lungamemi
Title: Regional Representative
Place: _____
Date: _____

For UNOPS:

Signature: _____
Name: Geeta Verma
Title: Director Nairobi Operational Hub
Place: Nairobi
Date: 25.11.13

For UNV:

Signature: _____
Name: Vidal Mahundla
Title: UNV Coordinator
Place: _____
Date: _____

ANNEX A: Terms of Reference of United Nations Multi-Partner Trust Fund for
Somalia (Somalia UN MPTF)

ANNEX B: Standard Administrative Arrangement between the Donor and the
Administrative Agent

ANNEX C: Notices

ANNEX A: Terms of Reference of United Nations Multi-Partner Trust Fund for
Somalia (Somalia UN MPTF)

ANNEX B: Standard Administrative Arrangement between the Donor and the
Administrative Agent

ANNEX C: Notices

ANNEX C

NOTICES

For the Administrative Agent:

Name: Yannick Glemarec
Title: Executive Coordinator, MPTF Office
Address: 730 Third Avenue, 20th Floor
New York, NY 10017, USA
Telephone: +1 212 906 6880
Facsimile: +1 212 906 6990
Email: yannick.glemarec@undp.org

For [UNICEF Somalia]:

Name: Forough Foyouzat
Title: Deputy Representative
Address: Block Q, UNON Complex,
Nairobi
Telephone: +254 20 7628570
Facsimile:
Email: ffoyouzat@unicef.org

For [name of UN Organization]:

Name: _____
Title: _____
Address: _____
Telephone: _____
Facsimile: _____
Email: _____

For [name of UN Organization]:

Name: _____
Title: _____
Address: _____
Telephone: _____
Facsimile: _____
Email: _____

For [name of UN Organization]:

Name: _____
Title: _____
Address: _____
Telephone: _____
Facsimile: _____
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For [name of UN Organization]:

Name: _____
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Facsimile: _____
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For [name of UN Organization]:

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For [name of UN Organization]:

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Telephone: _____
Facsimile: _____
Email: _____

For [name of UN Organization]:

Name: _____
Title: _____
Address: _____
Telephone: _____
Facsimile: _____
Email: _____

For [name of UN Organization]:

Name: _____
Title: _____
Address: _____
Telephone: _____
Facsimile: _____
Email: _____

23 July 2014

To: Judy Cheng-Hopkins
Assistant Secretary General for Peacebuilding Support, PBSO

From: Yannick Glemarec,
Executive Coordinator, MPTF Office, UNDP

Subject: Request for the MPTF Office to facilitate the UN Secretariat in its desire to transfer funds from the Peacebuilding Fund (PBF) Account to the UN Somalia Multi-Partner Trust Fund (UN Somalia MPTF)

Thank you very much for your letter of 21 July 2014. As you know UNDP, through its Multi-Partner Trust Fund office (MPTF-O) serves as the Administrative Agent (AA) of the UN Multi-Partner Trust Fund for Somalia (UN Somalia MPTF), which can receive funds into the Somalia UN MPTF account and the Somalia MPTF National Funding Stream account. The Terms of Reference of the UN MPTF foresees the implementation of recovery activities in the framework of five Peacebuilding Goals, which form the structure of Somalia UN MPTF. The UN MPTF account finances projects and programmes of UN entities (PUNOs) and the Somalia MPTF National Funding Stream account finances those of governmental entities, approved through the UN Somalia MPTF's common governance structure. In response to your request and further to the desire of the UN, through PBF, to support the activities described above, we explored options, in our capacity as Administrative Agent of the PBF, to transfer part of the existing funds contained in the PBF Account to the Somalia UN MPTF account and the Somalia MPTF National Funding Stream account. Given that the PBF Business Plan 2014-2017, which has been endorsed by its stakeholders, including the PBF Advisory Group, outlines that the PBF will pilot passing funds directly to national governments for implementation, your kind acceptance of the terms below would be required by UNDP, through the MPTF Office, in order for the MPTF Office to effect the transfer:

1. The PBF confirms that the Somalia UN MPTF account and the Somalia MPTF National Funding Stream account are recipient organisations as per article 4.4 of the TOR of the Peacebuilding Fund of 13 August 2009 even though the funds are not organisations. The PBF recognizes that these two accounts will be reflected as Recipient Organisations on the MPTF Office GATEWAY page for the Peacebuilding Fund.
2. The PBF agrees that your approval of the relevant project document for the support to the Federal Government of Somalia in stabilization of newly recovered areas and accompanying:

notification will direct the MPTF Office, in its capacity as Administrative Agent of the PBF, to transfer on behalf of the PBF, part of the existing funds contained in the PBF Account to the Somalia UN MPTF account and the Somalia MPTF National Funding Stream account, within 5 business days. This notification from yourself to the MPTF Office will constitute full authorization for, and instruction to, the MPTF Office to deduct the specified amount from the PBF Account and transfer such funds to the Somalia UN MPTF Account and the Somalia MPTF National Funding Stream account.

3. The PBF understands that UNDP MPTF Office, as the Administrative Agent of the Somalia UN MPTF, will receive these funds into the Somalia UN MPTF account and Somalia MPTF National Funding Stream account. This contribution will be used in accordance with the UN Somalia MPTF Terms of References and legal and governance framework, and that the MPTF Office, in its capacity as Administrative Agent of the Somalia UN MPTF shall not charge or deduct any AA fee from the PBF contribution received into the Somalia UN MPTF account and Somalia MPTF National Funding Stream account.
4. The MPTF Office is not liable for the use of funds received through this Contribution. The PBF holds UNDP, through its MPTF Office, harmless and recognizes that the funds so transferred from the PBF will form part of the corpus of the Somalia UN MPTF and the Contribution will be used in accordance with the Somalia UN MPTF Terms of References and legal and governance framework. The use, including any eventual misuse of funds, will be governed by the legal agreements of the Somalia UN MPTF, and the PBF affirms that it shall have no right, nor seek to assert any such right or other recourse under the framework of the PBF, against UNDP, through its MPTF Office, or any third party, including the right to seek recovery.
5. The PBF confirms it has informed all donors to the PBF that on an exceptional basis it has directed the MPTF Office to transfer funds from the PBF to the Somalia UN MPTF as set forth herein. The PBF recognizes that UNDP, through the MPTF Office, has accepted to transfer funds from the PBF and receive such transferred funds to the Somalia UN MPTF, on this basis
6. For the PBF contribution to the Somalia MPTF National Funding Stream account, the PBF understands that the MPTF Office as Administrative Agent of the Somalia MPTF will upon receipt of the approved transfer request documentation by the Somalia UN MPTF Steering Committee, transfer the PBF's contribution to the Somalia Ministry of Finance, on the basis of an approved programmatic document. The PBF understands that Ministry of Finance uses the funds on the basis of the National Regulatory Framework and assumes full programmatic and financial accountability for the funds disbursed to it by the MPTF Office. All accountability for those funds will be in accordance solely with the Somalia UN MPTF legal framework.
7. The PBF notes that special arrangements will need to be made to record the actual expenditures against the PBF projects, from which the contribution to the Somalia UN MPTF, and specifically

to the two accounts is financed and that certain details on expenditures may not be available, notable for funding provided to the Somalia MPTF National Funding Stream.

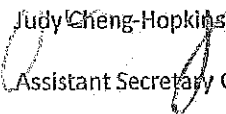
8. The PBF recognises that the Peacebuilding Fund will be reflected as a Contributor to these two Funds on the MPTF Office GATEWAY page. Further, the PBF recognizes that its funding may be pooled with that of other donors and waive the right to have a refund to the Peacebuilding Fund of remaining contributions upon the financial closure of these two Funds.

The PBF will evaluate the success of implementation of such pilots related to passing funds directly to national governments for implementation. Should these pilots be successful, the PBF will create a formal mechanism to effect passing of funds from the PBF account directly to national governments for implementation.

If you are in agreement with the terms of this letter, kindly sign below. This, along with your request, will constitute the agreement with respect to the transfer of funds and will be used in lieu of a Standard Administrative Arrangement with respect to the Somalia UN MPTF, including the relevant conditions, and waivers with respect to the Contribution to the Somalia UN MPTF.

