



**PEACEBUILDING FUND (PBF)
ANNUAL PROJECT PROGRESS REPORT
COUNTRY: Somalia
REPORTING PERIOD: 1 JANUARY – 31 DECEMBER 2017**

Programme Title & Project Number
Programme Title: Support to Stabilization Project Programme Number (if applicable) 00087998 (Award ID) MPTF Office Project Reference Number: ¹ 00095366 (Gateway ID)

Recipient UN Organizations
List the organizations that have received direct funding from the MPTF Office under this programme: UNDP and Somalia MPTF National Window

Implementing Partners
List the national counterparts (government, private, NGOs & others) and other International Organizations: Federal Government of Somalia, Ministry of Interior and Federalism; and State Governments; District Governments; Interim District Administrations; and Civil Society Organizations

Programme/Project Budget (US\$)
PBF contribution (by RUNO) \$ 4,123,420
Government Contribution (if applicable)
Other Contributions (donors) (if applicable) \$ 419,058
TOTAL: \$4,542,478

Programme Duration
Overall Duration (months) 36 months
Start Date ² (dd.mm.yyyy) 1st June 2015
Original End Date ³ (dd.mm.yyyy) 30 December 2016
Current End date ⁴ (dd.mm.yyyy) 30 June 2018.

Programme Assessment/Review/Mid-Term Eval.
Assessment/Review - if applicable <i>please attach</i>

Report Submitted By
Name: UNDP and MoIFAR

¹ The MPTF Office Project Reference Number is the same number as the one on the Notification message. It is also referred to "Project ID" on the [MPTF Office GATEWAY](#)

² The start date is the date of the first transfer of the funds from the MPTF Office as Administrative Agent. Transfer date is available on the [MPTF Office GATEWAY](#)

³ As per approval of the original project document by the relevant decision-making body/Steering Committee.

⁴ If there has been an extension, then the revised, approved end date should be reflected here. If there has been no extension approved, then the current end date is the same as the original end date. The end date is the same as the operational closure date which is when all activities for which a Participating Organization is responsible under an approved MPTF / JP have been completed.

Yes No Date: HACT Audit:20th to 28th
March 2017 by Baker Tilly Merali's CPA (K)
Mid-Term Evaluation Report – *if applicable please attach*
 Yes No Date:

Title: Annual Project Progress Report
Participating Organization (Lead): UNDP
Email address: phillip.cooper@undp.org

PART 1 – RESULTS PROGRESS

1.1 Assessment of the current project implementation status and results

For PRF projects, please identify Priority Plan outcome and indicators to which this project is contributing:

<i>Priority Plan Outcome to which the project is contributing.</i>
<i>Priority Plan Outcome indicator(s) to which project is contributing.</i>

For both IRF and PRF projects, please rate this project’s overall achievement of results to date: on track

For both IRF and PRF projects, outline progress against each project outcome, using the format below. The space in the template allows for up to four project outcomes.

Outcome Statement 1: Federal, State, and District level administrations oversee, coordinate and implement stabilization activities

Rate the current status of the outcome: on track

<p>Indicator 1: Extension of a national window for the flow of funds between the various level of government</p> <p>Indicator 2: Value (in \$) of resources channelled through the National Window.</p> <p>Indicator 3: A coordinated Stabilization team is functional at Federal and district levels</p>	<p>Baseline: Fund flows using government systems between the Federal and District level were inexistent. Target: Fund flows using government systems between the Federal and District level exist. Progress: MOIFAR is transferring funds from the Central Bank to district and Mogadishu staff and state implementing partners</p> <p>Baseline: \$ 0 Target: \$ 100,000 Progress: \$ 900,323</p> <p>Baseline: N Target: 1 staff per district and 5 at Federal level Progress: 12 staff at district level; 5 at Federal level</p>
---	---

Output progress

List the key outputs achieved under this Outcome in the reporting period (1000 character limit). Outputs are the immediate deliverables for a project.

- 1) 5 sets of financial procedures have been applied:
The Project Budget is incorporated in the National Budget and is uploaded in the Financial Management Information System (FMIS) used for accounting for government money. Funds are received directly in a new designated bank account in the Central Bank of Somalia.

