

Joint Programme Document¹

Programme Title: Support to Emerging Federal States (StEFS)

PSG No and title: **PSG 1:** Inclusive Politics (primary)
PSG 5: Revenue and Services (secondary)
Crosscutting: Capacity Development

PSG Priority: **PSG 1: Priority 1:** Advance inclusive political dialogue to clarify and settle relations between the federal government and existing and emerging administrations and initiate processes of social reconciliation to restore trust between communities.
PSG 5: Priority 1: Increase the provision of equitable, accessible, and affordable social services by creating a regulatory environment that promotes decentralized delivery and prioritizes key investments that extend and increase access to services.

PSG milestone: **PSG 1:**
1.1. National reconciliation commission established and peace building and reconciliation programmes developed
1.2. Inclusive consultations on the establishment of administrations conducted in at least 10 regions and administrations established
1.3. Inter-regional dialogue on the formation of federal states initiated
1.4. Annual conference on political dialogue with the executive head of states of existing and emerging administrations convened by the FGS
1.5. Decision on the federal model reached

PSG 5:
5.4. Functional assignments among ministries and between local, regional, and the FGS are formally established for existing service-delivery policies and programmes as step towards the development of a regulatory framework for service delivery

Programme Duration: 24 Months
State Date: 01 April 2016
End Date: 31 July 2018

Total amount:	US\$14,536,574
Sources of funding:	
Somalia UN MPTF	USD 11,794,672
Other sources of funding:	
- SWISS	US\$100,000
- UN PBF	US\$1,510,000
- UNSOM	US\$185,000
- Japan	US\$ 946,902

¹ The term "Joint Programme" also refers to Projects.

Amendment Summary

The present amendments are for:

1. Time extension of the project implementation period (1 April 2018 to 31 July 2018)
2. Budget increase from US\$13,991,639 to USD 14,536,574

Concerning time extension: The project time extension is being done until 31 July 2018. The following developments contributed to the present amendment to extend the implementation period:


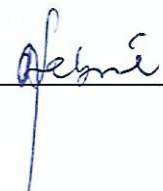
- The project was initially intended to be completed by 31st March 2018 but due to delay of the next phase of the StEFS project-REFES, which is under consultation process and submission to PWGs, SDRF for approval.

Concerning the budget increase: The present amendment proposes a budget increase from US\$13,991,639 to USD 14,536,574. The following contributed to the proposed budget increase:

- The extension of the implementation period.
- The continuation of ongoing activities, particularly:
 - Support to the reconciliation and peacebuilding efforts in Galkayo, Merka, Gedo, Dhusamareb and development of National Reconciliation Framework led to budget increase from USD 1,181,280 to USD \$1,860,730 in output 1 of the project.
 - Support to the capacity development of the newly formed Hirshabelle State and other emerging federal member States institutions on establishing their ministries structure, mandate, Strategic Plans and providing core functional skills interventions led to budget increase from USD 1,957,718 to USD 2,943,035 in output 4 of the project.
 - While above outputs have increase in budgets, output 2 budget is reduced from USD 3,234,072 to \$2,354,000 as support to the federalism dialogue related activities did not happen to the extent it was planned. This was due to political situation, Presidential election and change in FGS cabinet.

Please refer to the revised budget plan section in the attached project document.

Names and Signatures of National Counterparts and Participating UN Organisations

Participating UN Organizations (PUNOs):	National Coordinating Authorities:
UNDP George Conway, Country Director, UNDP Somalia Signature: _____ Date and Seal: _____ 	Federal Government of Somalia (FGS) <u>Abdi Mohamed Sabriye</u> , Minister of Interior, Federal Affairs and Reconciliation, FGS Signature: _____ Date and Seal: _____ 
UNSOM Tariq Chaudhry, Director a.i. PAMD, UNSOM Signature: _____ Date and Seal: _____	

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EXECUTIVE SUMMARY

The Support to Emerging Federal States (**StEFS**) Project is developed in response to the New Deal. Aligned to the priorities and principles spelled out in the Somali Compact, the **StEFS** Project aims to support the Federal Government of Somalia (FGS) and Emerging Federal States in achieving the Peace-building and State-building Goal (PSG) 1, Inclusive Politics Strategic Objective, to “*achieve a stable and peaceful federal Somalia through inclusive political processes.*” Specifically, **StEFS** supports Priority 1 of PSG 1: *Advance inclusive political dialogue to clarify and settle relations between the federal government and existing and emerging administrations and initiate processes of social reconciliation to restore trust between communities.*

The project also contributes, albeit secondarily, to PSG 5: Revenue and Services, whose Strategic Objective is to “*increase the delivery of equitable, affordable, and sustainable services that promote national peace and reconciliation amongst Somalia’s regions and citizens and enhance transparent and accountable revenue generation and equitable distribution and sharing of public resources,*”

StEFS directly reflects the Somalia Compact’s cross-cutting issue of Capacity Development. As noted in the Compact document, “*Capacity development is a key enabler for the implementation of this Compact. Whilst capacities are weak across Somali society and institutions, the immediate objective is building core public sector capacities. This is essential if Somalia’s public institutions are to meet the expectations of the Somali people and collectively deliver on the Compact’s peace building and state building priorities. It is also a pre-condition for the FGS’s efforts to support functioning public authorities at all levels of government.*”

The **StEFS** Project is designed in response to the current political dynamic in which three Interim State Administrations – the Interim Juba Administration (IJA), Interim South West Administration (ISWA), and Interim Galmudug State Administration – have been established with FGS and international stakeholder support, while the state formation process is underway for an emerging state comprising the two regions of Hiraan and Middle Shabelle. **StEFS** builds on the positive gains, experience, expertise and added value of UNSOM and UNDP in advancing these processes while further delivering key capacity support needed for these new governance structures to function effectively within a nascent federal system.

The Project prescribes a coherent approach to address the needs of Emerging Federal States in addition to those federal level institutions that enable and facilitate the formation and development of these new state structures. It ensures that UNSOM and UNDP support, working in close coordination with other development actors, responds to the needs of Somali government structures, particularly those ‘core public sector capacities’ referenced in the Compact, but also tangentially aligned with cross-cutting issues of Bringing Tangible Results to People (by helping establish governance structures that will in all likelihood deliver increased services in their geographic zones), Gender, Human Rights (**StEFS** will proactively promote the participation of women throughout the Project and embed Human Rights principles in training on conflict mitigation and management) and External Relations (support to emerging federal states will also improve their capacity to engage with the federal government and with the international community). **StEFS** is structured around five project outputs:

- Output 1: The political dialogue and consultations around federalism and state formation have been supported
- Output 2: The capacity of the FGS, particularly those institutions engaged in the federalism process, is strengthened
- Output 3: Foundational support to Interim State Administrations to ensure an appropriate physical working environment is provided
- Output 4: The capacity of Interim State Administrations with a dedicated focus on ‘core public sector capacities’ is enhanced
- Output 5: Civic participation and engagement with Interim State Administrations is strengthened

A sixth Output, on Project Management, is included as a separate budget item (and included in the detailed Output-based budget) to demonstrate transparency in reflecting the required staffing and operational costs for the successful delivery of the **StEFS** project.

Throughout the **StEFS** project, the focus will be on working with and through government structures, in line with the Compact principle that development efforts are “*Somalia-owned, Somalia-led*”. **StEFS** will also coordinate with other stakeholders working within the same sphere, elaborated in Section 6D below.

SITUATION ANALYSIS

In September 2012, Somalia marked arguably its most significant milestone in decades with the establishment of a new federal government that has won both the recognition and substantial support of the international community. Although the FGS has had numerous, and some very significant, stumbling blocks since its creation – including the removal of two Prime Ministers in two years and paralyzing political infighting regarding the appointment of each Cabinet, plus on-going insecurity within the nation's capital and the regions – it has nonetheless proven resilient against these shocks. In addition, although progress towards the Federal Government's key objectives, articulated in the New Deal Compact and Vision 2016 framework, has been much slower than desired, there have been no major destabilizing policy shifts, and progress, however slow, is inching forward. With most of the Federal Government institutions in place, new emerging states are quickly following suit.

The Provisional Constitution of Somalia, adopted in August 2012, calls for the creation of Federal Member States (FMS) that will together constitute the Federal Republic of Somalia. The boundaries of these states, which must be comprised of two or more regions who voluntarily agree to merge, will be approved by the Federal Parliament based on the recommendations of the nascent Boundaries and Federation Commission (BFC)². Despite the lack of adherence to what few protocols exist in the FGS Provisional Constitution, regions have begun merging together to form Interim State Administrations, in accordance with the FGS's Vision 2016 priorities.

The first of these was the formation of the Interim Jubba Administration, agreed upon in August 2013 by the Jubba delegation and the FGS under the auspices of IGAD. The agreement between the FGS and the Jubba Delegation, signed on August 27, 2013, calls for the formation of an Executive Council and a Regional Assembly, the latter to be selected by regional elders and representative of all clans and constituencies with seats distributed proportionately among the districts of the three regions. To date, the Executive Council, comprised of ten ministers, was appointed in December 2013 by the IJA Leader, Sheikh Ahmed Mohamed Islaan, with a 75-member³ Regional Assembly inaugurated in May 2015.

Following the agreement to form the IJA, the process to establish a South West State began. The South West State was initially contested by competing camps, one that wished to create a six-region state (comprised of Bay, Bakool, and Lower Shabelle, plus the three regions of the IJA – Lower Juba, Middle Juba, and Gedo), while the other camp favoured a three-region state comprised of Bay, Bakool, and Lower Shabelle only. With the assistance of the UN and other partners, a reconciliation conference held in Baidoa in October 2014 eventually helped pave the way for the formation of the three-region Interim South West Administration (ISWA), formally agreed upon in November 2014 together with a regional state constitution endorsed by the conference delegates. Since its establishment, the ISWA Leader Sharif Hassan Sheikh Adan has formed a Cabinet composed of 29 Ministries, and is in process of forming a Regional Assembly.

Finally, in Somalia's central regions of Galgadud and Mudug, a reconciliation process took place among regional clan representatives and other stakeholders, while a Central Regions Technical Committee was formed to guide the roadmap towards the establishment of a Central Regions State. The Technical Committee, supported by the UN and other international stakeholders, began its work in early 2015 with the drafting of an interim state charter, followed by the selection of the Regional Assembly in June 2015. Abdikarim Hussein Guled was selected as leader and formed a 28-member Cabinet in August 2015.

Plans are currently underway for the formation of a final interim state administration comprising Middle Shabelle and Hiraan.

² The draft bill on the establishment of the Boundaries and Federation Commission was approved by the FGS Council of Ministers in and then by the FGS Federal Parliament House of the People in November 2014

³ The IJA Regional Assembly was subsequently increased by 10 members to comprise a total of 85 members.

As these political dialogue and state formation processes move forward, support from the international community is required to ensure that what progress is being made is sustained or accelerated so that Somalia continues to advance its Vision 2016 objectives, demonstrating accountable governance to its citizens. Besides supporting the on-going state formation process in Hiraaan and Middle Shabelle regions, the momentum of the state formation processes in IJA, ISWA and Interim Galmudug State Administration must be maintained. Support for the formation of an ISWA Regional Assembly is needed, while newly established key state ministries require immediate support to determine and fulfil their basic functions.

Several international and national partners are supporting the political dialogue and reconciliation process in Somalia, including the Somalia Stability Fund (SSF), Inter Government Authority on Development (IGAD) and several Somali NGOs and International NGOs such as CRD, Finish Church Aid. UNDP has been actively cooperating with these organizations in the reconciliation and state formation process during its Project Initiation Phase (Immediate support phase) and joint interventions were implemented during ISWA and Galmudug Interim State formation process.

Within the context of broader UNDP support to Somalia, the **StEFS** Project is directly aligned with the UNDP Country Program Document 2011 – 2015, notably Outcome 2: “*Somali women and men, girls and boys benefit from more inclusive, equitable, and accountable governance, improved services, human security, access to justice and human rights,*” and Outcome 1: “*Somali women and men are better able to build peace and manage conflict.*” Further, **StEFS** is designed to link with and complement other UN Programmes, including JPLG whose focus local governance capacity, and with the Strengthening Institutional Performance Project (SIP) which addresses capacity needs and policies at the FGS level as well as in Somaliland and Puntland.

STRATEGIES, INCLUDING LESSONS LEARNED AND THE PROPOSED JOINT PROGRAMME

A. Background / Context

In supporting the formation and capacity of emerging federal states, **StEFS** will work in complementary to other UNDP projects, such as the Joint Program for Local Governance and Decentralised Services (JPLG) which focuses support to district level governance structures, and with the Strengthening Institutional Performance (SIP) Project which works with the Federal as well as the Puntland administration.

More broadly within the Somali Compact, which serves as the endorsed roadmap for promoting state building and peace building till the end of 2016, the **StEFS** Project is directly aligned with the Somali Compact PSG 1: Inclusive Politics, whose strategic objective is to “*achieve a stable and peaceful federal Somalia through inclusive political processes.*” In supporting the formation and capacity building of emerging federal states, and the federal level institutions that help facilitate and implement these processes, **StEFS** is designed to assist those institutions, which will eventually represent the maturation of a federal Somalia. More specifically within PSG 1, the Compact articulates a number of priorities necessary to realise this ambitious strategic objective, the first of which is “*Priority 1: Advance inclusive political dialogue to clarify and settle relations between the federal government and existing and emerging administrations and initiate processes of social reconciliation to restore trust between communities.*” Today, with the nascent formation of three interim administrations, the IJA, ISWA, and Interim Galmudug State Administration, and plans underway to form an Interim State comprised of Hiraan and Middle Shabelle, it could not be more timely for a project that focuses on capacity support to these new structures so that relations between the federal government and existing and emerging administrations can be addressed through institutions. It is also for this reason that **StEFS** closely integrates input from both UNDP and UNSOM, with each agency playing an equally critical role working together. Technical and capacity support from UNDP, to both the emerging federal states and to federal structures, will only be beneficial if delivered in tandem with strategic UNSOM led political support to drive key initiatives forward, such as agreement on the terms for the nascent BFC, for example, or in supporting forums for federal – state level dialogue on some of the more practical aspects of federalism.