Sincerely,

Yarínick Glemarec
Executive Coordinator
UNDP MPTF Office

Judy Cheng-Hopkins

Assistant Secretary General
for Peacebuilding Support

Annex E: Essential MOU, MOA and Letter of Exception

- Memorandum of Understanding for United Nations Multi-Partner Trust Fund for Somalia (Somalia UN MPTF);
- Memorandum of Agreement for Management and Other Support Services Related to the Somalia UN MPTF's National Stream; and
- Letter of Agreement between PBSO and MPTF Office to facilitate the UN Secretariat to transfer funds from the Peacebuilding Fund (PBF) Account to the Somalia Multi-Partner Trust Fund (UN Somalia MPTF)

Annex F: Project Results Framework

Policy statement / national roadmap for peace building: To rebuild citizens-State relations, through confidence building, broad-based and inclusive consultative process, with the participation of an empowered civil society and Somali citizens.

*The adoption of the UN Security Council Resolutions 2073(2012) and 2124 (2013) enabled SNA forces and AMISOM to renew offensives to retake control of the territory from Al-Shabaab while the Federal Government of Somalia (FGS) developed a **Strategy for Stabilization**, focusing on the gradual establishment of temporary administrations and law enforcements, and coupled with establishment of a reconciliation and dialogue process with citizens, through the establishment of District Peace and Stability Committees (DPSCs), to address immediate needs in each location.*

The overall approach of stabilization in Somalia is intrinsically related to statebuilding and the reestablishment of a social contract between the State and its citizens towards a Somalia in peace and offering equal opportunities to all.

Purpose of PBF support (type of expected change): To extend the authority and capacity of the FGS to the newly recovered areas of South Central Somali among other efforts by empowering Somali citizens to actively participate in local governance and development efforts, including the delivery of peace dividends.

Theory of change statement:

A stabilization strategy basically related to statebuilding and the reestablishment of a social contract between the state and its citizen achieved by building confidence and trust in public institutions and through broad-based and inclusive consultative processes with the participation of an empowered civil society and Somali citizens can lead towards a Somalia in peace and offering equal opportunities to all its citizens.

					Project assumes areas are liberated, and security and access is guaranteed in recovered districts
(1) Outcomes and type of change required	(2) Outcome indicators	(3) Outcome baseline and targets	(4) RO & Party Responsible	(5) Inputs/Budget	(6) Assumptions
Outcome 3: Federal and District-level administrations have capacity to oversee and coordinate stabilisation activities	3a Systems in place for allocate and distribute resources 3b Staff at district and federal level recruited and in place	Baseline: 8 districts have been recovered by the Somali National Army and AMISOM. 5 administrations have been deployed Target: 25 districts	MOIF (Financial flows) UNSO and UNDP support recruitment	\$1,150,000	(1) Caretaker Administrations trained and deployed. District Peace and Stability Committees established.
Outcome 2: Basic governance and policing structures established; citizen participation ensured	2a Number of administrations established and trained, and interim administration conferences held 2b Number of community security teams trained, initiation of case registration of crime cases/reports [verified through spot checks of police station records] 2c Increasing percentage of citizens can identify their administrations and DPSCs	2a Baseline: 5 Caretaker Administrations deployed. 0 DPSCs formed and trained. Target (at least): • 8-10 Caretaker	MOIF UNDP UNSO Civil Society partners To be	\$2,241,295	(2) Caretaker Administrations trained and deployed. District Peace and Stability Committees and Interim Administrations established. Community security teams established. (3) Assets and equipment required to perform functions, including salary payments, provided and maintained.

	<p>and can access dialogue</p> <p>2d Increasing awareness of and trust in police/community security officers on the ground</p>	<p>Administrations:</p> <ul style="list-style-type: none"> • 5 DPSC • 5-6 Interim Administrations <p>2b Baseline: Community Security teams formed and trained. Target: 10 teams trained</p> <p>2c, 2d Baseline: perception survey To be developed in target districts at the beginning of the project (format and targets to be developed when of the preparation of the baseline) Target to be defined by district: % increase in visibility and legitimacy of administration and police % increase in trust and legitimacy % increase in positive perception of security</p>	<p>verified through the project reports and spot checks at district level.</p>		
<p>Outcome 1: Community-level project providers work through administrations and DPSC</p>	<p>1a Number of community projects funded by donors identified through administrations and DPSCs</p>	<p>Baseline: 0 Target: 10 projects At least one project on gender</p>	<p>International partners (see annex 2 for mapping of support by other partners)</p>	<p>Not funded through the PBF/IRF</p>	<p>(4) Caretaker Administrations trained and deployed. District Peace and Stability Committees established. (5) Donors commit to working through district administrations and DPSCs in line with the Federal Government's stabilisation strategy</p>