2) \$900,323 (62% of \$1,435,615) of the fund has been channelled through the National Window (from a \$100,000 target).

3) 17 staff are operational at district and Federal level. District staff, 1 per district (Jubaland: Bardhere & Garbaharay; Hirshabelle: Warsheikh, Jowhar, Beled Weyn & Buleburde; Galmudug: Hobyo & Abudwak; South/West State: Baidoa, Hudur, Bardale & Barawe) and Federal level 5 staff at Ministry of Interior, Federal Affairs & Reconciliation.

4) Total 197 of stakeholders representing organizations/institutions of FGS, FMS international organizations, NGOs and donors have participated at 7 stabilization coordination meetings.

Outcome progress

Describe progress made during the reporting period toward the achievement of this outcome. This analysis should reflect the above indicator progress and the output achievement. Is there evidence of the outcome contributing to peacebuilding and to the specific conflict triggers (3000 character limit)?

1. The project continued to support and retain five technical staff (F:1; M:4) at the federal level to coordinate and support the Ministry of Interior, Federal Affairs and Reconciliation (MoIFAR) in its stabilization programme. At district level, the project retained 12 Community Liaison Officers (F: 1; M: 11) to support the implementation of activities of 12 out of the 14 priority districts of the state(s). The Third Party Monitoring (TPM) agent resumed its monitoring on October 2017, to verify financial procedures of the project. The monitoring agency visited Mahas district on 23rd to 26th January 2017 monitoring of flow of funds and FGS payment processing, including payments to consultants and experts.
2. The TPM agent also conducted a monitoring to MOIFAR, MOF, and the Central Bank of Somalia. The TPM observed that the following financial management measures were in place:
 - a. The Project Budget is incorporated in the National Budget.
 - b. The Project Budget is uploaded in the Financial Management Information System (FIMS) used for accounting for government treasury.
 - c. Funds are received directly in a new designated bank account in the Central Bank of Somalia Account.
3. The project developed communication and outreach strategy, including a quarterly newsletter and radio messaging to increase awareness on governance and stabilization operations.
4. S2S Coordination Board Meeting held at MIA, AMISOM VIP, Mogadishu on April 2017, May 2017, 16th October 2017 and 16th November 2017. Board reviewed meeting minutes and agreed actions. Project status briefing programmatic outputs; Broad approval and suggestion on revisions. Brief presentation on project approach to pre-council formation in FMS priority districts.
5. Coordination Meetings were organized on January, April, May, July, September, October, and November 2017 at VIP AMISOM, Mogadishu, Somalia. Meetings are normally chaired by Ministry of Interior, Federal Affairs and Reconciliation (MoIFAR) and co-chaired by UNSOM CRESTA/A. The purpose is to provide a technical level focus group to address issues raised in the monthly meetings (Strand 3/SDRF pillar) forum.

6. Inter-ministerial consultative forum meeting held in Mogadishu on 11th to 13th November 2017. MoIFAR and its State counterparts namely ministry of interiors and reconciliation were enabled to form Inter-ministerial consultative forum to coordinate, monitor and oversee Wadajir National Framework planning activities. Also, on November 29-30, a workshop for the new Stabilization Strategy was organized in South West State to improve and strengthen cohesion within communities and between communities and their governments.
7. PBSO monitoring visited to Somalia on 6th to 16th November 2017. MoIFAR/DG explained briefly government priorities, project successes and need to mobilize resources.

Reasons for low achievement and rectifying measures

If sufficient progress is not being made, what are the key reasons, bottlenecks and challenges? Were these foreseen in the risk matrix? How are they being addressed and what will be the rectifying measures (1500 character limit)?

