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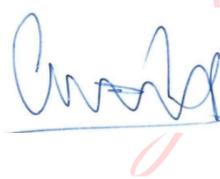
Programme Amendment n.1 for project extension and budget revision

Productive Sectors Development Joint-Programme for Somalia

MPTF Gateway ID	00123472
Geographical coverage	All regions
Approved Project duration	August 18 th 2018 to February 28 th 2022
Proposed new project duration	August 18 th 2018 to September 30 th 2023
Total approved budget	US\$1,957,976
Programme funding level	US\$1,957,976
Proposed new funding level	US\$ 3,957,976
Participating UN entities	UNIDO, FAO & ILO
Project beneficiaries	Public & Private institutions involved in Productive Sectors Development
NDP pillar	NDP 9.3 Economic Development
UNCF Strategic Priority	UNSF Strategic Priority 3
SDG	SDG 1, SDG 2, SDG 4, SDG 5, SDG 8, SDG 9 and SDG 16
Gender Marker	2
Related UN projects within/outside the SJF portfolio	<ul style="list-style-type: none">• Agrotechnology Development for Economic Growth in South and Central Somalia (UNIDO)• Business incubators to support entrepreneurship and MSME creation in Somalia (UNIDO)• Inclusive Local Economic Development of the fishery and livestock sectors in Somalia (FAO)
Focal person	Ygor Scarcia, UNIDO Somalia, y.scarcia@unido.org + 252 613905336



Signatures of Participating UN Organizations:

UNIDO	FAO
<p>Mr. Ygor Scarcia UNIDO Somalia Programme Industrial Development Expert & O.i.C.</p> 	 <p>Digitally signed by Etienne Peterschmitt DN: cn=Etienne Peterschmitt, o=Food and Agriculture Organization of the United Nations, ou=FAO Representative in Somalia, email=etienne.peterschmitt@fao.org, c=US Date: 2022.03.31 13:59:45 +03'00'</p>
ILO	
<p>Alexio Musindo Director, ILO Country Office for Ethiopia, Djibouti, Somalia, Sudan and South Sudan and Special Representative to the AU and ECA</p> 	

Programme Background

Prolonged instability in Somalia has inhibited the economic growth potential of the country. The 25-year conflict has seen the destruction of key economic infrastructure. Government buildings, public facilities, roads, transportation and communication networks have been destroyed or severely damaged. In this context, the lack of economic infrastructure that stimulates enterprise development and supports economic growth has resulted in limited investments in the productive sectors, effectively constraining the urban population to rely predominantly on an informal economy based on trade, transport, utilities, communication, and construction, for income generation, service provision and international humanitarian aid.

Hence, to unlock the potential of international partners' support to the development of Somali productive sectors, the PSDP was designed as a programmatic framework from its Phase 1 to enable PUNOs to work on very specific and well-defined needs and tasks that, if addressed, could unlock the ability of the Somali productive sectors to generate economic growth and competitiveness across the country. This programmatic framework set-up was the outcome of a public private consultative workshop organized to validate the findings of UNIDO's Agro-tech project. It is also designed to respond to MoCI's request to develop a more comprehensive Productive Sector Development programme, to address sector priorities which do not yet benefit from international support, or which are not earmarked for support by other development partners.

The PSDP has been conceived as a programmatic framework aimed at promoting interventions at the macro, meso and micro levels of the Somali economy to promote infrastructure investment and capital investment, stimulate sustainable production, reduce post-harvest losses, develop market access for inclusive economic growth and promote job opportunities for all. This programme is aligned to the UN Cooperation Framework (UNCF) for Somalia 2021-2025 and represents an opportunity to address Somalia economic development priorities at the highest level and through a coherent and more effective coordinated response from the UN system already demonstrated capable to deliver in its phase 1 of the programme intervention (2020-2021).

Through this programme UNIDO (lead), FAO and ILO propose to leverage their respective core areas of expertise and experience in Somalia to support an enabling environment for the further development of Somali productive sectors by: (1) Improving Somali productive sector policy regulators' capacities to create a business environment that will lead to sustainable and inclusive economic growth and decent job opportunities for all; (2) Improving and establishing infrastructure for productive sector growth and enhancing the capacities of public and private institutions to stimulate sustainable production; (3) enhancing skills and production capacities of farmers, fisherfolk, cooperatives and MSME to create sustainable job opportunities for all. The overall objective set forward by this programme is to stimulate a more inclusive economic growth and job creation in all productive sectors of the Somali economy, and particularly for youth and women in vulnerable areas of the country, ultimately contributing to reinforcing Somalia overall resilience against internal, external and environmental shocks.

This joint programme has been designed in line with the provisions outlined in NDP-9, the Office of the Prime Minister's Economic Roadmap for Somalia, and the United Nations Sustainable Development and Cooperation Framework (UNSDCF) 2021-2025, with a view to assisting the Federal Government of Somalia to develop its national productive sectors to promote inclusive and sustainable growth and local development.