Although **StEFS** is most directly aligned with and addresses the objectives of PSG 1: Inclusive Politics, the Project also secondarily addresses objectives contained within PSG 5: Review and Services. Within PSG 5, the Compact states, “*The (PSG 5) priorities also highlight the need to promote harmonization of regional and federal revenue generation programmes, and to clarify the roles and responsibilities for service delivery between the different levels of government.*” Such roles and responsibilities can only be clarified when state structures exist with whom these issues can be negotiated. Further, it is expected that as these state structures have improved capacity (not only on legislative and policy issues but also administratively), they will be better able to articulate their positions and engage in true policy based negotiations as representative of a federal state.

Within PSG 5, with regard to service delivery, **StEFS** is not primarily a service delivery project insofar as it does not propose to directly support the provision of social services such as health, education, or policing and justice. Other projects are better equipped to address these needs, such as the SOROLP with regard to justice, policing, and corrections, and stabilisation initiatives such as USAID’s TIS+ program and Stability Fund investments, both working mainly at the district level, along with the UN JPLG program. Rather, through building core government functional capacity of new state administrations, for example around planning, budgeting, and administration, **StEFS** will help enable the interim federal state structures to work more effectively with both federal structures and with external stakeholders who do provide more direct service delivery support. The project will build synergy with programmes such as JPLG, TIS and other international providers engaged in State building level at various level of governance.

StEFS builds upon the State formation Project Initiation Plan (PIP). The PIP was endorsed in March 2015 by the SDRF Steering Committee and the implementation started in June 2015. Some of the key highlights of the PIP are:

- Supported Formation of Galmudug Interim Administration together with SSF/Finish Church Aid;

- Supported Jubaland Administration with drafting Jubaland Charter/Constitution;
- Established basic office structure and working environment for Boundary and Federation Commission (BFC);
- Oriented BFC members on Boundary Delimitation Process and initiated consultative meets
- Initiated federalism campaign and awareness programme: Launched Public Service Announcements/PSA;
- Debating competition CSOs consultations on Federalism;
- Provided Human Resource and Technical Assistance support to Ministry of Interior and Federal Affairs (MOIFA) to coordinate state formation process;
- Provided support to emerging states with Human Resource and Technical Assistance /Training in the area of strategic planning and organization development;
- Provided office equipment/furniture support to emerging states (second round of procurement in final stage).

B. Lessons Learned

Somalia's 2012 Provisional Constitution established a framework for a federal Somali republic. However, it provides only limited guidance on how federal member states should be *formed* and also left for future deliberation how such a federal system will *work*, including the distribution of powers and responsibilities between the Federal Government and the emerging federal states. Because federalism represents a new political dispensation for Somalia, there is a lack of proven lessons learned with specific regard to the formation of new state governance structures and capacity development within an as yet undefined devolution of powers.

Nonetheless, there are a number of lessons learned through the implementation of the PIP on State Formation as well as other UN supported governance programs, such as JPLG and SIDP, which can be applied to **StEFS**. These include:

I. Somalia Ownership

The first development principle of the Somalia Compact is that '*Development is Somalia-owned and Somali led.*' This principle is reflected in the design of this proposed **StEFS** Project. The initial concept was designed with both the FGS Ministry of Interior & Federalism, in particular the Directorate of Federalism, and with representatives from interim federal states in Kismayo and Baidoa, and technical committee members from the Central Regions process.

Apart from the above, the draft project document was reviewed by partners and stakeholders through series of consultation meetings. The process was led by Ministry of Interior and Federal Affairs (MOIFA) with the support of UNDP and UNSOM, and included:

- Series of discussion with representatives of ISWA, Jubaland and Galmudug on the Emerging State support;
- Presentation of the project document in the Project board meeting (September 2015), chaired by MOIFA;
- Donor consultation meeting on the project document in October 2015 (Nairobi), discussion led by Minister of State, MOIFA with UNDP support;
- First round of Project document sharing in the PSG 1 SWG in early November 2015. The PSG SWG was co-chaired by MOIFA along with donor partner (UK); and
- Second round of Project document presentation in PSG 1 SWG in December 2015, the meeting was Co – Chaired by MOIFA along with donor partner (UK).

The consultations not only helped to refine the project document and accommodate key priorities of the FGS and emerging state partners, but also fostered strong ownership by the FGS and emerging states partners.

II. Working in Partnership with Others

The tasks ahead are formidable and will require multiple partners working together. During the ISWA formation process, the UN – UNDP and UNSOM – worked in tandem with other external partners such as the Somalia Stability Fund in which the agencies' respective inputs complemented one another. Similarly, through the inception PIP Project, the UN also worked with the SSF and its partners, Finn Church Aid and the Centre for

Research and Dialogue, on support to the Central Regions Technical Committee and subsequent selection of the Regional Assembly. Such partnerships not only catalyze financial and technical resources, but also ensure that the international community is supporting one direction for the state formation and capacity building process.

III. Presence on the Ground

In the past, due to lack of access, many projects have not benefitted from an agency presence on the ground where activities are being delivered. As a result, projects have at times been delayed, and the implementing agency has not always understood local dynamics or enjoyed collaborative relations with primary stakeholders on the ground. **StEFS** is designed to have UNDP Project Management staff in each interim state capital, working alongside government and alongside UNSOM, which already has teams in Kismayo and Baidoa, and is expected to deploy in future federal state capitols.

IV. Facilitating Linkages

Key to the success of new federal member states and how they contribute to Somalia's lasting peace and stability will be how they engage with both the federal center and with their regional and district counterparts. **StEFS** has therefore been designed to work simultaneously with both the federal structures most involved on state formation and engagement – the MOIFA and BFC – and with the states themselves. From the Project Board structure to specific activities, **StEFS** will seek to foster issue-based linkages between the federal states and the federal authorities. **StEFS** will also work closely with JPLG in identifying linkages between federal state support and capacity building at the district level.

V. Depth over Breadth

When conducting assessments with interim state administrations in both Kismayo and in Baidoa, the UNDP team designing the Project has been told the needs are “countless.” Clearly, needs must be prioritized and for this reason, **StEFS** will target capacity injection to key interim state ministries with core government functions that support the broader state administration and that by necessity link with federal counterparts. Examples of such core government functions include targeting the state ministries of **planning** (on government coordination and establishing development plans), **finance**⁴ (basic financial management and assisting line ministries with the same) **labor** (on civil service policies), and the **office of the ISA leader**, on intra-state administration communication.

VI. Ensuring Citizen Participation

One of the lessons in building stable new government structures at any level is ensuring citizen participation and confidence in those structures so that they enjoy the support of their citizenry. Addressing both the supply and demand-side of government has proven a key ingredient to stability and improvement of state-society relations. **StEFS** includes specific activities and outputs to foster citizen participation in the new emerging federal states.

VII. Gender Strategy

Despite some moderate progress in Somalia government institutions, such as within the federal parliament, and some notable ministerial appointments both federally and at interim state levels, women remain under-represented across Government. Through all activities, **StEFS** will actively promote the role of women as peacemakers and as government leaders. E.g. women will be given prominent voices during reconciliation activities, drawing upon individual women of influence as well as engaging CSOs lead by women or focusing on women's empowerment. Women in government will also benefit from targeted mentoring from the UN's gender unit, in addition to their participation in core of government functions training.

VIII. Human Rights and Minority Inclusion

Particularly in supporting reconciliation activities, valuable lessons have been learned and will be incorporated focusing on human rights and the inclusion of minority groups during reconciliation activities and in the state

⁴ While support may include basic budget preparation and accounting principles, **StEFS** will not lead on PFM reform and fiscal federalism, areas on which the World Bank is better positioned to lead.

formation process. This will be practically demonstrated initially in **StEFS** supporting reconciliation activities in Hiraan and Middle Shabelle, where minority clans have felt marginalized from some of the previous reconciliation efforts. **StEFS** will work with influential federal and regional stakeholders, along with international partners such as IGAD to ensure inclusive representation from minority groups in both regions, as agreements can only be sustained if there is broad endorsement from all groups.

IX. Capacity Development

Capacity Development often is interpreted as training and training only. However, in the context of Somalia, a more 'comprehensive' approach of capacity development is more appropriate and entails supporting activities that will help the partner institutions to plan, implement and assess their activities in a more efficient and effective manner, as well as those activities that help the partner organizations to establish a working environment in which the staff can flourish. These activities include for instance improvements in the legal and institutional environment, internal organizational structures and functions, individual capacities as well as the direct working environment in terms of office, office equipment and transport. One specific way to boost organizational capacities is ensuring that the organization has the right type of staff in the right position, through for instance improving recruitment processes but also by (temporarily) making staff available that is hard to find in the (local) market. While many government institutions in Somalia benefit from staff members that are made available 'externally', it is critical to ensure that their role in further developing capacities of the staff of the partner organizations is appropriately enshrined in their job descriptions.

This approach to capacity building is applied in the Project's approach to building the capacity of the Boundary and Federalisation Commission (BFC), Ministry of Interior and Federal Affairs (MOIFA) and Emerging States. Some of the specific capacity development support at each level are:

- *Institutional level.* StEFS will assist BFC and MOIFA in defining the roles and responsibilities among Federal member States and Federal Government of Somalia. Support in drafting Boundary Demarcation Strategy and Policy. StEFS will assist emerging states to develop strategic plans for their States/Administrations. The project will facilitate in creating enabling environment to have dialogue on federalism and state building process through Inter-Regional Consultative Forums.
- *Organizational level.* StEFS will support BFC, MOIFA and emerging states to develop their organizational roles and responsibility, Term of References, thereby assist the organizations in their transition and evolving stage. The project will also assist the BFC, MOIFA and Emerging States in developing and implementing office working procedures, standard operating manuals towards basic organization management process.
- *Individual level.* StEFS will work with its government partners to provide specific training to their staff members in core functional areas. management, planning, information technology, budgeting and financial management.

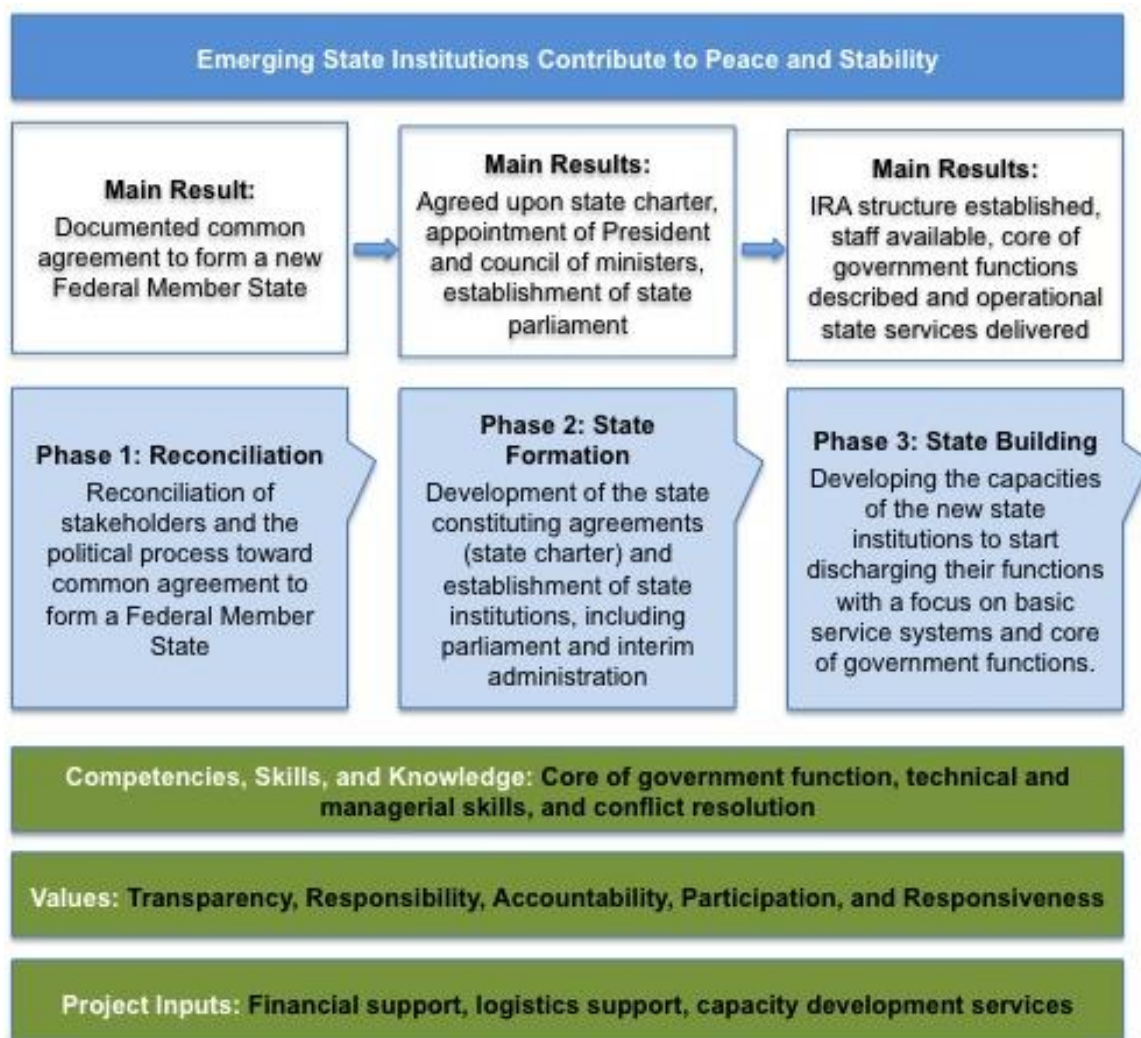
This integrated capacity building helps ensure that each effort complements and contributes to the programme as a whole.

C. The proposed StEFS Project

StEFS will represent the UN's primary vehicle for engaging with and supporting the emerging federal states, both in assistance to their formation and further support in helping them to begin to perform core governance functions in collaboration with the federal centre. Although other UNDP and UN projects will likely interface with interim state administrations, these will most often be on specific functional areas such as justice, rule of law, policing, and social service delivery, or in the case of the UN Joint Programme for Local Governance and Decentralised Services (UN JPLG), around how *district* administrations perform within a broader state level structure. **StEFS**, however, seeks to address the foundations of this new state level government structure in Somalia and importantly how that structure collaborates with the federal centre. As such, activities are designed that work both with the emerging states and with federal entities (specifically the Ministry of Interior and Federal Affairs and the Boundaries and Federation Commission), and **StEFS** is designed to proactively foster communication and collaboration between states and the federal centre, from the composition of the Project Board to specific activities which bring together state and federal level authorities.