The inclusion of other government institutions in the oversight and operations of the project presented challenges. These challenges include delays of the fund transfer to Government account, an inefficiency with respect to the payment process at the Ministry of Finance where a single payment can drag on for weeks and also due to the highly politically sensitive environment at the FMS level. Each aspect of these challenges required multi-agency approaches to address. For instance, the Project Board acknowledged the prolonged delays of the fund transfer to the national window, providing clear instructions to prevent similar issues in the future. With respect to the Ministry of Finance, the checks and balances in place are due to the strict financial procedures adopted to tackle corruption and misappropriation of funds. At the FMS, MoIFAR expressed its commitment at inter-ministerial meetings for federal stakeholders to enhance collaboration as well as continued support to FMSs until a unified fiscal fund transfer is adopted.

Outcome Statement 2: An enabling environment conducive to social cohesion, trust, civic participation and development led by the community is established in inaccessible districts

Rate the current status of the outcome: on track

<p>Indicator 1: Social cohesion improved and trust building increased.</p> <p>Indicator 2: # of gender-fair DPSC established with approved TOR.</p>	<p>Baseline: TBD Target: 10% increase Progress: IRF Revised Results Framework of 2017 outcome 2, indicator 2 has a 10% preset target although to set a baseline for measuring social cohesion at district level was a challenge. Against such backdrop, we have witnessed improvement as districts were moving toward forming councils. Currently, there are 2 (Hudur & Bardale) out of 14 districts established councils while 12 districts are in the developmental stage.</p> <p>Baseline: 3</p>
---	---

<p>Indicator 3: # of coordination meetings between DPSCs and peace dividend providers</p>	<p>Target: 1 Progress: Total 42 out 187 DPSC members are women (22%), however, in Warsheikh 9 out of 27 (30%) DPSC members are women and Garbahey 9 out of 26 (35%) DPSC members are women who are yet to be trained.</p> <p>Baseline: 0 Target: 1 Progress:16</p>
---	--

Output progress

List the key outputs achieved under this Outcome in the reporting period (1000 character limit). Outputs are the immediate deliverables for a project.

1. A total of 187 DPSC members (M:145; F:42) established in 8 districts (Hudur, Warsheikh, Baraawe, Barawe, Bardhere, Baladweyn, Garbaharay, Baidoa and Bule Burde.
2. 16 coordination meetings between DPSC, local community, and local authority have been conducted at Warsheikh, Baidoa, Bardhere, Hudur, Baladweyn, Barawe.
3. Two states (South West State and Jubaland) have officially launched the Local Government Law and kicked off the district council formation process in the state
4. Two districts (Hudur and Bardale) in South West State have completed council formation process and elected council
5. Reconciliation Initiatives undertaken in 5 (Warshiekh, Hudur, Jowhar, Beled Weyn and Barawe).
6. Project consulted with four FMS on new stabilization strategy endorsing a platform for coordination and communication between the three levels of governance (FGS, FMS and district levels), effectively contributing to peace-building and state-building objectives in Somalia.

Outcome progress

Describe progress made during the reporting period toward the achievement of this outcome. This analysis should reflect the above indicator progress and the output achievement. Is there evidence of the outcome contributing to peacebuilding and to the specific conflict triggers (3000 character limit)?

1. The project updated the National Stabilization Strategy in October 2017, which identified key objectives and priorities for the stabilization operations to be used by all stakeholders to optimize impact.
2. Reconciliation – the new Administration, headed by President Mohamed Abdullahi Farmajo, changed the name of the Ministry to indicate reconciliation as a key priority.
3. Communications & Visibility – Radio Wadajir team conducted a community Dialogue event in March 2017. The Ministers of Interior, Health, Business, National resource, and information have been invited along with the community. The MoIFAR conducted also a community contracting workshop for the MoI of federal member states. The training was one of Component Two activities in the Wadajir framework.