Annex G: terms of reference of staff and consultants to be hired through the project

Federal Government of Somalia,

Ministry of Interior & Federal Affairs

Terms of Reference:

Stabilisation Programme Advisor

Context

The Federal Government of Somalia was formally instituted on 10 September, 2012. Since that time and despite progress, the political and security context, particularly at the sub-national levels across South-Central Somalia, has remained volatile. Federalism, clan dynamics, historical rivalries, new contests over power and resources, as well as ongoing military operations against extremist group Al Shabaab continue to undermine local and regional stability.

The international community's contributions to political, development and security assistance in Somalia were brought together under the New Deal framework, endorsed at the Brussels conference on September 7, 2013. The framework sets out 5 Peace and Statebuilding goals (thematic areas) against which all international efforts are to be aligned, coordinated by the FGS, UN and donor steering groups.

Following the November 2013 United Nations Security Council Resolution 2124, AMISOM launched Operation Eagle to defeat the last remnants of Al Shabaab inside Somalia. Following this, the Ministry of Interior & Federalism launched its National Stabilisation Plan to quickly provide administrations in 25 areas to bring Government authority to communities living in those areas. In addition to this, the previously prolonged conflict has also left communities with displacement, generated grievances over occupied lands, small arms proliferation and warlordism. It has created a breakdown of social norms and authority, and erosion of the social contract between the state and citizen, thus a restoration of public order and rule of law is desperately needed. Statebuilding however, essentially needs to start at the grass roots level through restoration of peace and enjoyment of peace dividends by the population through government led basic social service.

Position Summary

The role of the MoIF Programme Advisor is to provide the day-to-day management of the stabilisation programmes and activities. The Advisor will coordinate the work on a daily basis with other MoIF units, developing frameworks, mechanisms and processes for coordination. The Advisor shall work towards having these frameworks developed with buy in from various stakeholders.

Duties and Responsibilities

1. Performs programme management functions, effective supervision and guidance to project personnel in ensuring effective programme implementation
2. Ensures the provision of effective technical assistance to project implementation; becoming the first port of call for the implementing partners, whether through provision of direct technical assistance or identification and facilitation of alternative support options
3. Provides innovative and proactive liaison and coordination services to project steering, implementation and dissemination; Facilitation of knowledge building and knowledge sharing and ensuring that programme results are known and understood by a wide constituency.
- 4.

Line Management and Reporting

The post will be working within the MoIF with day-to-day reporting to the Permanent Secretary.

Essential Qualifications and Experience

- Master's degree in International Relations, Development, Political or Social Sciences or a related field from an accredited academic institution with five years of relevant professional experience.
- Previous experience working in Somalia is required.
- Extensive stabilisation & coordination related experience in fragile and conflict affected states, in particular in the Horn of Africa
- Extensive programme management, initiation design, and delivery
- Ability to lead strategic planning, results-based management and reporting Theoretical and practical knowledge of inter-disciplinary peace-building development
- Knowledge of Somali history, politics and culture
- Fluent in Somali & English

**Federal Government of Somalia,
Ministry of Interior & Federal Affairs
Terms of Reference:
Stabilisation Monitoring & Verification Advisor**

Context

The Federal Government of Somalia was formally instituted on 10 September, 2012. Since that time and despite progress, the political and security context, particularly at the sub-national levels across South-Central Somalia, has remained volatile. Federalism, clan dynamics, historical rivalries, new contests over power and resources, as well as ongoing military operations against extremist group Al Shabaab continue to undermine local and regional stability.

The international community's contributions to political, development and security assistance in Somalia were brought together under the New Deal framework, endorsed at the Brussels conference on September 7, 2013. The framework sets out 5 Peace and Statebuilding goals (thematic areas) against which all international efforts are to be aligned, coordinated by the FGS, UN and donor steering groups.