The diagram below illustrates the proposed process map of state formation and capacity building support to the government structures in Somalia. It displays the linkages between the various phases and their related outcomes and highlights the importance of an integrated institution building process. The diagram does not translate automatically into a smooth, linear state formation and building process, but rather indicate suggested rudiments on which the process can be built.

Figure 1: State Formation Process Map



As **StEFS' overall Project Goal**, it aims to support the Federal Government of Somalia (FGS) and Emerging Federal States in achieving the **Peace-building and State-building Goal (PSG) 1, Inclusive Politics**, the Strategic Objective of which is to ***“achieve a stable and peaceful federal Somalia through inclusive political processes.”***

Under PSG 1 specifically, **StEFS** supports Priority 1, which is **StEFS' primary Project Outcome**: ***“Advance inclusive political dialogue to clarify and settle relations between the federal government and existing and emerging administrations and initiate processes of social reconciliation to restore trust between communities.”***

To contribute to this Outcome, **StEFS** is designed with five **Outputs**, each contributing to PSG 1, Priority 1. Each Output subsequently identifies a number of key issues within it, with specific activities designed to address these issues. These are:

Output 1: The political dialogue and consultations around federalism and state formation have been supported

Issue: State Formation Dialogue

The formation of the IJA, ISWA, and Galmudug Administration were preceded by conferences which brought together clan elders and other influential stakeholders to discuss power sharing agreements around the eventual formation of the new interim states. These conferences have been both necessary and valuable. In the case of Baidoa and Adado, both the UN and the SSF were asked to assist with logistics resources, including accommodation for elders and other delegates, transportation, and food costs for hosting several hundred individuals.

Output 1 activities are designed to extend such support to consolidate the Hiraan / Middle Shabelle process, which is ongoing and will require negotiation between a range of stakeholders representing both regions as well as other political elites. Importantly, **StEFS** will make sure that minority clans are included in all reconciliation efforts in these two regions, as they have not always been adequately represented in the past, stymieing broad-based buy in for an agreed way forward. **StEFS** precursor, the approved PiP Project, funded technical and secretariat support to the technical selection committee of Central Regions. **StEFS** proposes to extend this support to both the Hiraan / Middle Shabelle process as for an envisaged fourth federal member state formation process. Besides this, Banadir region will need support to become either a State or federally administered territory.

Issue: Reconciliation/On-going Dialogue

In addition to political dialogue specifically in preparation for state formation, the UN has also been called upon to support subsequent state-led reconciliation processes. For example, ISWA requested assistance in supporting inter-clan reconciliation between the Biymaal and Hebir Gadir in Lower Shabelle, hosted in Afgooye. Such clan reconciliation conferences may address historical grievances around issues of land, or retribution for past injustices, but also serve to ensure the stability and support of the newly established state structures. While support under this Output will primarily be in response to requests from the new state administrations, to galvanize support for their peace building and conflict mitigation efforts, **StEFS** has also budgeted resources to ensure federal level participation (provided such involvement is agreed upon between the state, clan representatives, and federal officials, though this has generally been the case).

Issue: Federalism Debate and Advancement

Although Interim State Administrations are being formed before legal frameworks around issues such as administrative, fiscal federalism, power sharing between the states and federal government and devolution of specific roles in place, the need to reach agreement on these key decisions remains critical. **StEFS** will therefore provide logistics and facilitation support for forums whereby representatives from the emerging states (and their regions and districts), the FGS (including executive branch ministries/Prime Minister's office and federal parliamentarians, and civil society can convene to discuss and ultimately come to agreement on principles which will eventually result in legislation to govern how federalism will be executed in Somalia.

Output 2: The capacity of the FGS, particularly those institutions engaged in the federalism process, is strengthened

Issue: Establishing and Capacity Building of the BFC

Although the Boundaries and Federation Commission is newly formed and has not yet begun functioning, it is mandated according to Article 111E of the Provisional Constitution to play a key role in the final demarcation and recognition of federal member states. The FGS Ministry of Interior and Federalism, which drafted legislation to form the BFC, and proposed candidates which eventually composed the BFC, will be instrumental in its continued establishment and functioning.

Activities under Output 1 aim to provide start-up support to the BFC, including providing technical advisors to assist the BFC in developing its Terms of Reference, overall strategy and detailed work plan for embarking on its work. As the Somalia Government has not had such a commission in the past, and recognizing that there

is little indigenous experience regarding the work of the commission, **StEFS** will both draw upon expertise within Africa where such commission have been successful and will support visits to commissions in other countries within Africa⁵ so that BFC members as well as MOIFA colleagues can learn from their experiences. Human resource support will also come in the form of funding 9 secretariat staff (one per BFC member) to assist them in managing the day-to-day administrative duties of their work. **StEFS** will also provide basic furnishings and equipment to the BFC to help it become operational and create the conditions under which it can perform its duties.

Issue: MOIFA and FGS/OPM Role in the Federalism Process

In addition to supporting the BFC, **StEFS** will also provide continued support to MOIFA and engage the Office of the Prime Minister (OPM), as they have key roles to play in supporting and facilitating the federalism process in Somalia. Under PiP Project, UNDP is providing two technical advisors to the Directorate of Federalism within the MOIFA, on federalism and outreach. **StEFS** will extend these posts, which according to the Directorate of Federalism, were valuable in assisting with the technical selection committee for the BFC nominations, and will provide further support through an embedded senior advisor as well as international advisory support when the MOIFA begins to draft specific policies on the federalism process. Assistance will also be directed towards encouraging, and providing the resources to enable MOIFA to participate in all forums around state formation such as political dialogue in the regions and to accompany BFC members on visits to similar African boundary commissions. Modest operating expenses, including basic furnishings and equipment as well as office supplies for the MOIFA, will also be provided during the life of the project. Besides this, **StEFS** will support OPM to provide strategic leadership and direction in the area of Inter-Ministerial and Inter-State dialogue on the federalism process. OPM and MOIFA will work closely to bring together relevant actors from emerging states and the FGS to facilitate discussion on different facets of federalism and the state-building process.

Output 3: Foundational support to Interim State Administrations to ensure an appropriate physical working environment is provided

Issue: Required infrastructure and basic equipment

In addition to the needed human resources noted above, emerging state institutions in many cases lack the physical structures from which and basic equipment with which to conduct their work. Some significant work has been done in the past two years on the rehabilitation of government infrastructure, both in Mogadishu and in some of the accessible regions. USAID's TIS programme, for example, has provided resources to rehabilitate a number of district level administration offices in district capitals. The FGS's Ministry of Finance managed Temporary Implementation Unit (TIU), through funding from the Norwegian Government, has rehabilitated or constructed regional administration offices in Beletweyne and Dhusamareb. It may therefore be possible for emerging state structures to utilise these facilities, in partnership with regional and district administrations, at least on an interim basis. **StEFS** will initially work with state administrations along with regional and district administrations to assess key government infrastructure in towns that have been designated as interim federal state capitals to determine the suitability of existing structures which may require rehabilitation and/or land which is verifiably⁶ under government ownership. Although detailed assessment have not been conducted as part of the **StEFS** design, it is assumed that in some cases, existing structures do exist which may be utilised by new state administrations, while in other cases, it may be preferable to support the construction of a new facility. In either case, decisions will be taken in consultation with executive state leadership to determine the best course of action to provide each interim administration with space for a multi-purpose government facility. Such a facility may not be able to house all Interim State Administration entities (ISWA for example, has designated 29 Ministries), but a multi-purpose facility will be beneficial in providing new state administration with space and basic equipment for executive leadership and Ministries to work from, to conduct inter-ministerial meetings, to host other state and federal delegations, and to host the public for civic forums with the state administration.

⁵ <http://www.peaceau.org/uploads/au-3-en-2013-en-creation-a-operation.pdf> the African Union has produced a User Guide for the Creations and Operations of Boundary Commissions in Africa

⁶ Assessments will include rigorous verification that any land proposed is in fact under the uncontested ownership of government, as past projects have in some cases caused conflict over competing claims on property.

In order to ensure equity between emerging state administrations, **StEFS** has budgeted a lump sum amount per interim state administration both for the costs to rehabilitate or construct a facility, and to provide basic equipment and supplies such as computers, printers, and office furnishings⁷. UNDP may either engage the services of a private construction design firm or call upon the services of UNOPS, after analysing cost and time efficiencies of both options. Both the UN and the interim state administrations will manage the design, tendering, and award of any contracts for this work, with a tender committee formed comprising representatives from the UN and interim state administrations. Furthermore, **StEFS** will work closely with state administrations as per activities described in Output 2 to ensure that maintenance and operating costs for new or rehabilitated structures are incorporated into the annual budgeting process. Where possible, StEFS will support energy efficiency measures.

Output 4: The capacity of Interim State Administrations with a dedicated focus on ‘core public sector capacities’ is enhanced

Issue: Core of Government Functions Capacity

The majority of resources under **StEFS** will be directed towards the emerging interim state administrations, recognizing that these governance structures are newly established and have inherited neither the material nor human resources needed to perform their most basic functions. During a visit by the **StEFS** design team to Baidoa in March 2015, the ISWA President Sharif Hassan met the team in a makeshift tent within the AMISOM secured airport area. Although the ISWA has 29 Ministers plus Deputy Ministers and a handful of State Ministers, many of the leaders with whom we met expressed openly that they lacked knowledge and experience in how their newly formed institutions should function. Hence, an initial activity under **StEFS** will be to conduct a Human and Institutional Development (HICD) Capacity Assessment of newly formed institutions, focusing on those offices that perform ‘core public sector capacities’ such as planning, state / region / district relations, finance, internal coordination, policy development, and civil service management. These foundational functions will be critical in order for the new state administrations to begin to take shape and subsequently to develop policies and legislation that govern these new states.

As a result of the HICD assessments, **StEFS** will support interim state administrations with human resources in the form of 8 advisors per state level administration to assist with these core public sector capacities, namely in the state level ministries of **planning, finance⁸, labour, and the office of the ISA leader**. Expertise may not currently lie with nominated government officials, but expertise does exist – for example in planning, budgeting, office administration, and human resource management – among individuals who have worked with international aid organizations, the UN, and other established institutions, both in the regions and in Mogadishu. **StEFS** will transparently recruit and in consultation with state authorities, hire such individuals to work within the new state administrations to develop and implement systems and policies to undergird these new institutions.

Issue: Specialised Technical Assistance

Contracted advisors will provide additional technical support with a focused remit on a particular area. For example, in Mogadishu, a technical advisor assisting on the development of a Human Resources Information Management System (HRIMS) is supporting the National Civil Service Commission. Such type of support will be extended to state institutions both to ensure that their civil service management systems are in place but also to ideally ensure that such systems are compatible with and may feed into a broader national system. Another example regards financial management. Although **StEFS** does not propose to tackle the complex task of macro-level Public Financial Management reform among the newly formed states, basic budgeting,

⁷ The Special Finance Facility’s Temporary Implementation Unit (TIU) within the FGS Ministry of Finance has adopted such an approach, allocating the same amount per region, and has successfully avoided any conflicts that could have arisen over favoritism towards one region or another.

⁸ Following the Somalia Government/Donor coordination meeting held on 30 October 2015, **StEFS** notes that other donors (namely the World Bank and Somalia Stability Fund) are leading on PFM reform and capacity building, both in Mogadishu and with federal member states. **StEFS** will not duplicate these efforts, but will retain ‘finance’ as a placeholder in the project design, ready to complement WB/SSF efforts as requested by interim state administrations.

including using accounting codes which are compatible with federal system accounting codes, will be useful (the SSF has done such work with the Interim Jubba Administration in Kismayo). As referenced in the two examples above, efforts will be made to ensure that state level support is provided in such a way as to foster coordination with the federal centre. Having both state and federal level representation on the Project Board will be one way in which such harmonization will be pursued, but also at the specific activity level.

Output 5: Civic participation and engagement with Interim State Administrations is strengthened

Issue: Increasing Public Awareness

The fifth and final Output seeks to strengthen linkages between the emerging interim administrations and their constituents by increasing public awareness on the concepts of and options around federalism and the role of the emerging state administrations. Activities under Output 5 will also support activities to increase accountability of the state administrations towards their citizens. Resources will be provided for state administrations to engage in public outreach, including the development of printed materials and logistics support to state officials to travel to outlying regions and districts to engage with regional and district leaders and their communities. Regular community and government dialogue forums will be supported through 'town hall' style meetings where state administrations will be able to listen to the concerns of citizens (through CSOs and the general public) while also providing a forum for state administrations to share updates on their work, for example updating citizens on the selection process for regional assemblies, development projects which have been agreed between state administrations and donors, or holding public forums on revenue collection and service provision.

Issue: Enhancing CSO Engagement

Through **StEFS** project staff and with the active participation of state officials, workshops will be organized to strengthen relations between government and CSOs, where CSOs will be able to develop and present advocacy campaign messages for government consideration, or to clarify at which level of government – district, regional, or state – CSOs should direct their engagement.

Issue: Increasing Public Participation and Government Accountability

While **StEFS** will provide technical assistance around planning and budgeting at the state level to interim state administrations (ref: Output 2), **StEFS** will also promote citizen participation in state planning and budgeting. 'Town hall' style meetings referred to above may be one such forum where citizen input to these processes can be collected, but **StEFS** will also facilitate specific forums where annual planning and budgeting processes can be shared with the public and where the public's input and feedback can be collected.

Issue: Evidence Based Research Capacity

StEFS will also support efforts to measure public perceptions and citizen feedback on government performance by investing in research, which may be conducted by a third party organization (several such organizations exist in Somalia such as HIPS and Altai Consulting, both of whom have conducted field based research in south and central Somalia). This research will be done in collaboration with state government structures so that they may better understand the methodologies used to measure public perceptions and therefore eventually utilise these capacities themselves in future. Cooperation with other international development partners will equally be sought. This research will help to build an evidence base around government performance, around the impact of the **StEFS** project, but more importantly around issues on which state level governments make decisions that impact on their communities. Research will also be shared through the Project Board meetings, so that federal level authorities as well as partner donors learn from the results.