4. On October 5, 2017, during the formation of the Hudur district council, Jiroon clan proposed four candidates to the council. Among those proposed were three men and one women. However, the women candidate was later retracted by the clan and was substituted, with a male relative to the women, on October 7, 2017. This intervention was witnessed by the former late Minister of Interior in South West, Mr. Madobe Nunow. The council members were sworn in on October 8, 2017 except Wardhere who is the last person to be sworn separately on October 22, 2017. Bardale 21 council members election was successfully completed on 16th November 2017. Out of 21 council members, 2 are women.
5. SOYDAN, Adelle: The five days DPSC training conducted in each target district: 5th -9th February 2017; Hudur: 3rd – 4th February 2017; Warsheikh: 30th Jan. -3rd February 2017. The core objectives of this capacity building training for the DPSCs is to " Allow participants to freely interact, share experiences and exchange views."
6. The Community Informed Trauma Empowerment (TICE) and Quraca Nabada (QN) training: Warsheikh: 5th to 13th February 2017; Hudur: 8th February 2017.
7. Trauma Healing and Reconciliation: Hudur: 5th-13th February 2017; Warsheikh: 5th -9th Feb. 2017; Adelle 5th - 9th February 2017; Barawe due inaccessibility training was conducted on 26th to 30th March 2017. TICE is a foundational training for community Facilitators working in social healing.
8. Community Mobilization: sessions conducted Adelle: on 26th March 2017, Baraawe on 26th March 2017, Hudur on 22nd May 2017 and War Sheikh on 22nd May 2017. Quraca Nabada (QN) offers evidence-based training and healing sessions for helping caregivers whose work brings them in contact with populations dealing with historic, current or ongoing trauma.
9. Southwest state of Somalia stabilization workshop conducted on the 29th to 30th November 2017. The goal was to improve stability in Somalia, with respect to the new Strategy, by delivering tangible results that strengthen cohesion within communities and between communities and their government.

Reasons for low achievement and rectifying measures

If sufficient progress is not being made, what are the key reasons, bottlenecks and challenges? Were these foreseen in the risk matrix? How are they being addressed and what will be the rectifying measures (1500 character limit)?

1. Access to districts remains a key challenge for some districts, because of security and limited routes. Air transport is usually the response to this challenge. The project continued negotiations with competent UN authorities in the provision of UN/AMISOM facilitated air transport to areas where no public transport is available.
2. Clan disputes in target districts hamper at times the stabilization efforts. These areas include Adelle and Warshiekh districts in Middle Shabelle, Baanyaaley in Hiiraan and Hudur in South West. Project identified main hotspots with clan-based conflicts across the geographical coverage, with preventative strategies, while working with the community and traditional elders. Also, CLO's provide support and mitigate conflicts in their respective districts through facilitations for traditional elders and district officials.

Outcome Statement 3:

Rate the current status of the outcome: on track

Indicator 1:	Baseline: Target: Progress:
Indicator 2:	Baseline: Target: Progress:
Indicator 3:	Baseline: Target: Progress:

Output progress

List the key outputs achieved under this Outcome in the reporting period (1000 character limit). Outputs are the immediate deliverables for a project.

Outcome progress

Describe progress made during the reporting period toward the achievement of this outcome. This analysis should reflect the above indicator progress and the output achievement. Is there evidence of the outcome contributing to peacebuilding and to the specific conflict triggers (3000 character limit)?

Reasons for low achievement and rectifying measures

If sufficient progress is not being made, what are the key reasons, bottlenecks and challenges? Were these foreseen in the risk matrix? How are they being addressed and what will be the rectifying measures (1500 character limit)?

Outcome Statement 4:

Rate the current status of the outcome: on track

Indicator 1:	Baseline: Target: Progress:
Indicator 2:	Baseline: Target: Progress:
Indicator 3:	Baseline: Target: Progress:

Output progress

List the key outputs achieved under this Outcome in the reporting period (1000 character limit). Outputs are the immediate deliverables for a project.

Outcome progress

Describe progress made during the reporting period toward the achievement of this outcome. This analysis should reflect the above indicator progress and the output achievement. Is there evidence of the outcome contributing to peacebuilding and to the specific conflict triggers (3000 character limit)?

Reasons for low achievement and rectifying measures

If sufficient progress is not being made, what are the key reasons, bottlenecks and challenges? Were these foreseen in the risk matrix? How are they being addressed and what will be the rectifying measures (1500 character limit)?