Following the November 2013 United Nations Security Council Resolution 2124, AMISOM launched Operation Eagle to defeat the last remnants of Al Shabaab inside Somalia. Following this, the Ministry of Interior & Federalism launched its National Stabilisation Plan to quickly provide administrations in 25 areas to bring Government authority to communities living in those areas. In addition to this, the previously prolonged conflict has also left communities with displacement, generated grievances over occupied lands, small arms proliferation and warlordism. It has created a breakdown of social norms and authority, and erosion of the social contract between the state and citizen, thus a restoration of public order and rule of law is desperately needed. Statebuilding however, essentially needs to start at the grass roots level through restoration of peace and enjoyment of peace dividends by the population through government led basic social service.

Position Summary

The role of the MoIF Stabilisation Monitoring & Verification Advisor is to assist the MoIF and its partners, to establish a systematic means of assessing, monitoring, verifying information relating to the political, economic and security aspects of areas at risk of instability in South Central. The Advisor will develop frameworks, mechanisms and processes to identify and track stability related dynamics and progress in key areas, and assist with the monitoring, verification and impact of stabilisation related interventions. The Advisor shall work towards having these frameworks developed with buy in from various stakeholders.

Duties and Responsibilities

1. Work with MoIF and partners to track and consolidate existing information on key areas at risk of instability in South-Central Somalia. Establish a library and system of dissemination of information for key partners.
2. Identify gaps in information relating to key areas, and coordinate with partners to develop, acquire, file and disseminate new information products as required, including overseeing the procurement and outsourcing of information gathering.
3. Develop a framework for mapping and analysing stability related indicators for key areas, as a means to develop stability related baselines and impact assessments.
4. Develop the means of monitoring and verifying stabilisation related activities and partners, and work with international partners to streamline and align existing mechanisms and frameworks.

Line Management and Reporting

The post will be working within the MoF, reporting to the Permanent Secretary.

Essential Qualifications and Experience

- Master's degree in International Relations, Development Political or Social Sciences or a related field from an accredited academic institution with five years of relevant professional experience.
- Previous experience working in Somalia is required.
- Extensive stabilisation related experience in fragile and conflict affected states, in particular in the Horn of Africa
- Stabilisation programme design, and delivery
- Stability related information acquisition, development and coordination
- Monitoring, verification and evaluation frameworks in militarised stabilisation environments
- Knowledge of Somali history, politics and culture
- Fluent in Somali & English

**Federal Government of Somalia,
Ministry of Interior & Federal Affairs
Terms of Reference:
Conflict Resolution Policy Advisor**

Context

The Federal Government of Somalia was formally instituted on 10 September, 2012. Since that time and despite progress, the political and security context, particularly at the sub-national levels across South-Central Somalia, has remained volatile. Federalism, clan dynamics, historical rivalries, new contests over power and resources, as well as ongoing military operations against extremist group Al Shabaab continue to undermine local and regional stability.

The international community's contributions to political, development and security assistance in Somalia were brought together under the New Deal framework, endorsed at the Brussels conference on September 7, 2013. The framework sets out 5 Peace and Statebuilding goals (thematic areas) against which all international efforts are to be aligned, coordinated by the FGS, UN and donor steering groups.

Following the November 2013 United Nations Security Council Resolution 2124, AMISOM launched Operation Eagle to defeat the last remnants of Al Shabaab inside Somalia. Following this, the Ministry of Interior & Federalism launched its National Stabilisation Plan to quickly provide administrations in 25 areas to bring Government authority to communities living in those areas. In addition to this, the previously prolonged conflict has also left communities with displacement, generated grievances over occupied lands, small arms proliferation and warlordism. It has created a breakdown of social norms and authority, and erosion of the social contract between the state and citizen, thus a restoration of public order and rule of law is desperately needed. Statebuilding however, essentially needs to start at the grass roots level through restoration of peace and enjoyment of peace dividends by the population through government led basic social service.

Position Summary

The role of the MoIF Conflict Resolution Policy Advisor is to ensure that programmatic decision-making and interventions are grounded in solid conflict, political analysis and research, a strong understanding of peace-building processes and fragile state transitions. The Advisor will work on policy engagement in country with relevant actors engaged in similar work and provide assistance in strategic thinking in areas of advocacy and political positioning with respect to the state formation process.