D. Sustainability

At its core, **StEFS** is designed to build the capacity of federal and state level governance structures so that they may function more effectively and with reduced external support. All investments have as their primary beneficiary government institutions, either at the federal level or at the emerging state level, with the majority of resources directed towards assisting those institutions to deliver on their core mandates. For example, support to the nascent Boundaries and Federation Commission focuses on assisting the new commission to

establish the legal framework, work plans, and outreach strategies to guide its work, undergirded by technical and administrative support to enable it to do so. Similarly, support to emerging state administrations is centred on capacity injection of qualified individuals to work alongside new state officials to enable them to perform core government functions around planning, budgeting, and human resource management via ministries of planning, finance, labour, and the office of the ISA leader. These are the foundational pieces upon which all future state level government functions must rest, and without which, future efforts will not be sustained.

The sustainability of each of the 5 Project Outputs includes:

Output 1: Supporting the political dialogue and consultations around federalism and state formation

It is assumed that the sustainability of the emerging states will be predicated on political accommodation between clans and sub-clans with a vested interest in the eventual settlements reached. Recent history with the newly formed interim states has demonstrated that only through these inclusive political dialogue processes can these agreements be reached and sustained. The Baidoa conference, which resulted in the eventual agreement on ISWA, is one such example, while the reconciliation conference in Dhusamareb was another. UNDP and UNSOM have supported both, but with limited resources, while more recently have received requests from ISWA for additional reconciliation in Afgooye between the Habir Gedir and Biymaal clans. Extending such support to the emerging states yet to be formed, while availing continued support to nascent states will ensure that the political accommodations reached can be sustained.

Output 2: Strengthening the capacity of the FGS, particularly those institutions engaged in the federalism process

StEFS intends to provide critical support to get the BFC 'on its feet' so that it can perform its tasks as called for in the Provisional Constitution, including resources to enable the BFC to conduct field visits, technical support to study and prepare recommendations to the Federal Parliament for the eventual endorsement of interim state administrations into fully approved federal member states. These tasks should have a finite duration, and it is envisaged that the 24-month support provided by **StEFS** will be instrumental in facilitating these processes to completion. Similarly, support to the MOIFA in developing draft policies on federalism should eventually be enshrined in legislation that will endure and provide the legal foundation to peacefully govern relations between emerging states and the federal centre. In order to facilitate Inter-Ministerial and Inter-State dialogue on federalism, OPM and MOIFA will jointly establish a federalism unit. The unit will work closely with the OPM to facilitate the cross-cutting federalism dialogue. MOIFA will act as the secretariat for the federalism dialogue process, whereas the OPM will provide strategic leadership on federalism issues and discussion.

Output 3: Providing foundational support to Interim State Administrations to ensure an appropriate physical working environment and human resource establishment

While **StEFS** is primarily about institutional and human capacity building, it should be recognised that new state level government institutions are new to Somalia and thus completely lack any inherited infrastructure from which to work. While **StEFS** does intend to support emerging federal states with a multi-purpose structure from which to operate, and basic material support to enable basic functions, **StEFS** will also, through work delivered in Output 2, work with the emerging states to ensure such material support is incorporated into annual budget planning processes. Similarly, any provision of material supplies and equipment would be accompanied by the design of a record keeping / assets control system, which could be utilized across government.

Output 4: Enhancing the capacity of Interim State Administrations with a dedicated focus on 'core public sector capacities.'

StEFS will support each Interim State Administration with qualified Somali personnel who will work alongside government officials to develop systems and procedures for performing core government functions. These include basic financial and administration management (including budgeting, knowledge management, development and implementation of administrative policies), human resources management, and inter-governmental planning – delivered via ministries of planning, finance, labour, and the office of the ISA leader. This 'knowledge transfer' will be sustained both by the recipient government officials, but also it is envisaged that injected advisors will transition to become part of the official state government civil service.

StEFS's Capacity Development Approach will ensure sustainability of knowledge transfer at three levels:

- **Individual level** – advisors will provide daily mentoring and coaching to individual government officials, through being embedded with government counterparts at the federal and interim state administration levels. As such, these individuals will learn by doing under the coaching of these advisors.
- **Organizational level** – Advisory support will produce tangible results in the form of organizational structure, role and responsibility distribution, separation of duties, policies and procedures that will remain in place even should a key personnel, such as a Minister, be replaced. Critical work-processes are then more likely to continue their operations and Government filing systems, asset management systems, and other record keeping will thus continue to benefit the broader federal member state institutions.
- **Institutional Environment level** – StEFS represents the first long term project to strengthen capacities in 'core of government' functions of the (interim) federal member state administrations, and will thus be instrumental in laying the foundations for others' support to be more effective when additional programs come online.

Here, it should be noted that while **StEFS** will assist interim state administrations with a modest number of dedicated advisors around core of government functions, in the project's current capacity, StEFS does not include the much larger issue of salaries for civil servants, critical to consider in the near term for sustainability. The core challenge is that while the interim state administration do not have significant revenue, they nonetheless require an appropriate human resource establishment to enable them to perform their functions, setting the governments on the right path for future sustainability. While fundamentally the payroll should be covered by internal revenue, it is not realistic to wait for internal revenue to be sufficiently high to cater for the payment of salaries. Hence, a support mechanism to ensure salaries needs to be established.

Output 5: Strengthening civic participation and engagement with Interim State Administrations

Just as the sustainability of emerging states depends on political accommodation negotiated through on-going dialogue with clans and admittedly with political elites, further sustainability also relies on the involvement and support of the broader citizenry, and can only be achieved through civic engagement with the emerging state structures. While this must be a continuous process without a finite lifespan, **StEFS** will help to establish the mechanisms through which this can begin and be institutionalised in each interim federal state. By supporting formal public forums for civic engagement and facilitating CSO involvement in government processes, such as preparing annual budgets, this will foster government/citizen collaboration that will endure after **StEFS** completion. **StEFS** will also invest in evidence based research capacity, initially through a contracted research organization, but this organization will work in tandem with Interim State Administrations, so that they have the ability to conduct public perception surveys and gather information on public perceptions to inform their future decision-making.

E. Implementation and Partnership

Federal Government of Somalia: Ministry of Interior and Federal Affairs (MOIFA) will be the lead facilitating and implementing partner. UNDP/UNSOM will work closely with MOIFA as key government partners at central Federal level in Mogadishu. Besides this, MOIFA will work closely with the OPM on federalism dialogue and coordinate with other relevant Ministries in the state building process: such as the Ministry of Planning and International Cooperation; the Ministry of Women's Development & Human Rights; and the Ministry of Justice/Constitution.

UNSOM is the Strategic Partner of UNDP in implementing StEFS. UNSOM will provide the overall political, strategic advice and general oversight to the project through its Political and Mediation Group (PAMG). The heads of UNSOM Regional Offices will use their existing working relationships with regional authorities to liaise directly with the FGS on the implementation of the project, and will oversee implementation at the regional level. The Joint Planning Unit (JPU) will provide strategic support, particularly on planning frameworks. The Joint Planning and Analysis Team (JPAT) will provide analytical products on specific regions and issues, as well as share the results of their ongoing exercises in regional needs assessments and actor mapping. Other UNSOM sections may be called upon to provide advice on specific components, such as human rights (through the Human Rights and Protection Group) and justice and security institutions (through the Rule of Law and Security Institutions Group). Finally, the UN's air and transportation assets, field offices and support structure (through the UN Support Office to Somalia– UNSOS) will undergird the entire project. Besides this, UNSOM through its regional offices, will coordinate with other UN agencies to have coherent and coordinated support to state building process.

UNDP will be the lead implementing agency to implement the proposed project. The project will build upon the current ongoing support through the Project Initiation Plan (PIP) on State formation. The PIP was endorsed by the SDRF Steering Committee and approved by the Federal Government of Somalia and through which UNDP has demonstrated well acknowledged results in supporting emerging states such as ISWA, Jubaland and Galmudug Interim Administration. The proposed project will be coordinated with other UNDP programmes and projects to provide coherent support to the emerging states/interim administrations. The UNDP ongoing projects such as Joint Programme on Local Governance (JPLG), Parliamentary Support Project, Local Economic Development (LED) etc. will add value to state building and immediate and basic service delivery process.

The project during its PIP phase has initiated several coordinated efforts with other UNDP projects, for example, the state formation and constitution projects worked together in Kismayo to help drafting the Jubaland's charter/constitution. Both projects jointly supported the drafting of Galmudug's Interim Administration's charter. Similarly, the StEFS project will coordinate with JPLG in developing Federalism strategy, formulating inter-governmental structure, roles and responsibilities. The project will focus on developing Emerging States versus Federal Government coordination and accountability mechanism, while JPLG will focus at emerging state versus district entities roles and coordination mechanism. This approach will bring synergy among the projects. Similar synergy will be developed with other UN agencies, such as UNICEF, WHO, UNHCR. The project will focus on developing core functions of the line departments while other specialised UN agencies will focus on service delivery and related interventions.

Interim Regional Administrations: IRAs will be the beneficiary and partner of the proposed project. UNSOM/UNDP through the ongoing PIP has started working with the Interim South West Administration (ISWA), Interim Jubaland Administration (IJA) and plans to work with other emerging states in close coordination with the FGS.

Other Partners: UNSOM/UNDP will work closely with other actors and partners in the area of State Building. This was also evident in Baidoa/ISWA formation process, where UNDP/UNSOM together with Somalia

Stability Fund (SSF), CRD (Somalian NGO) provided integrated support to reconciliation and state formation process.

F: Theory of change

State Formation is a unique and special process where state structures are being established where before there were none. There are not many examples in the world where such an endeavour was undertaken on the scale as in Somalia where formal government structures had been absent for more than 20 years. Hence, in Somalia the state formation process entails building government structures from scratch.

Somalia has embarked on a very ambitious agenda and is developing a federal structure of governance and establishing the government infrastructure – in terms of institutions, organizations, legal environment, regulatory environment, physical establishment as well as in terms of role and responsibility distribution, mandate, government – citizen relationships, internal and external coordination arrangements.

The theory of change that is fundamentally underlying the present project – in support of the broad government agenda - is as follows:

- **The establishment of formal government structures provides a sustainable alternative to non-state and most often predatory 'governance' arrangements that a number of warring factions impose on the population.** The formal government structures will provide for a more transparent, a fairer, a more accountable and more democratic arrangement which addresses the priorities for development and improvement in the quality of life of the citizens. This – combined with the monopoly of violence in government structures – would then lead to a significant reduction in violence and civil war and create the favourable environment for positive development.
- The newly established government structures are providing services to citizens that by the citizens are clearly recognized as government services and that are clearly contributing to improved living standards – the so-called **peace dividend**. It is essential that the government structures are visibly associated with improvements that are made in the quality of life of the citizens. Improving institutional performance then is not (only) a back-office business; it is through its front office **> the government – citizen relations <** that the crux the theory of change will be realised: citizens recognise that their quality of life is improving because they now have a formal government.
- The newly established government structures will allow the development of a longer term vision and approach towards development; not only responding to urgent requirements related to peace and stabilisation, but providing a perspective for **longer term development**.

This approach is underscored by international practice: there are no examples where lasting peace and stability as well as a longer term development perspective is realised in the absence of a functional and inclusive government. However, for the government structures to deliver, there are a number of key elements⁹ that need to be fulfilled to allow institutions to actually perform:

- a. **Political settlement** – no government structure will be able to function if there is insufficient buy-in by the major factions in society. This is why we are supporting the different reconciliation efforts.
- b. **Clear institutional arrangements** – if it is not clear how roles and responsibilities are distributed between the constituent parts of the government structure (horizontally and vertically), confusion will reign and the work will not lead to results. This is why we support the federal – state level arrangements (among others through the Boundaries and Federalism Commission).
- c. **Institutional, organisational and individual capacities** – the capacities of the individual institutions need to be sufficient to allow them to discharge their roles and mandates. This is an important element of the project focusing on core of government functions.
- d. **Citizen priorities** – citizens want to see improvements in their quality of life. However, it is essential to understand what the priorities of the citizens are. If for instance the citizens expect the government to provide education, but the government prioritises investment in energy production it is highly likely that the peace-dividend will fail to realise. This is why we support the governments to establish their interface with the citizens.

For governments to be able to manage its internal affairs properly, to be able to engage productively with other government layers and non-state actors and to provide services that correspond to the expectations of the citizens, a well-functioning government apparatus is essential.

⁹ This is apart from the security arrangements that are outside the scope of the present project

While there are many debates on what it actually means to have a ‘well-functioning’ government, for the purpose of this project, three entries seem important:

- **Expectations of the citizens;**
- **Core of government functions;** and
- **The means.**

One of the core elements of successful government is that it is capable to live up to the **expectation of the citizens**. These expectations seem to evolve around four subjects:

- **Citizen engagement** - Governments serve the citizens in the territory they govern and citizens want to have a voice in how this is taking place and in which direction development is geared.
- **Transparency and accountability** – government mostly manage some 40-50% of GDP and generally an equal proportion of the labour force. No population will accept this to happen in a completely opaque manner for any sustained period of time.
- **Predictability** – government action (e.g. delivery of services) needs to be predictable and citizens need to understand by and large how the process works. The Government needs to ensure the actual performance is satisfactory in terms of, for instance, quality and speed.
- **Services** – people expect government to provide services that will improve their quality of life and facilitate the management of their lives.

A second core element of successful government concerns the ‘**core of government functions**’, which determine how government operates and ensures it produces the best possible outcomes. These include:

- Public Finance Management (expenditures, revenues, debt, fiscal management, ...)
- Human Resource / Labour Force Management (hire, fire, salaries, pension, ...)
- Government structure and role and responsibility distribution (mandates, roles, oversight, ...)
- Internal Coordination Arrangements - horizontally and vertically (cabinet, committees, ...)
- External Coordination and Engagement Arrangements (conferences, commissions, hearings, ...)
- Legal and regulatory arrangements (legal development process, legal review, ...)
- Policy development and development planning (policy process, prioritisation, resourcing, ...)
- Administrative management (assets, archives, communications, protocol, ...)

No government can function without appropriate systems in place to manage the work-processes of these core of government functions.

The third core element of successful government is related to **the means** an institution has to actually deliver on its mandate, roles and responsibilities. These include:

- **The physical infrastructure** – no organisation can expect to be functional in the absence of appropriate offices, meeting space and the like.
- **The equipment** – no organisation can expect to be functional in the absence of appropriate equipment like transport, computers, furniture, ...
- **The people** – no organisation can expect to be functional in the absence of the right staff on the right position.
- **The budget** – no organisation can expect to be functional in the absence of a budget to cater for operational expenditure and investments in (for instance) services to be delivered.