1.2 Assessment of project evidence base, risk, catalytic effects, gender in the reporting period

<p><u>Evidence base</u>: What is the evidence base for this report and for project progress? What consultation/validation process has taken place on this report (1000 character limit)?</p>	<p>An HACT Audit Mission was conducted from 20th to 28th March 2017 by Baker Tilly Merali’s CPA (K).</p> <ul style="list-style-type: none"> ○ Four field missions have been conducted in 2017 to Baidoa and Kismayo. On July 12, S2S paid a visit to Baidoa to assess project activities and met with FCA council formation consortium prior to engaging with the task. ○ On August 20-24, S2S team visited Kismayo for a field mission with the goal of strengthening project activities and participation of the launching ceremony for local governance law. Jubaland counterpart agreed to hire an Implementing Partner for carrying out the pre-council formation activities. ○ Again, on September at Hirshabelle, S2S organized a field mission to Jowhar, supervising priority activities set by the Ministry. This team were joined by the State Minister, conducting local reconciliation initiatives. ○ On December 29, S2S dispatched a team to Kismayo to see how Jubaland will mobilize the pre-council formation funding from MoIFAR.
<p><u>Funding gaps</u>: Did the project fill critical funding gaps in peacebuilding in the country? Briefly describe. (1500 character limit)</p>	<p>The S2S is filling the National Window funding gap as one of the only National Window projects. Specifically, regarding stabilization, a donor mapping prepared by the Ministry of Interior and Federalism (MoIF) indicates critical funding gaps in a number of the important activities. It is in this context that PBF was considered to provide fast and risk tolerant funding for Somalis in support of peacebuilding in the newly recovered areas, and in the longer-term to catalyze assistance to Somalia’s compact with the wider international community. Moreover, the channeling of part of the funds (component 1) through national systems will build upon the systems and mechanisms developed</p>

	<p>by the SFF and contribute to building the necessary systems and accountability of national systems, thus contributing to increase donor confidence in the use of national systems.</p>
<p><u>Catalytic effects:</u> Did the project achieve any catalytic effects, either through attracting additional funding commitments or creating immediate conditions to unblock/accelerate peace relevant processes? Briefly describe. (1500 character limit)</p>	<p>At least five reconciliation initiatives were undertaken by Community Liaison Officers (CLOs) in which warring clans were both mediated and reconciled. The following districts benefited from these initiatives, namely Baladweyn, Barawe, Jowhar, Warshiekh, and Hudur. On Hudur, the community organized a reconciliation meeting where several issues were resolved, including a dispute on water point and power-sharing arrangements in the district during council formation process. On July 28, the District Peace and Stabilization Committee had organized a mini-reconciliation conference for two clans about a land dispute in Warshiekh who agreed to a mediation initiative by the Administration. It resulted from an agreement that effectively ended the differences between the warring parties. On August 15, MoIFAR and Hirshabelle Ministry of Interior had jointly organized a reconciliation conference for clans in Hiiraan region, with issues on grassing land for livestock. Both MoIFAR and Hirshabelle witnessed the signing of the agreement and identified members under a committee to follow up on the implementation process. These reconciliation initiatives proved effective and less costly in terms of management by the district administration as well as attending CLOs.</p>
<p><u>Risk taking/ innovation:</u> Did the project support any innovative or risky activities to achieve peacebuilding results? What were they and what was the result? (1500 character limit)</p>	<p>The National Window is operational, which means UN MPTF / UN PBSO funding is transferred to the Government Central Bank, using Government PFM system. Secondly, to mitigate risks, S2S supports FMS with pre-council formation which hires third-party implementing partners to undertake activities. Some of these IP's have track record and capacity for implementing pre-council formation activities using sound financial systems and qualified staff. Secondly, Bank-to-Bank is another tool used by S2S to minimize risks involved district staff commuting to the capital. Thirdly, MoIFAR has engaged with Ministry of Finance to design a financial modality between FGS and FMS. These discussions are in early stages and will require further consensus and agreements before developing an infrastructure and resources to operationalize. Merita's expertise is very instrumental in this area and would be appreciated.</p>
<p><u>Gender:</u> How have gender considerations been mainstreamed in the project to the extent possible? Is the original gender marker for the project still the right one? Briefly justify. (1500 character limit)</p>	<p>In areas covered by S2S Project, in which the role of civil society was critical in preparing the ground for and consolidating peace, women's organizations were robust and guiding members of these movements. Women did have key roles in adding up, these were locally born initiatives in places with a history of women networking and activism across traditional divides. Women regularly held protest marches to denounce the use of violence in the target districts. As a result, women have significantly increased their roles at all levels of society (in government, civil society, business etc...). Despite these gains, there has not been a fundamental shift regarding cultural perceptions of the role of</p>