Duties and Responsibilities

1. Work with the MoIF and international partners in supporting the designing of programmes ensuring programmes are grounded in conflict context analysis and review, conflict-sensitivity, and ensuring that the programmes' peace-building potential is maximised across its diverse settings
2. Provide assessment of linkages between conflict drivers and how to reduce these.
3. Provide analysis inputs and support in bringing greater linkages, integration and cooperation among different stakeholders through policy analysis and research on conflict resolution
4. Context specific recommendation, developing and presenting policy papers, guidance and practice notes and other knowledge based-tools for discussion by top leadership

Line Management and Reporting

The post will be working within the MoIF, reporting to the Permanent Secretary.

Qualifications and Experience

- Preferably a PhD in Conflict Resolution
- Strong policy analysis experience and technical understanding of the processes of peace-building/conflict resolution and governance strengthening in a fragile state environment in particular in the Horn of Africa
- Experience in use of conflict sensitive methodologies and risk analysis.
- Exceptional drafting, representation and communication skills in English.
- Knowledge of Somali history, politics and culture
- Fluent in Somali & English

**Federal Government of Somalia,
Ministry of Public Works
Terms of Reference:
Infrastructure Technical Advisor**

Context

The Federal Government of Somalia was formally instituted on 10 September, 2012. Since that time and despite progress, the political and security context, particularly at the sub-national levels across South-Central Somalia, has remained volatile. Federalism, clan dynamics, historical rivalries, new contests over power and resources, as well as ongoing military operations against extremist group Al Shabaab continue to undermine local and regional stability.

The international community's contributions to political, development and security assistance in Somalia were brought together under the New Deal framework, endorsed at the Brussels conference on September 7, 2013. The framework sets out 5 Peace and Statebuilding goals (thematic areas) against which all international efforts are to be aligned, coordinated by the FGS, UN and donor steering groups.

Following the November 2013 United Nations Security Council Resolution 2124, AMISOM launched Operation Eagle to defeat the last remnants of Al Shabaab inside Somalia. Following this, the Ministry of Interior & Federalism launched its National Stabilisation Plan to quickly provide administrations in 25 areas to bring Government authority to communities living in those areas. In addition to this, the previously prolonged conflict has also left communities with displacement, generated grievances over occupied lands, small arms proliferation and warlordism. It has created a breakdown of social norms and authority, and erosion of the social contract between the state and citizen, thus a restoration of public order and rule of law is desperately needed. Statebuilding however, essentially needs to start at the grass roots level through restoration of peace and enjoyment of peace dividends by the population through government led basic social service.

Infrastructure projects can contribute in the process of peace and state-building, by assisting in erasing the visible scars and signs of conflict, providing citizens with a healthier environment, as well as promoting reconciliation and generating income.

To this aim, the Ministry of Public Works in Somalia is a key institution. The development and rehabilitation of key infrastructure in Somalia can be the catalyst for capacity development among the general population as well as within the government, employment generation, effective service delivery, institutional strengthening, good governance and overall economic improvement. After more than two decades of conflict the infrastructure needs in Somalia are considerable. An effective Ministry of Public Works through a structured approach to infrastructure development can contribute greatly to building long-term resilience, sustainable peace and stability, and significantly improve the livelihoods of people. The Ministry needs to work closely with other key Government institutions, primarily the Ministries of Finance and Planning to target infrastructure investments in a balanced and conflict sensitive manner.

Position Summary:

The role of the Infrastructure Technical Adviser will be placed within the Ministry of Public Works in Mogadishu is to initiate capacity development of the Ministry of Public Works in developing conflict sensitive infrastructure projects, at the same time spearheading the development of 2-3 immediate projects.