The **Capacity Development approach** of the project is based on the elements outlined above. It links to the UNDP Capacity Development approach, providing support to strengthen capacities on institutional level, organisational level as well as individual level, while the prime focus is on how the performance of individual organisations can be supported to become more efficient and effective.

The approach in the present project directly builds upon the approach outlined in the (draft) Government Capacity Development Flagship programme:

The Compact recognized capacity development as a key enabler essential for delivering on the Compact's peace-building and state-building priorities. The compact identified “*building core public sector capacities*” as an immediate objective. It called for “*dedicated support to a number of core functions, including centre of government, civil service management, and public sector capacities, as well the coordinated roll out of basic cross-cutting administrative systems.*” This was envisioned as “a two-track approach that responds to immediate needs whilst ensuring that improvements are sustainable.” In line with the New Deal's recognition that the empowerment of women (and other marginalized groups) as key actors for peace, is at the heart of successful peace-building and state-building, the Compact also makes Gender a cross-cutting priority, requiring all key interventions to ensure equitable participation of women (and other marginalized groups) and to respond directly to the acute challenges contributing to sustained gender disparities across multiple sectors.

The **inputs the project will provide** and make available to the partner institutions include **advisory support** (long term and short term advisory services; both for product and process design and for working alongside government staff in the implementation of agreed upon ways of working), **financial means** (e.g. to finance staff, equipment and infrastructure, but also in a more operational sense for workshops, conferences and the like), and, lastly, **convening, mediation and engagement services**, where the international organisations cooperating in the project make available their capacities to bring various national and international partners into contact and stimulate cooperative and collaborative arrangements.

While the needs of the newly established (or still to be established) government structures are very significant and the present project cannot provide an all-embracing support, the project is prioritised as presented in the present document. Within the context a limited means, it is essential that the different parties supporting the process of state formation engage in a close coordination effort to ensure that the different initiatives are in synergy and build upon each other.

A last element to be mentioned here that is underscoring the approach of the project and equally 'pushes' towards a very close coordination arrangement, is that the developments are very dynamic and complex. The state formation process in Somalia is a unique process and it is not possible to develop a detailed plan over a long period of time. There are many different parties – both on the national and international side – involved and priorities change over time, sometimes very fast. While the overall elements (as described above and elsewhere in this project document) that determine success can be described, the exact manner in which action in each of the elements in the context in Somalia actually will contribute to positive results is much less understood. This means that caution needs to be part and parcel of the approach, and a very close monitoring of the possible impact of action needs to underscore the learning that will take place while on the road with implementation. At the same time, risks (both in terms of threats and in terms of opportunities) that are associated with the process of state formation need to be identified and equally monitored very closely. The management set-up presented further below, is an effort to come to terms with this.

RESULTS FRAMEWORK

Intended Outcome as stated in the Country Programme Results and Resource Framework: Outcome 2: “Somali women and men, girls and boys benefit from more inclusive, equitable, and accountable governance, improved services, human security, access to justice and human rights.”
Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets: 2 (a) Indicator: Number of public institutions providing basic public services, particularly to the most marginalized and vulnerable. Baseline: Absence of a functioning central government, and weak state administrations. Target: Expansion of the delivery of public services is achieved, as measured by citizen satisfaction surveys. 2 (d) Indicator: The performance, transparency and accountability of public institutions, including the security sector, to conform to international standards. Baseline: All Somali public institutions face significant difficulties, lacking adequate administrative infrastructure, systems and coherent policies. Target: Improvements in the performance, transparency, accountability, and gender responsiveness of public institutions, including security sector institutions, and in oversight mechanisms as evaluated against international standards, indices and checklists.
Applicable Key Result Area (from 2014-2018 Strategic Plan): Outcome 3: Countries have strengthened institutions to progressively deliver universal access to basic services Output 3.1. Core functions of government enabled (in post conflict situations) to ensure national ownership of recovery and development processes
Partnership Strategy: Coordination with Somalia Stability Fund initiatives to enable and capacity build emerging states and USAID ‘Strengthening Somalia Governance’ activity primarily supporting federal institutions, including MOIFA.
Project title and ID (ATLAS Award ID):

INTENDED OUTPUTS	OUTPUT TARGETS FOR (YEARS)	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES	INPUTS
Output 1: The political dialogue and consultations around federalism and state formation have been supported Baseline: Political reconciliation relatively successful in Kismayo and Baidoa in Interim Juba Administration and Interim South West Administration, respectively, though on-going support is required (e.g., state-level request for additional reconciliation support in ISWA for clan reconciliation in Afgooye, Lower Shabelle). Reconciliation ongoing in Interim Galmudug State Administration. Political reconciliation underway for an anticipated Hiraan/Middle Shabelle state. Three charters are in place	Targets (Q2-Q4 2016): 1. 2: Hiraan/Middle Shabelle draft charter and draft constitution developed 2. Two mediation processes supported, facilitated and led by Interim Administration and FGS (at least 30% gender representation) 3. 50% of state administration staff trained in conflict management and community problem solving in at least three interim federal states (with at least 30% gender representation) 4. At least two consultations undertaken between Interim Administration and FGS on	Activity Result 1.1: Emerging state administrations formed in an inclusive manner and agreed upon regulatory frameworks in place <ul style="list-style-type: none"> Action 1.1.1: Support inclusive mediation of inter-regional consultation processes around state formation/building and federalism Action 1.1.2: Technical assistance and other support to the establishment and performance of Technical Committees in the state formation process Action 1.1.3: Support Technical Committees and other stakeholders in drafting charters, constitutions, and policy documents on federal / state roles and relations 	Interim federal state administrations, MOIFA, UNDP, implementing partners	\$1,860,730 , comprised of human resources, trainings, workshops, and logistics expenses

INTENDED OUTPUTS	OUTPUT TARGETS FOR (YEARS)	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES	INPUTS
<p>(ISWA, GIA and Jubbaland) and need to be aligned with the National Constitution.</p> <p>Indicators:</p> <ol style="list-style-type: none"> 1. # of interim federal states with agreed upon charters and approved constitutions 2. # of inclusive mediation processes supported and led by IRA/FGS 3. % of state administration staff trained in conflict management and community problem solving (disaggregated by sex) 4. # of inclusive consultations undertaken on federalism and federal states endorsement process by the FGS HoP 	<p>federalism and federal state endorsement criteria (at least 30% gender representation)</p> <p>Targets (2017):</p> <ol style="list-style-type: none"> 1. 3: Three interim states have approved charter/constitution in place in consultation with FGS and stakeholders 2. Two new mediation processes supported and facilitated by IRAs/FGS for remaining/all interim federal states (at least 30% gender representation) 3. 75% of state administration staff trained in conflict management and community problem solving in at least three interim federal states (with at least 30% gender representation) 4. At least one interim state is endorsed as full-fledged state by FGS HoP <p>Targets (Q1 2018):</p> <ol style="list-style-type: none"> 1. 4: At least four interim states have charter/constitution in place in consultation with FGS and stakeholders 2. One new mediation process supported and facilitated by IRAs/FGS for remaining/all interim federal states (at least 30% gender representation) 3. 85% of state administration staff trained in conflict management and community problem solving in at least three interim federal 	<p>Activity Result 1.2: Improved state capacity in conflict mitigation and political reconciliation</p> <ul style="list-style-type: none"> • Action 1.2.1: Technical assistance and other support to inclusive consultations and political reconciliation efforts between clan and sub-clan groups in relation to the state formation process • Action 1.2.2: Support IRAs/FGS and other actors working in emerging states to have increased awareness of conflict dynamics • Action 1.2.3: Technical assistance and other support to elected representatives, elders, and other community leaders on conflict management and community problem solving 		

INTENDED OUTPUTS	OUTPUT TARGETS FOR (YEARS)	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES	INPUTS
	<p>states (at least 30% gender representation)</p> <p>4. At least two interim states are endorsed as full-fledged states by FGS HoP</p>			
<p>Output 2: The capacity of the FGS, particularly those institutions engaged in the federalism process, is strengthened</p> <p>Baseline: Weak existing capacity, as evidenced by a recent Government Institutions Capacity Assessment (GICA) conducted by USAID/Chemonics in November 2014 of MOIFA. Independent Boundaries and Federation Commission (BFC) recently formed. Hence, basic capacity needs – i.e. agreement on its terms of reference, development of a work plan - expected upon its establishment.</p> <p>Indicators:</p> <ol style="list-style-type: none"> 1. # of technical advisors and interns provided to BFC to assist in policy development and implementation (disaggregated by sex) 2. # (and %) of BFC members with access to basic equipment, disaggregated by sex 3. # of approved draft policy/strategy on federalism and boundary demarcation 4. # of technical advisors and interns provided to MOIFA/OPM to assist in policy development and implementation on federalism process (disaggregated by sex) 	<p>Targets (Q2-Q4 2016):</p> <ol style="list-style-type: none"> 1. BFC have at least two technical advisors/officers and three interns in place to support boundary demarcation and federalism process, organization structure and capacity development (at least 30% gender representation) 2. All BFC members have basic equipment necessary to initiate boundary demarcation process 3. 1: Strategic framework/policy of BFC role in federalism and boundary demarcation in place 4. MOIFA and OPM each have at least two technical advisors and five interns to develop the capacity of the units and establish emerging states focal points to coordinate emerging states formation process (at least 30% gender representation) 5. 70% of FGS/MOIFA federal affairs and emerging states secretariat team have office equipment 6. At least one inclusive regional consultation held for emerging federal states, with FGS/MOIFA coordinating role 	<p>Activity Result 2.1: BFC is equipped and supported to fulfil its mandate</p> <ul style="list-style-type: none"> • Action 2.1.1: Support the start-up of the independent BFC with equipment related to boundary demarcation/GIS support • Action 2.1.2: Technical assistance, human resource, policy and other support for the newly formed BFC <p>Activity Result 2.2: FGS structures are better able to fulfil their mandate with regard to the establishment of new federal states</p> <ul style="list-style-type: none"> • Action 2.2.1: Technical assistance and other support to MOIFA on organizational structure and processes to increase efficiency and effectiveness • Action 2.2.2: Technical assistance and other support to MOIFA – in consultation with other FGS and emerging federal state stakeholders – to develop federalism policies • Action 2.2.3: Support inclusive consultations on the establishment of federal states in south and central Somalia <p>Activity Result 2.3: FGS/OPM is supported to facilitate federalism dialogue</p> <ul style="list-style-type: none"> • Action 2.3.1: Frameworks on federalism and dialogue processes initiated through effective and 	FGS/MOIFA, BFC, UNDP	\$2,354,000 including human resources, material support in the form of equipment and supplies, trainings, workshops, logistics expenses

INTENDED OUTPUTS	OUTPUT TARGETS FOR (YEARS)	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES	INPUTS
5. % of MOIFA units that receive office equipment 6. # of consultations with regions and emerging states convened and facilitated by FGS/MOIFA	<p>Targets (2017):</p> <ol style="list-style-type: none"> At least three advisors and three interns continue to support BFC in boundary demarcation and federalism process, organization structure and capacity development (at least 30% gender representation) BFC have additional need-based equipment to support boundary demarcation process BFC/FGS and at least three federal states have policy agreement on roles and relations between FGS and federal members states MOIFA and OPM continue to each have at least two technical advisors and five interns to develop the capacity of the units and establish focal points to coordinate emerging states (at least 30% gender representation) 100% MOIFA federalism unit team members have office equipment to deliver their mandate and functions Inclusive inter-state consultative forums are in place on state building and federalism process and at least two regional consultations held <p>Targets (Q1 2018):</p> <ol style="list-style-type: none"> At least three advisors and three interns continue to support BFC in capacity development and boundary demarcation and 	<p>transparent engagement of key stakeholders</p> <ul style="list-style-type: none"> Action 2.3.2: Inter-ministerial committee and taskforce (federal and state) supported and strengthened to advance discussions and to building consensus with federal and regional governments on the core issues around federalism Action 2.3.3: National and state authorities/institutions enabled to lead the political engagement, coordination and attainment of shared understanding and consensus on key federalism related issues 		

INTENDED OUTPUTS	OUTPUT TARGETS FOR (YEARS)	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES	INPUTS
	<p>federalism process (at least 30% gender representation)</p> <ol style="list-style-type: none"> 2. BFC have additional need-based equipment to support boundary demarcation process 3. BFC/FGS and at least three federal states develop implementation framework on agreed policy on roles and relations between FGS and federal members states 4. MOIFA and OPM continue to each have at least two technical advisors and five interns to develop the capacity of the units and establish focal points to coordinate emerging states (at least 30% gender representation) 5. 100% MOIFA federalism unit team members have office equipment to deliver their mandate and functions 6. Inclusive inter-state consultative forums are in place on state building and federalism process and at least one more regional consultation held 			
<p>Output 3: Foundational support to Interim State Administrations to ensure an appropriate physical working environment is provided</p> <p>Baseline: Some social infrastructure delivered in districts, though none as federal member state infrastructure.</p>	<p>Targets (Q2-Q4 2016):</p> <ol style="list-style-type: none"> 1. Two baseline assessments of key priority office infrastructure completed in two interim/federal member states 2. Two infrastructure projects rehabilitated/refurbished 	<p>Activity Result 3.1: Key priority infrastructure is identified and delivered, in coordination with existing infrastructure support mechanisms</p> <ul style="list-style-type: none"> • Action 3.1.1: Technical assistance and other support to enable federal state administrations to conduct assessments of key government infrastructure and identify highest priority gaps • Action 3.1.2: Rehabilitation and refurbishment of prioritized state 	Interim federal state administrations, MOIFA, UNDP, implementing partners, sub-contractors	\$1,915,301 , including human resources, material support in the form of rehabilitation or construction, equipment and supplies