	<p>women, or in the systems of power that perpetuated the structural causes of conflict and marginalization.</p>
<p><u>Other issues:</u> Are there any other issues concerning project implementation that should be shared with PBSO? This can include any cross-cutting issues or other issues which have not been included in the report so far. (1500 character limit)</p>	<p>Short drama on trauma healing: The participants of the trauma healing sessions organized a short entertaining drama highlighting the topics covered in the sessions. A team of twelve persons performed a theatre play that really caught the attention of the crowd. They conveyed the message of trauma healing, breaking the cycle of violence and reconciliation through the entertaining drama. Live Broadcast: The event was broadcast live on different Facebook and Twitter handles that attracted hundreds of online viewers who commented showing their satisfaction and gratitude to the implementers and the donor of the Project. They asked for the same to be implemented in other districts. The power of social media cannot be underestimated regarding the transformation of lives especially in this digital era and the many shares on Facebook were encouraging.</p>

PART 2: LESSONS LEARNED AND SUCCESS STORY

2.1 Lessons learned

Provide at least three key lessons learned from the implementation of the project. These can include lessons on the themes supported by the project or the project processes and management.

<p>Lesson 1 (1000 character limit)</p>	<p>The UNDP/S2S project strategy and work plan review highlighted the need to rectify the project's outputs. The revised project work plan accommodates all three: Wadajir Framework, CRESTA, and Peacebuilding Priority Plan objectives concurrently. It proposes the creation of direct linkages and aligning the project: PBF/IRF support enable access for the government to immediately engage with local communities in newly covered areas with proper preparation and capacity with the Wadajir Framework (WF), a holistic community-owned and led process leading to the formation of permanent administrations at both the district and regional levels and some of its components on the one hand and the New Community Recovery and Extension of State Authority / Accountability (CRESTA/A) approach/unit looks at linking top-down state-building with bottom-up community-led recovery through a focus on 3 areas: Coordination, Analytical, and Catalytic Programs on the other.</p>
<p>Lesson 2 (1000 character limit)</p>	<p>A key lesson learned from the old strategy in newly recovered districts is to build confidence and trust in public institutions through broad-based and inclusive consultative processes that promote restoration of good citizen-state relations. The FGS developed its stabilization strategy which is interrelated to state-building and the re-establishment of a social contract; responding to the immediate need to deliver tangible and visible peace dividends to all Somali citizens. Though the Stabilization Strategy is currently being updated, it has four critical strands covering security, reconciliation, basic service delivery and the establishment of local government authority by setting up administrations at district and state level. These strands are closely aligned with priorities under the Peace and State-building Goals (PSGs).</p>
<p>Lesson 3 (1000 character limit)</p>	<p>Moving ahead, fund will need to flow from the FGS via the FM States to the target district to promote federalism and empowerment of all three levels of government. Inter-ministerial forum members will be consulted to advise the best mechanism of the fiscal transfer system. In the absence of public fiscal transfer system at the district level, alternative options would be discovered (private banks). The focus will be to incentivize the district council formation at grassroots representation. An external fiduciary agent will be maintained to assess the implementation of the financial management procedures developed by the Ministry of Finance. The use of national window modality for the provision of running cost to the district will remain and be extended, with an increased role for the state-level of governance (FSM), to continue contributing to</p>