Duties and responsibilities:

- Strengthening the capacities of the Ministry of Public Works, through establishing the operating modalities and operational capacity within the Ministry. (this would be a phased approach that involves building a national/diaspora and international team to support the Ministry both from within and through targeted strategic and operational advice)
- Develop and deliver a first set of highly visible projects, with a particular focus on medium-size infrastructure related to creating an environment where signs of conflict are erased.
- Provide input into relevant institutional policy, regulatory and strategic frameworks and technical input and support for the development of infrastructure technical standards, specifications and quality assurance mechanisms.
- Ensure a conflict sensitive approach to infrastructure development. This will entail both a socio-economically evidence based prioritisation process and a balanced operations plan.
- Promote labour-based approaches as appropriate and feasible, and help develop regulation that ensures adequate local participation in the infrastructure reconstruction process.
- Support development of construction related skills development and apprenticeship programmes to maximise sustainable engagement of the young segment of the population.
- Coordinate between the various stakeholders involved in infrastructure development and planning including the UN Agencies, development partners, Ministries, districts and local communities ensuring collaboration and consensus.
- Provide technical recommendations and advice to the relevant stakeholders involved in the implementation of infrastructure projects, as to how technical and management issues hindering the flow of work can be eliminated
- Advise partners on all aspects of construction management including labour management, occupational safety and health, labour based methods, inventory management and safe keeping and maintenance equipment.
- Conduct advocacy and knowledge building and play an active role in promoting employment intensive approaches and rights to work.
- Collate best practices and experiences of the programmes and other relevant works, sharing information with development partners and government counterparts.
- Promote information sharing and provide feedback into the wider infrastructure planning and delivery.

Line Management and Reporting

The post will be working within the Ministry of Public works, direct supervision still to be determined.

Qualifications and Experience

- A degree in civil engineering with a strong background in public works delivery at the local level. An Additional qualification in project management, local government procurement is an asset.
- At least 20 years of experience in engineering, construction or public works.
- Work experience in fragile or post conflict states in an advantage
- A proven leadership and managerial capability in the context of collaboration with administrative structures of developing countries

- Willingness to travel to volatile locations.
- Should have worked with multiple stakeholders (public/private/UN) in conflict and post conflict settings
- Should have experience in strategic planning and large complex operations management

Annex H: Project Summary (to be submitted to MPTF-Office for Gateway upload)

PEACEBUILDING FUND
PROJECT SUMMARY

Project Number& Title:	PBF/IRF -: Support to the Federal Government of Somalia in Stabilization in Newly Recovered Areas			
Recipient UN Organization:	UNDP, and Federal Government of Somalia[Somalia UNMPTF National Window]			
Implementing Partner(s):	Ministry of Interior and Federalism; UNDP (in partnership with civil society organisations and women groups)			
Location:	Mogadishu, Somalia			
Approved Project Budget:	Peacebuilding Fund: \$4,205,295			
Duration:	Planned Start Date: June 2015 Planned Completion: December 2016 Duration: 18 months			
SC Approval Date: (Actual Dates)		MDTF Funds Transfer		Project Activities Start Date
Project Description:	The project will support the FGS in its stabilization efforts in the newly recovered areas, through establishment of caretaker and interim local administrations capable of leading an inclusive dialogue towards the formation of governance structures and promoting reconciliation.			
PBF Priority Area:	Priority Area 2: Promote coexistence and peaceful resolution of conflicts			
PBF Outcome:	PBF Outcomes across 2.1, 2.2 and 2.3 To deliver tangible and visible peace dividends to all Somali citizens Milestones: 1. Four stabilisation programmes endorsed and discussion with development partners on alignment behind these programmes; 2. Action plans for agreed geographic priority areas finalised 3. Implementation of agreed workplans initiated			
Key Project Outputs and Activities:	Caretaker Administration is established in the 25 newly recovered areas that will oversee the peaceful establishment of interim local administration through inclusive dialogue process, including through empowerment of youth and women; initial law enforcement presence in newly recovered areas ensured.			
Procurement:				

QUARTERLY PROJECT UPDATE

Period covered:	
Project Number& Title	PBF/
Recipient UN Organization:	
Implementing Partner(s):	

JSC Approval Date:			
Funds Committed¹²:		% of Approved:	
Funds Disbursed¹³:		% of Approved:	
Forecast Final Date:		Delay (Months):	

Outcome/Indicators:	Achievements/Results:	Challenges (incl. expected effect on project results):

¹² Project commitment is defined as legally binding contracts signed for goods, works, and services as permissible by the respective agency's financial rules and regulations.

¹³ Actual payments (for goods, works, and services) made against signed contract commitments. In most cases, total reported disbursements should not exceed total commitments, except in cases where disbursements are made against non-committed project funds (such as small scale payments, indirect programme costs etc, where no commitments are raised prior to payment).