INTENDED OUTPUTS	OUTPUT TARGETS FOR (YEARS)	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES	INPUTS
Indicators: 1. # of interim/federal member states with baseline assessments conducted prioritizing key infrastructure support for the Cabinet/ministries/agencies of the Interim Administrations 2. # of new or rehabilitated infrastructure projects undertaken in the Interim Administrations/States	Targets (2017): 1. Two additional baseline assessments of key priority office infrastructure completed in all interim/federal member states 2. Two additional infrastructure projects rehabilitated/ refurbished Targets (Q1 2018): 1. All baseline assessments of key priority office infrastructure completed in all interim/federal member states 2. One additional infrastructure project rehabilitated/ refurbished and improved basic physical working environment in all IRAs	government infrastructure/office space		
Output 4: The capacity of Interim State Administrations with a dedicated focus on ' <i>core public sector capacities</i> ' is enhanced Baseline: Weak current capacity – emerging state administrations are fledgling or not yet formed Indicators: 1. # of baseline assessments completed and used to prioritize human resource and other needs 2. # of technical advisors/officers and interns supported in Interim State Administrations for organization development and planning process (disaggregated by sex)	Targets (Q2-Q4 2016): 1. Two baseline assessments conducted within two interim federal state administrations 2. At least three technical advisors/officers and eight interns provided to interim administrations (at least 30% gender representation) 3. 50% of the human resources of interim administration receive training in core functions (with at least 30% gender representation) 4. At least two Interim State Administration level PSG WG established in two interim states 5. 30% of interim federal member states ministries have	Activity Result 4.1: Emerging state administrations have improved understanding of capacity needs and gaps <ul style="list-style-type: none"> Action 4.1.1: Technical assistance to emerging state administrations to conduct baseline on Human and Institutional Capacity Development (HICD) Assessments of nascent state structures Action 4.1.2: Establish capacity development and coordination mechanism for new state administrations for effective synergies and aid coherence Activity Result 4.2: Emerging state administrations have increased human capacity and other support to deliver services <ul style="list-style-type: none"> Action 4.2.1: Technical assistance and human resources support to 	Interim federal state administrations, MOIFA, UNDP, implementing partners	\$2,943,035 , including human resources, trainings, workshops, and logistics expenses

INTENDED OUTPUTS	OUTPUT TARGETS FOR (YEARS)	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES	INPUTS
3. % of staff members of beneficiary state ministries/agencies that receive trainings on core of government functions (disaggregated by sex) 4. # of coordination structures established 5. % of interim federal member states ministries that have organization structure and terms of reference in place	<p>organization structure and terms of reference in place</p> <p>Targets (2017):</p> <ol style="list-style-type: none"> At least two additional HICD Assessments conducted for the interim federal state administrations (four in total) The three embedded technical advisors/officers and eight interns in the target ministries of Interim Administrations assist in developing organizational development and strategic plans for all/at least 3 interim states (at least 30% gender representation) 80% of the human resources of interim administration receive training in core functions and skills At least two additional Interim State level PSG WGs established in the four interim federal member States (four in total) 60% of interim federal member states ministries have organization structure and terms of reference in place, and all positions are included in annual state budgets <p>Targets (Q1 2018):</p> <ol style="list-style-type: none"> All baseline assessments conducted for the interim federal state administrations and three-year capacity 	<p>state administrations to have functional organizations and develop frameworks and procedures for civil service management, strategic plans and policies for the state building process</p> <ul style="list-style-type: none"> Action 4.2.2: Technical assistance and other support to civil servant capacity building in prioritized core state functional and state building areas Action 4.2.3: Support the establishment of horizontal coordination mechanisms to promote intra-state communication and vertical mechanisms to strengthen linkages between state administrations downwards to regional and district levels and upwards to the federal level 		

INTENDED OUTPUTS	OUTPUT TARGETS FOR (YEARS)	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES	INPUTS
	<p>development action plan developed</p> <p>2. The three embedded technical advisors/officers and eight interns in the target ministries of Interim Administrations assist in developing organizational development and strategic plans for all/at least four Interim states (at least 30% gender representation)</p> <p>3. 100% of the human resources of Interim Administrations receive training in core functions and skills</p> <p>4. At least one additional Interim State level PSG WG established in the four interim federal member states (five in total)</p> <p>5. 70% of interim federal member state ministries have organizational structure and terms of reference in place, and all positions are included in annual state budgets</p>			
<p>Output 5: Civic participation and engagement with Interim State Administrations is strengthened</p> <p>Baseline: No systematized mechanisms in place for civic engagement with emerging federal member state structures.</p>	<p>Targets (Q2-Q4 2016):</p> <p>1. First round of baseline survey conducted on citizen perceptions on federalism in at least three emerging federal member states</p> <p>2. At least one public outreach campaign conducted in two interim federal states with at least 30% gender representation</p>	<p>Activity Result 5.1: Increased public awareness on federalism and the role of emerging state administrations</p> <ul style="list-style-type: none"> Action 5.1.1: Support to the design and delivery of public outreach campaigns on federalism and good governance Action 5.1.2: Support to the development of community and government dialogue forums and 	Interim federal state administrations, MOIFA, UNDP, implementing partners, contracted organization	\$ 834,600 , including trainings, workshops, logistics expenses, designing and printing of public information materials

INTENDED OUTPUTS	OUTPUT TARGETS FOR (YEARS)	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES	INPUTS
Indicators: <ol style="list-style-type: none"> 1. % of citizens with improved perceptions on federalism (disaggregated by sex) 2. # of public outreach campaigns on federalism/state formation 3. # of public accountability forums held by interim federal member states towards citizen and government engagement process 4. # of CSOs and # of citizens participating in state planning processes, disaggregated by sex 	<ol style="list-style-type: none"> 3. At least one state administration accountability forum held in two interim federal states with CSO and citizen participation (at least 30% gender representation) 4. In each of three federal member states, at least 10 CSOs and 300 citizens (at least 30% gender representation) participate in consultative workshops for developing Interim State's Vision and Strategy plan/document <p>Targets (2017):</p> <ol style="list-style-type: none"> 1. Second round of baseline survey conducted on citizen perception on federalism in at least three emerging federal member states 2. At least 2 public outreach campaigns conducted in all interim federal states (with 30% gender representation) 3. At least two public accountability forums held in each interim federal state (30% gender representation) 4. At least 10 CSOs and 300 citizens (30% gender representation) participating in consultative workshops in the state level planning and budget process beyond 2017 	<p>mechanisms to strengthen linkages between the two</p> <ul style="list-style-type: none"> • Action 5.1.3: Technical assistance and other support to increase capacity of CSOs/women's groups in the areas of governance and government / community engagement <p>Activity Result 5.2: Increased accountability of emerging state administrations</p> <ul style="list-style-type: none"> • Action 5.2.1: Support the establishment of public accountability forums at the state level • Action 5.2.2: Support the initiation of participatory planning processes to include civic participation in state strategic planning <p>Activity Result 5.3: Evidence-based research on public perceptions available to inform state formation process</p> <ul style="list-style-type: none"> • Action 5.3.1: Contract a qualified research organization to work with Interim State Administrations on conducting public perceptions research of federalism process • Action 5.3.2: Research results are shared with FGS/Interim State administrations to improve measurements of project impact and governance performance 		

INTENDED OUTPUTS	OUTPUT TARGETS FOR (YEARS)	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES	INPUTS
	Targets (Q1 2018): <ol style="list-style-type: none"> At least 20% improvement in citizen perceptions on federalism At least one more public outreach campaign conducted in all interim federal states (at least 30% gender representation) At least one more public accountability forum held in all interim federal states with citizen participation (at least 30% gender representation) Strategic plans are in place in all emerging states 			
Output 6: Project Management Costs Baseline: 40% of project team in place during PIP implementation phase Indicators: <ol style="list-style-type: none"> % of project staff in place, disaggregated by sex # of office space in place for project implementation % of staff receive office equipment and logistics support, disaggregated by sex 	Targets (Q2-Q4 2016): <ol style="list-style-type: none"> 80% of project team in place, with a minimum 30% gender representation Functional offices in Mogadishu and in at least two IRAs 80% of staff (disaggregated by sex) receive office equipment and logistics and operations support provided towards project implementation Targets (2017 and Q1 2018): <ol style="list-style-type: none"> 100% of project team in place Functional offices in Mogadishu and in at least two IRAs Logistics and operation support provided towards project implementation 	Activity Result 6.1: StEFS Project appropriately staffed to ensure successful delivery and accountability <ul style="list-style-type: none"> Action 6.1.1: International Project Staff salaries Action 6.1.2: Local Project Staff salaries Action 6.1.3: International Program Staff salaries Action 6.1.4: Local Program Staff Salaries Activity Result 6.2: StEFS Project appropriately resources with accommodation, office space, and equipment/supplies to ensure successful delivery and accountability <ul style="list-style-type: none"> Action 6.2.1: Accommodation Action 6.2.2: Office Space Action 6.2.3: Furnishing, equipment, and supplies 	UNDP	\$ 2,829,190 , including human resources, equipment and supplies, accommodation, office space, travel and professional services (such as translation, audit, evaluations, assessments) <i>(Excl. \$ \$1,799,717.79 in communication, operations, security & equipment support, M&E & Oversight and UNMPTF Admin support costs)</i>

INTENDED OUTPUTS	OUTPUT TARGETS FOR (YEARS)	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES	INPUTS
		Activity Result 6.3: StEFS Project appropriately services with logistical support and professional services <ul style="list-style-type: none"> • Action 6.3.1: Travel • Action 6.3.2: Professional Services 		

WORK PLAN AND BUDGET

Work plan of: **Support to Emerging Federal States (StEFS)** Duration of the JP/Project: **2 Years (April 1, 2016 to July 31, 2018)**

EXPECTED OUTPUTS & BASELINES	PLANNED ACTIVITIES <i>List activity results and associated actions</i>	TIMEFRAME								RESPONSIBLE PARTY	PLANNED BUDGET		
		2016			2017				2018		Funding Source	Budget Description	Total Amount (USD)
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1-2				
Output 1: The political dialogue and consultations around federalism and state formation have been supported Baseline: Political reconciliation relatively successful in Kismayo and Baidoa in emerging Interim Juba Administration and Interim South West Administration, though ongoing support is required (e.g. state level request for additional reconciliation support in ISWA for clan reconciliation in Afgooye, Lower Shabelle). Reconciliation ongoing in Interim Galmudug State Administration. Political reconciliation underway for an anticipated Hiraan/Middle Shabelle state. Three charters are in place (ISWA, GIA and Jubbaland) and need to be aligned with the National Constitution.	Activity Result 1.1: Emerging state administrations formed in an inclusive manner and agreed upon regulatory frameworks in place												\$ 1,014,000
	Action 1.1.1: Support the mediation of inter-regional consultation processes around state formation and federalism	X	X	X	X	X	X	X	X	UNSOM, UNDP, IFS, FGS MOIFA	UN PBF	HR Transportation Accommodation	\$ 710,000
	Action 1.1.2: Technical assistance and other support to the establishment and performance of Technical Committees in the state formation process	X	X							UNSOM, UNDP	UN PBF	HR Transportation Accommodation	\$ 200,000
	Action 1.1.3: Support Technical Committees and other stakeholders in drafting charters, constitutions, and policy documents on federal / state roles and relations	X	X	X	X					UNSOM, UNDP, Technical Committees	UN PBF	HR Transportation Accommodation	\$ 104,000
	Activity Result 1.2: Improved state capacity in conflict mitigation and political reconciliation												\$ 725,000
	Action 1.2.1: Technical assistance and other support to consultations and political reconciliation efforts between clan and sub-clan groups in relation to the state formation process	X	X	X	X					UNSOM, UNDP, IFS	UN PBF	HR Transportation Accommodation	\$ 320,000
		X			X	X				UNSOM, UNDP	UN PBF	HR Transportation	\$ 110,000

-	Action 1.2.2: Support IRAs/FGS and other actors working in emerging states to have increased awareness of conflict dynamics											Accommodation	
	Action 1.2.3: Technical assistance and other support to elected representatives, elders, and other community leaders on conflict management and community problem solving	X	X			X	X		X	UNDP, IFS	UN PBF	HR Transportation Accommodation	\$ 295,000
												GMS	\$ 21,730.00
	Sub Total Output 1												\$ 1,860,730
Output 2: The capacity of the FGS, particularly those institutions engaged in the federalism process, is strengthened Baseline: Weak existing capacity, as evidenced by a recent Government Institutions Capacity Assessment (GICA) conducted by USAID/Chemonics in November 2014 of the Ministry of Interior & Federalism. Independent Boundaries and Federation Commission (BFC) recently formed. Hence, basic capacity needs – i.e. agreement on its terms of reference, development of a work plan - expected upon its establishment.	Activity Result 2.1: BFC is equipped and supported to fulfil its mandate												\$ 950,000
	Action 2.1.1: Support the start-up of the independent BFC with equipment related to boundary demarcation/GIS support	X								FGS MOIFA, Council of Ministers HoP, UNSOM, UNDP	UN MPTF	HR Equipment Travel Accommodation	\$ 125,000
	Action 2.1.2: Technical assistance, human resource, policy and other support for the newly formed BFC	X	X	X	X	X	X	X	X	UNDP, UNSOM	UN MPTF	HR Workshop	\$ 825,000
	Activity Result 2.2: FGS structures are better able to fulfil their mandate with regard to the establishment of new federal states												\$ 1,050,000
	Action 2.2.1: Technical assistance and other support to the MOIFA on organizational structure and processes to increase efficiency and effectiveness	X	X	X	X	X	X	X	X	UNDP, FGS MOIFA	UN MPTF	HR Conference Workshop	\$ 480,000
	Action 2.2.2: Technical assistance and other support to the MOIFA – in consultation with other FGS and emerging federal state stakeholders – to develop federalism policies	X	X	X	X	X	X	X	X	UNDP, UNSOM, FGS MOIFA, IFS	UN MPTF	HR Conference Workshop	\$ 190,000