	building government reach, legitimacy, and accountability and to establish a financially functional and accountable federal system.
Lesson 4 (1000 character limit)	<p>UNDP/S2S Project is working closely with the Ministry of Interior, Federal Affairs and Reconciliation of Somalia to strengthen the capacity of its Human Rights Personal within sphere of project activities including events which either directly or indirectly provide training, technical assistance, and logistical support geared toward the prevention of rights violations, and the promotion and protection of human rights and international human rights. The main objectives include:</p> <ul style="list-style-type: none"> • Provide the Ministry of the Interior’s Human Rights Personal with technical support to carry out activities at the national, regional, departmental, and municipal levels necessary to implement public policy related to human rights and international humanitarian rights. • Promote the development and consolidation of a network of partners to implement actions that contribute to the sustainability of this project. • Contribute toward the implementation of public policies related to human rights and internatio
Lesson 5 (1000 character limit)	<p>Reduced Intra/inter-communal conflicts and improved peaceful coexistence amongst and between communities and clans; Increased understanding and effort towards working for the "common good" versus the "clan interest"; Enhanced transparent and accountable governance within the new local administrations through hearing voices of the people and through responding to community needs; Increased social reconciliation and social cohesion through trauma healing. Besides the community elders, the gathering was attended by over 300 participants from the community including the 120 persons that underwent the healing sessions, elders and other community members that cheered and celebrated the fruitful completion of the project. Reconciliation – the new Administration at the Federal level changed the name of this Ministry, indicating reconciliation as a key priority. In response, S2S doubled its effort to effectively address and manage community issues, including resource-based, clan-based</p>

2.2 Success story (OPTIONAL)

Provide one success story from the project implementation which can be shared on the PBSO website and Newsletter as well as the Annual Report on Fund performance. Please include key facts and figures and any citations (3000 character limit).

The project implemented a bank-to-bank system on October 2015 for supporting districts where none existed prior to its inception. This would not have been possible without the collaboration of a number of institutions, including the Ministry of Finance, the Treasury, Central Bank of Somalia, and Commercial Banks in Somalia. The need to establish financial payments through banks was very crucial because commuting to districts were almost impossible due to security issues.

Another interesting story worth noting is the impact of running cost provision to districts recovered from Al Shabaab. For instance, the Dinsor district commissioner, Mr. Mohamed Ibrahim, used the budget intended for communications to provide airtime to various constituents in the district as an early warning system against Al Shabaab. This strategy did not only prevent loss of lives and property, it also reduced frequency of attacks and roadside bombs, where Al Shabaab has ultimately abandoned Dinsor environs.

PART 3 – FINANCIAL PROGRESS AND MANAGEMENT ARRANGEMENTS

3.1 Comments on the overall state of financial expenditure

Please rate whether project financial expenditures are on track, slightly delayed, or off track: on track

If expenditure is delayed or off track, please provide a brief explanation (500 characters maximum):

Please, see Reasons for Low Achievement at above in Outcome Statement 1 which provide detailed explanations to the delays experienced with respect to fund instalment.

Please provide an overview of expensed project budget by outcome and output as per the table below.⁵

Outcome 1:					
Output number	Output name	RUNOs	Approved budget	Expensed budget	Any remarks on expenditure
Output 1.1					
Output 1.2					
Output 1.3					
Outcome 2:					
Output 2.1					
Output 2.2					
Output 2.3					
Outcome 3:					
Output 3.1					
Output 3.2					
Output 3.3					
Etc					

3.2 Comments on management and implementation arrangements

Please comment on the management and implementation arrangements for the project, such as: the effectiveness of the implementation partnerships, coordination/coherence with other projects, any South-South cooperation, the modalities of support, any capacity building aspect, the use of partner country systems if any, the support by the PBF Secretariat and oversight by the Joint Steering Committee (for PRF only). Please also mention if there have

⁵ Please note that financial information is preliminary pending submission of annual financial report to the Administrative Agent.

been any changes to the project (what kind and when); or whether any changes are envisaged in the near future (2000 character maximum):

A HACT Audit Mission was conducted from 20th to 28th March 2017 by Baker Tilly Merali's CPA (K). Its goal was to obtain a reasonable assurance on the adequacy of management and oversight of the project and on the uses of resources. On May 2017, the audit report issued indicated zero financial misappropriations, with few recommendations.