	Action 2.2.3: Support inclusive consultations on the establishment of federal states in south and central Somalia	X	X	X	X	X	X	X	X	UNSOM, UNDP, FGS	UN MPTF	HR Conference Workshop	\$ 380,000
	Activity Result 2.3. FGS/PM office is supported to facilitate federalism dialogue									UNSOM, UNDP, FGS	UNDP		\$ 200,000
	Action 2.3.1. Support PM office to establish Federalism coordination unit :										SWISS		
											UNDP		
	Action 2.3.2. Support Inter- ministerial taskforce to initiate discussion on Federalism process										UNDP		
	Action 2.3.3. Facilitate Inter- state dialogue on Federalism and state building process										UNDP		\$ 154,000
												GMS	
Sub Total Output 2													\$ 2,354,000
Output 3: Foundational support to Interim State Administrations to ensure an appropriate physical working environment is provided	Activity Result 3.1: Key priority infrastructure is identified and delivered, in coordination with existing infrastructure support mechanisms												\$ 1,790,001
Baseline: Some social infrastructure delivered in districts, though none as federal member state infrastructure.	Action 3.1.1: Technical assistance and other support to enable federal state administrations to conduct assessments of key government infrastructure and identify highest priority gaps	X	X	X	X					UNDP, IFS	UN MPTF	HR	\$ 55,001
	Action 3.1.2: Rehabilitation and refurbishment of prioritized state government infrastructure/office space	X	X	X	X	X	X	X	X	UNDP, IFS	UN MPTF	Equipment Material / Construction GMS	\$ 1,735,000 \$ 25,300.07
Sub Total Output 3													\$ 1,915,301
Output 4: The capacity of Interim State Administrations with a dedicated focus on 'core public sector capacities' is enhanced	Activity Result 4.1: Emerging state administrations have improved understanding of capacity needs and gaps and are well coordinated at State level												\$ 337,000

Baseline:

Weak current capacity –
emerging state administrations
are fledgling or not yet formed

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Action 4.1.1: Technical assistance to emerging state administrations to conduct baseline on Human and Institutional Capacity Development (HICD) Assessments of nascent state structures	X	X	X	X					IFS, UNDP	UNSOM	HR Equipment	\$ 110,000
Action 4.1.2: Establish capacity development and coordination mechanism for new state administration for effective aid coherence and synergy development,	X	X	X	X	X	X	X	X	UNDP, IFS, FGS Capacity Directorate supporting	UNSOM	HR Equipment	\$ 227,000
Activity Result 4.2: Emerging state administrations have increased human capacity and other support to deliver services												\$ 2,413,500
Action 4.2.1: Technical assistance and Human resources support to state administrations to have functional organizational structures and to develop frameworks and procedures for civil service management, State building Strategy Plans and Policies	X	X	X	X	X	X	X	X	UNDP, IFS	UNSOM	HR Workshops	\$ 1,306,000
Action 4.2.2: Technical assistance and other support to civil servant capacity building in prioritized core state functional and State Building Areas		X	X	X	X	X	X	X	UNDP, IFS	UN MPTF	HR Workshops	\$ 725,000
Action 4.2.3: Support the establishment of horizontal coordination mechanisms to promote intra-state communication and vertical mechanisms to strengthen linkages between state administrations downwards to regional and district levels and upwards to the federal level	X	X	X	X	X	X	X	X	UNSOM, UNDP, IFS, FGS	UNDP	Workshops	\$ 382,500
											GMS	\$ 192,535
Sub total Output 4												\$ 2,943,035
												\$ 365,000

Output 5: Civic participation and engagement with Interim State Administrations Increased

Baseline:

No systematized mechanisms in place for civic engagement with emerging federal member state structures.

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Activity Result 5.1: Increased public awareness on federalism and the role of emerging state administrations													
Action 5.1.1: Support to the design and delivery of public outreach campaigns on federalism and good governance	X	X	X	X	X	X	X	X	X	UNDP, IFS	UN MPTF	HR Workshops	\$ 150,000
Action 5.1.2: Support to the development of community and government dialogue forums and mechanisms to strengthen linkages between the two	X	X	X	X	X	X	X	X	X	UNDP, IFS, CSOs	UN MPTF	HR Workshops	\$ 110,000
Action 5.1.3: Technical assistance and other support to increase capacity of CSOs/women groups in the areas of governance and government / community engagement		X	X	X	X	X	X	X	X	UNDP, CSOs	UN MPTF	Workshop	\$ 105,000
Activity Result 5.2: Increased accountability of emerging state administrations													\$ 250,000
Action 5.2.1: Support the establishment of public accountability forums at the state level		X	X	X	X	X	X	X	X	UNDP, IFS, CSOs	UNDP	HR Workshop	\$ 140,000
Action 5.2.2: Support the initiation of participatory planning processes to include civic participation in state strategic planning			X	X	X		X	X	X	UNDP, IFS, CSOs	UNDP	HR Workshop	\$ 110,000
Activity Result 5.3: Evidence-based research on public perceptions available to inform state formation process													\$ 165,000
Action 5.3.1: Contract a qualified research organization to work with Interim State Administrations on conducting public perceptions research of federalism process	X									UNDP, IFS, Contracted Organization	UNDP	HR / Workshop HR / Workshop	\$ 155,000

	Action 5.3.2: Research results are shared with FGS/Interim State administrations to improve measurements of project impact and governance performance		X	X	X	X	X	X	X	UNDP, IFS, Contracted Organization	UNDP	HR Workshops	\$ 10,000
												GMS	\$ 54,600
Sub total output 5													\$ 834,600
Output 6: Project Management Costs	Activity Result 6.1: StEFS Project appropriately staffed to ensure successful delivery and accountability									UNDP			\$ 1,676,962
Baseline: 40 % of project team in place during PIP implementation phase	Action 6.1.1: International Project Staff salaries	X	X	X	X	X	X	X	X	UNDP	UN MPTF	HR	\$ 907,200
	Action 6.1.2: Local Project Staff salaries	X	X	X	X	X	X	X	X	UNDP	UN MPTF	HR	\$ 769,762
	Action 6.1.3: International Program Staff salaries	X	X	X	X	X	X	X	X	UNDP	UN MPTF	HR	\$ -
	Action 6.1.4: Local Program Staff Salaries	X	X	X	X	X	X	X	X	UNDP	UN MPTF		\$ -
	Activity Result 6.2: StEFS Project appropriately resources with accommodation, office space, and equipment/supplies to ensure successful delivery and accountability									UNDP			\$ 649,141
	Action 6.2.1: Accommodation	X	X	X	X	X	X	X	X	UNDP	UN MPTF	Accommodation	\$ 300,000
	Action 6.2.2: Office Space	X	X	X	X	X	X	X	X	UNDP	UN MPTF	Rental	\$ 312,741
	Action 6.2.3: Furnishing, equipment, and supplies	X	X	X	X	X	X	X	X	UNDP	UN MPTF	Equipment	\$ 36,400
	Activity Result 6.3: StEFS Project appropriately services with logistical support and professional services									UNDP			\$ 318,000

	Action 6.3.1: Travel	X	X	X	X	X	X	X	X	UNDP	UN MPTF	Equipment	\$ 136,000
	Action 6.3.2: Professional Services	X	X	X	X	X	X	X	X	UNDP	UN MPTF	Equipment	\$ 182,000
												GMS	\$ 185,087
Sub Total Output 6													\$ 2,829,190
SUBTOTAL													\$ 12,736,856
Communications Support - 1%													\$ 127,369
Operations Support - 4.5%													\$ 573,159
Security & Equipment Support - 2.5%													\$ 318,421
M&E & Oversight - 5%													\$ 636,843
SUBTOTAL DPC													\$ 14,392,648
Total Project Cost													\$ 14,392,648
UNMPTF Admin - 1%													\$ 143,926
GRAND TOTAL													\$ 14,536,574

Budget by Participating UN Organization, using UNDG Budget Categories

SOMALIA UN MPTF PROJECT BUDGET*			
CATEGORIES	UNDP	[name of PUNO***]	[name of PUNO***]
1. Staff and other personnel costs	\$ 1,676,962		
2. Supplies, Commodities, Materials	\$ 408,339		
3. Equipment, Vehicles and Furniture including Depreciation	\$ 868,853		
4. Contractual Services	\$ 7,755,223		
5. Travel	\$ 686,177		
6. Transfers and Grants to Counterparts	\$ 120,000		
7. General Operating and Other Direct Costs	\$ 1,920,363		
Sub-Total Project Costs	\$ 13,435,917		
Indirect Support Costs **	\$1,100,657		
TOTAL	\$14,536,574		

* Budgets must adhere to the UNDG Harmonised Budget Categories as approved by the High Level Committee on Management (HLCM) and Chief Executives Board for Coordination (CEB).

**Indirect support cost should be in line with the rate of 7%, as specified in the Somalia UN MPTF TOR and MOU and SAA, Section II- Financial Matters.

*** UNDP is the implementing partner, hence there are no other UN agency will be receiving the fund. UNSOM is strategic and political partner in the programme.

MANAGEMENT AND COORDINATION ARRANGEMENTS

A. Primary Stakeholders

UNSOM will provide the overall political advice, strategic direction, and general oversight for the **StEFS** project through its Political and Mediation Group (PAMG). The Heads of UNSOM Regional Offices will use their existing working relationships with existing and emerging state administrations to liaise directly with them on the implementation of the project, and will oversee implementation at the regional level. The Joint Planning Unit (JPU) will provide strategic support, particularly on planning frameworks. The Joint Planning and Analysis Team (JPAT) will provide analytical products on specific regions and issues, such as conflict analyses (ref: Output 4), as well as share the results of their ongoing exercises in regional needs assessments and actor mapping. Other UNSOM sections may be called upon to provide advice on specific components, such as human rights (through the Human Rights and Protection Group) and justice and security institutions (through the Rule of Law and Security Institutions Group). Finally, the UN's air and transportation assets, field offices and support structure (through the UN Support Office to AMISOM – UNSOA) will play a critical role in supporting the entire project. Finally, UNSOM, through its regional offices, will coordinate with other UN agencies to have coherent and harmonized support to the emerging federal states.

UNDP will be the lead implementing agency for the **StEFS** project, building upon the current support of UNDP and UNSOM on state formation through the Project Initiation Plan (PIP). The PIP is approved by the Federal Government of Somalia, and serves as the current mechanism through which UNDP has demonstrated well-acknowledged results in Baidoa and Adado supporting the Interim South West Administration formation process and Interim Galmudug State Administration process. The **StEFS** project will be coordinated with other UNDP programmes and projects to provide coherent support to the emerging states, especially with regard to how these states engage with both lower and higher levels of Somali Government. Other projects in which UNDP has a leading role such as Joint Programme on Local Governance (JPLG), Parliamentary Support Project, Local Economic Development (LED) and Strengthening Institutional Performance (SIP) projects will add value to **StEFS** in linking capacity building at the state level with support to local, federal, and legislative institutions.

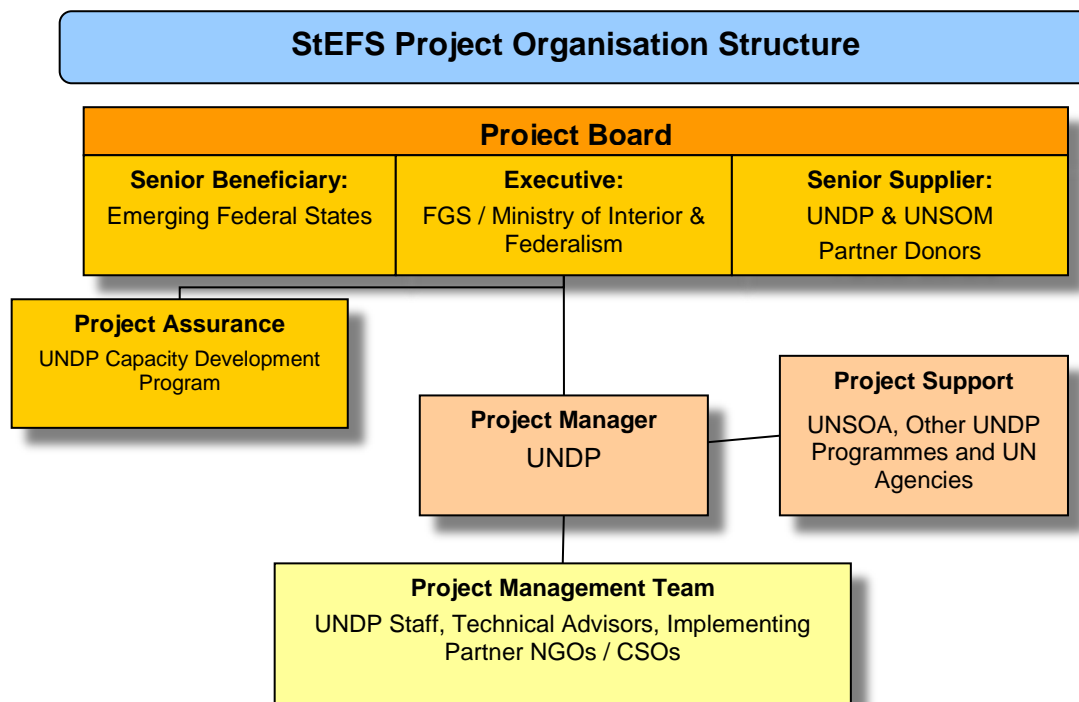
Federal Government of Somalia: UNDP and UNSOM will work closely with the Ministry of Interior and Federal Affairs (MOIFA) as one of the key federal partners in Mogadishu. The precursor to the **StEFS** program, the shorter term PIP has already been working closely with the Directorate of Federalism. In addition to the MOIFA, the BFC, recently formed, will be an implementing partner of **StEFS**. Besides this, UNSOM and UNDP will coordinate with other relevant Ministries that may be involved in the state building process, particularly the Ministries of Constitutional Affairs, Justice, and Planning, as well as the Offices of the Prime Minister and President.

Interim State Administrations: These will be the primary partners and beneficiaries of the **StEFS** project. UNSOM and UNDP through the currently implemented PIP have already begun working with the IJA, ISWA, and Interim Galmudug State Administration, and is supporting the efforts towards a Hiraaan and Middle Shabelle state formation process.

B. Project Management Structure

The project will be managed by UNDP with strategic input from UNSOM and under UNDP's Direct Implementation (DIM) modality, in close collaboration with the Federal Government of Somalia's Ministry of Interior and Federal Affairs (MOIFA) and with representatives from the Interim Federal States. UNDP and UNSOM propose to establish a tri-partite Project Board comprised of representatives from the Emerging Federal States, the FGS's MOIFA Directorate of Federalism serving as Chair, and UN representation via both UNDP and UNSOM. Within logistical possibilities, **StEFS** recommends the Project Board will meet on a quarterly basis. See below for roles and responsibilities of the Project Board. Project Assurance and Technical Advisory Support will be provided by UNDP's broader Capacity Development Program, under which the **StEFS**

Project sits. The Project will be further supported through collaboration and coordination with other UN governance programs as well will benefit from UNSOA's logistical support, such as facilitating movement of personnel.



The Project's day-to-day implementation will be headed by the **StEFS** Project Manager and will consist of the following staff:

- 1 Project manager (International P4 level) based in Mogadishu for overall project implementation and management
- 1 Project Specialist based in Mogadishu (SC 10 level) for overall project management and support
- 1 Project Officer (SC 10 level) based in Mogadishu for MOIFA and BFC activities
- 1 Project Operations Manager (International UNV) based in Mogadishu for technical operational management of the project
- 1 Project M&E and Reporting officer (IUNV) based in Mogadishu for project M&E and reporting
- 1 Project Assistant - Administration (SC 5/6 level) based in Mogadishu based
- 1 Project Assistant – Finance (SC 5/6 level) based in Mogadishu
- 4 Project Officers (SC 10 level). One officer per interim state administration based in the state capital overseeing UNDP – interim federal state relationships at the field level and day to day area activity management
- 4 Project Assistants (SC 5/6 level) based in each interim state capital

The Project Management Team will serve as the secretariat for the Project Board and will be supported by national and international (short-term) advisors as required.

C. The Project Board

The **StEFS** Project Board will provide strategic guidance and oversight to the Project, ensuring that the StEFS activities and objectives are being pursued both according to the project plan and according to the principle of Somalia ownership where Somali government authorities are driving the process forward. Comprised of representatives from Emerging Federal States, the FGS Ministry of Interior, as well as UNDP and UNSOM, regular meetings of the Board will also foster on going consultations around practical and programmatic issues between the federal and state levels of the Somali Government. The Ministry of Interior will serve as Chair of the Project Board, with UNDP supporting as Secretariat for the Board to ensure minutes are documented and

disseminated transparently among state and federal authorities as well as among the Project Management Team and partner donors.

StEFS suggests that the Board meet on a quarterly basis, and that meetings are held in Mogadishu and in each of the interim state administration capitals, ideally on a rotating basis, security permitting. The role of the Project Board is to:

- (i) Provide overall guidance and direction to the Project Manager, including feedback on Project management performance
- (ii) Review and approve the Project budget and Annual Work Plans, and approve any substantive Project and budget revisions
- (iii) Exchange relevant information, share examples of best practices and consider any matters related to the enhancement and implementation of the **StEFS** project
- (iv) Ensure effective implementation of the project
- (v) Review project (e.g. monthly or quarterly) progress reports and other relevant reports, such as **StEFS** developed curriculum for training or conflict / context analyses
- (vi) Discuss emerging risks to the project and suggested mitigation measures
- (vii) Address challenges with project implementation as raised by either the Project Management Team, or by any of the government counterparts
- (viii) Consider and decide on the actions recommended by the project manager to address specific issues
- (ix) Advise on either how the Project may evolve for future iterations and assist with the design of a follow-on Phase II, or an appropriate exit strategy that enhances the sustainability of state level governance

UNDP project offices in the newly emerging states are already being established and will be expanded – security permitting – to manage activities on the ground in emerging federal state capitals (or interim capitals such as Baidoa in the case of the ISWA). **StEFS** field presence will also ensure coordination between UNDP projects such as **StEFS**, JPLG, Parliamentary support programming, and with other development actors such as the Somalia Stability Fund or other state level capacity-building providers as they evolve. Further elaboration on coordination with UNDP Capacity Building Programme and with other stakeholders is contained in the following section.

D. Coordination with Other Stakeholders

As noted previously, it is crucial that **StEFS** efforts to support the emergence of new interim federal states and capacity build nascent interim administrations be delivered in close coordination with other stakeholders who have demonstrated capacity and effectiveness in these processes to date. A notable fund which has been instrumental in the ISWA and Interim Galmudug State Administration formation process is the Somalia Stability Fund (SSF), along with their implementing partners Finn Church Aid (FCA) and the Centre for Research and Dialogue (CRD). In both cases just mentioned, UNDP and UNSOM have worked collaboratively with the SSF and its partners, sharing support for the Baidoa conference and complementing each other's efforts to support the central regions process.

Another actor, which has begun supporting the MOIFA with regard to the nomination of candidates for the Boundaries and Federation Commission, is EISA – the Electoral Institute for Sustainable Democracy in Africa. EISA has also been engaged with the MOIFA in other capacity building areas – such as conducting workshops on democratization, decentralization and core government functions – which will complement the work of UNDP in its current inception phase and on-going through the proposed **StEFS** project. EISA may potentially be a future implementing partner for some of the activities designed in **StEFS**, such as facilitating study tours for the BFC and MOIFA to learn from existing boundary commissions in Africa. Thus, coordination on the project delivery level will be pursued through on-going and regular engagement with other donors and implementing partners in Mogadishu but also in Nairobi as needed.

At the strategic level, the **StEFS** project will coordinate with the broader donor community primarily through the PSG1 Working Group, and will provide regular updates to the Working Group in addition to more detailed updates to the Project Board, which should meet quarterly and will comprise representatives from interim administrations, the FGS, in addition to UNDP, UNSOM, and partner donors.

MONITORING AND EVALUATION

A. Monitoring

Regular and effective **StEFS** monitoring, both in Mogadishu and in the emerging federal states, where the majority of activities will be implemented, will be important to ensure that the Project is both focused on the activities articulate in the Results Framework and Work Plan, but at the same time is flexible and opportunistic enough to respond to changing needs in an oftentimes unpredictable operating environment. Such regular monitoring of the Project will also ensure that **StEFS** Project Management has on going information to feed back to the Project Board during proposed quarterly meetings.

The **StEFS** Project will adopt the following key principles as part of its M&E strategy:

- **Somalia ownership:** **StEFS** will ensure that monitoring interventions are co-led by national and state level Somalia Government counterparts and feed into the monitoring and evaluation activities within the Somali Compact, particularly PSG 1.
- **Multiple approaches:** As described in the Results Framework, **StEFS** will incorporate various monitoring approaches, including perception surveys, the design and agreement of policies and legislation, the frequency and quality of joint meetings between different levels of government, degree of participation from civil society, etc. These approaches will contribute to the formulation of the **StEFS** quarterly progress reports and be reported to the Project Board.
- **Encourage women's empowerment:** **StEFS** will monitor whether the results reflect the interests and rights of vulnerable groups, such as women. **StEFS** will generate disaggregated data regarding women's participation in state level government and government / public forums when monitoring activities.
- **On the ground:** Some projects have in the past been either lethargic in delivering activities or have failed altogether to achieve their objectives because they relied on remote management, and remote monitoring. **StEFS** will employ staff in each emerging federal state location not only to ensure project delivery, but also to ensure quality and ongoing project monitoring.

In accordance with the programming policies and procedures outlined prescribed by UNDP, the project will be monitored through the following:

Within the annual cycle...

- An Issue Log shall be activated in Atlas and updated by the **StEFS** Project Manager and M&E Assistant to facilitate tracking and resolution of potential problems or requests for change.
- Based on the initial risk log submitted (see annex A), a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the Project's implementation.
- Based on the above information recorded in Atlas, a Quarterly Progress Report (QPR – see below) shall be submitted by the Project Manager to the Project Board quarterly.
- A **StEFS** Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project
- A Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events.

B. Annual/Regular Reviews / Reporting

StEFS will engage in regular review and reporting in order to help the Project Management Team as well as stakeholder beneficiaries and Government counterparts ensure the Project is being implemented according to the agreed upon plan.

While the Project Board will receive all reports, from the more activity-focused Quarterly Progress Reports to the more analytical and Output and Outcome orientated Annual Reports, it is envisaged that the Six-Month Inception Report and the Annual and Final Reports will also be shared and discussed as part of the **PSG 1: Inclusive Politics** Working Group meeting, and possibly also with the **PSG 5: Revenue and Services** Working Group depending on the main issues PSG 5 is addressing at the time. The following provides a brief

explanation of the nature of each of the reporting / review mechanisms **StEFS** will employ during the life of the Project.

- **Quarterly Progress Reports:** These will be prepared by the **StEFS** Project Manager with the help of the Project Management Team and Government counterparts, and will be disseminated in advance of each proposed quarterly Project Board meeting. QPRs will focus primarily on progress against activities as articulated in the Results Framework and will serve to keep the Project Board abreast of progress and help the Project Management Team measure their delivery against the Results Framework activities.
- **Annual Project Review:** Following the Inception Report, an Annual Review Report shall be prepared by the Project Manager and shared with the Project Board for the end of 2016. This Annual Review Report will take stock of the major achievements and challenges, focusing more on the Output and Outcome levels in comparison to the quarterly progress reports which reports on the more detailed activity level indicators. The Annual Work Plan for the year will be reviewed to measure progress against objectives, and the Project Board may wish to make amendments to the **StEFS** Project as a result of significant challenges or emerging opportunities to do more or to do things differently.
- **End of Project Report:** At the end of September 2017, a final report will be prepared by the Project Manager to measure the overall Output and Outcome level impact of the Project. The End of Project Report will also address to what extent the **StEFS** Project has resulted in sustainable capacity support to the emerging federal states, the MOIFA and BFC, and what structures or mechanisms are in place as a result of **StEFS** support that contribute to PSG 1's strategic objective, *"to achieve a stable and peaceful federal Somalia through inclusive political processes."*

C. Evaluation

Evaluation of the impact of the **StEFS** Project will be conducted both through formal, annual evaluations which are performed for all UNDP programs as well as through the Activity Result 5.3 and subsequent activities which support evidence based research at the Interim State Administration level, primarily for their benefit in measuring their own governance performance but also beneficial for UNDP in measuring to what extent the **StEFS** Project has impacted on this. In both cases, results of evaluation findings will be shared with the **StEFS** Project Board and to Partner Donors.

LEGAL CONTEXT OR BASIS OF RELATIONSHIP

This project document shall be the instrument referred to as such in a) the Standard Technical Assistance Agreement, 1956 and b) Country Programme Action Plan (CPAP) 2011-2015. The host country counterpart agency shall refer, for the purposes of the Standard Technical Assistance Agreement, to the Government co-operating agency described in the Agreement. The project document shall be the instrument envisaged in the Supplemental Provision to the Project Document, attached hereto. Consistent with the above Supplemental Provisions, the responsibility for the safety and security of the executing agency (Implementing Partner) and its personnel and property, and of UNDP's property in the executing agency's custody, rests with the executing agency.

The executing agency (Implementing Partner) shall:

- Put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried; and
- Assume all risks and liabilities related to the executing agency's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

The executing agency (Implementing Partner) agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

ANNEX

Annex A. Risk Log and Integrated Risk and Opportunity Management

Somalia remains a volatile context in which to work, on multiple levels. In addition to physical insecurity, which continues to manifest itself with unfortunate regularity both in Mogadishu and in many parts of south and central Somalia where this Project is to be implemented, political insecurity remains a no less relevant risk to the success of **StEFS** implementation. A brief description of the major risks assessed, the likelihood and impact of each, and mitigation measures **StEFS** will utilize are contained in the following Risk Log table:

Risk	Likelihood	Impact	Mitigation
Political risk – state level. Emerging federal state leadership, including recent ministerial appointments, is still extremely new. Hence, it is not surprising that there have been no significant overhauls of leadership. Still, this cannot be discounted, based on recent federal level precedence and potentially volatile power dynamics in the regions.	Medium	High	While StEFS will work closely with executive level leadership of recently formed ministries, it will also intentionally target senior and mid-level ministry personnel at the state administration level, so that should there be a state Cabinet reshuffle, StEFS will have engaged in capacity support with staff who may likely remain in their posts. As an example at the federal level, StEFS has been engaged primarily with the Director General for Federalism within the MOIFA, who has retained his post along with his team, despite the recent replacement of the Minister, Deputy, and State Ministers in MOIFA.
Political risk – federal level. It is possible that the work of the Boundaries and Federation Commission will take time due to political competition. Further, based on recent history, any further Cabinet reshuffle will likely paralyze progress towards Vision 2016 deliverables.	Medium	High	As noted above, StEFS will ensure that it works with Director General (DG) and Department Head level staff from the MOIFA, staff who typically retain their posts during and after major changes in federal government leadership. StEFS will work with the DG of Federalism and his team to work with the nascent BFC, including identifying what immediate support may be required for the BFC to begin functioning.
Physical insecurity. Serious deterioration of the security situation, either within Mogadishu where the senior Project Management Team will be based, or in emerging federal state capitals, where StEFS will employ field staff.	Medium	High	The UN family has proven that it can and will continue to work from Mogadishu despite ongoing security challenges. The StEFS Project Manager and some of the Project Management Team will be Mogadishu based, so continuity of programming is likely even in the case of regional insecurity or isolated incidents in Mogadishu. In state capitals, StEFS does not intend to employ full time international staff, but rather will rely on senior local staff. These staff may be temporarily relocated if necessary either to Mogadishu or to another state capital but will continue to monitor project activities.
Project support. Lack of agreement on coordination and cooperation arrangements.	Low	High	Agreement with the MOIFA has also been reached on the precursor to StEFS , the current PIP Project. As part of the StEFS design process, the Project Manager and his team have consulted emerging state administrations in Baidoa, Kismayo, and Adado on the proposed Project components, all of whom have expressed support for the concept.
Project Start-Up and Personnel. Delays in recruitment of project management and International and national full time technical staff. Absence of qualified consultants to implement the assignment.	Medium	High	Recruitment will be planned well in advance to ensure timely deployment of required staff – both national and international. The Project Manager is already in place, as are short-term advisors to the Central Regions Technical Committee and ISWA, contracted through initial funding provided by the initial PiP Project. A pool of potential consultant advisors has already been developed, many of whom are already registered with CTG, a recruitment firm, and have done previous consultancy work for UNDP in Somalia.
Financial Risk. Misappropriation or misuse of Project funds. Lack of financial oversight at the project activity level.	Low	High	Because the project will be managed under UNDP's Direct Implementation Modality (DIM), all procurements will be managed by UNDP, using established UNDP policies and procedures. There will be no direct funds transfers to federal or state level governments under this project. All sub-contracts with consultants, service providers, or CSOs / NGOs will be administered according to UNDP procurement guidelines. StEFS will employ full time project staff on the ground in each activity location who will monitor usage of assets or services provided to Project beneficiaries. These staff will be supported by the Project's M&E Officer and UNDP's Finance Department.