Furthermore, the PSDP has been designed to work in synergy with ongoing and planned programmes in the sectors and has been based on the lessons learned from completed initiatives implemented by UN Agencies, Funds and Programmes (AFPs), World Bank group and other international partners. These include: UNIDO's Agro-Tech Programme, the EU-funded ILED initiative and FAO-led RAAISE project, IFC PPD and Doing Business initiatives, World Bank Score, the European Union-funded FAO-led ProAct Project, the Sida-funded FAO-led Brims project, USAID Geel, FCDO (ex DFID) PIMS, etc.

The Productive Sector Development Programme (PSDP) sits within the Somalia UNSDCF 2021-2025 strategic priority area 3 on economic development, in full alignment with NDP-9 Pillar 3. It is led by UNIDO and implemented jointly with FAO and ILO. The PSDP supports five (5) line ministries MoCI (lead), MoFMR, MoLSA, MoAI & MoLFR. The activities in this joint programme represent the UN programmatic response to the priority needs identified by these fiveline ministries, with a view to contributing to the achievement of the Government's Vision for Growth, Stabilisation and Employment.

Accordingly, the PSDP has been designed with three levels of interventions: macro (national policy), meso (capacity building) and micro (direct support) levels. Together, these building blocks aim to tackle a range of challenges to maximize the impact of the programme on focus areas to promote inclusive and long-term economic growth.

The identified intermediate outcomes on each of those levels is outlined below:

- MACRO Outcome 1** – Growth enabling strategic policies, plans and legislations are put in place;
- MESO Outcome 2** – Somali public and private institutions can offer access to enhanced productive sectors development services and infrastructure; and,
- MICRO Outcome 3** – Somali productive cooperatives and SME have access to skill development initiatives, production facilities, technologies, and financing solutions.

Phase 1, from September 2020 to February 2022, has been funded by Italy with a 2 million USD earmarked contribution to the UN Somalia Multi Partners Trust Fund (UN-MPTF), with the following key activities:

- Facilitate the formulation of a national strategy for the development of Special Economic Zones (SEZs) and undertake a national pre-feasibility study for Special Economic Zones.
- Expand the Somali Chamber of Commerce and Industry (SCCI), the Ministry of Commerce and Industry (MoCI) and UNIDO network of Enterprise Development Units.
- Assess Somalia's Quality Infrastructure and Standards (QIS) ecosystem with a view to formulating a holistic roadmap for QIS development linked to trade requirements and interventions critical to facilitate WTO accession for Somalia.
- Conduct capacity assessment and first-phase organizational development towards the revamp of the Somali Chamber of Commerce and Industry.
- Establish one common production facility in the sesame sector.
- Formulate a national fishery masterplan.
- Formulate a national occupational health and safety policy.
- Provide technical assistance towards the reestablishment of the National Labour Court.

- Deliver capacity building to women group in prioritized agriculture and fishery value chains.

Programme Revision Remarks

In July 2021, the programme has been able to garner an additional funding contribution of 2 million USD from the Italian government, which has activated an additional 18 month component of the PSDP, to be implemented by UNIDO (also this contribution has been funded through the UN-MPTF Trust Fund). This additional funding will allow UNIDO to continue the advisory support offered to the Ministry of Commerce and Industry and expand business development service to Small and Medium Sized-Enterprises (SME).

The PSDP programme in its design phase (2019) anticipated a total funding requirement of \$ 15 m to achieve the above-mentioned outcomes. Following a decision of July 7th, 2021, the PSDP Steering Committee has tasked the Programme Technical Working group to undertake a programme revision to extend its duration until the end of 2025. Accordingly, based on this programme review undertaken by the PSDP TWG new activities were prioritized, expanding the coverage, the reach and the duration of the programme. The new budget appeal for the PSDP is now estimated to \$ 24.7 m. Separate to this budget appeal, an additional appeal of \$25.7 m. has also been identified to implement interventions which could be implemented by PUNOs leveraging partnership with DFIs, private sector or donors and set to fund a programme credit facility for MSME and on-the-job training for infrastructure project development. The proposed new revised programme has been developed in close consultation with development partners, donors and lead by director and director general level official of the federal government of Somalia, and my PSDP partners within tje Somali private sectors.

Hence, this project document addendum has been formulated to outline the additional technical cooperation interventions planned with an additional contribution of Italy to MPTF aimed at boosting Somalia productive sectors capacities to create opportunities and jobs particularly among youth and women, within the framework of the ongoing Productive Sectors Development Programme for Somalia implemented by UNIDO.

This programme document revision and budget increase has been requested by the Federal Government of Somalia - Ministry of Commerce and Industry and coordinated with Italy, PSDP partners and the Integrated Office of the UN Somalia Resident Coordinator in Mogadishu as MPTF fund managers for Somalia, in line with the PSDP document provision to have incremental growth of activities implemented in the framework of the joint programme. As per request letter sent from the Federal Government of Somalia Ministry of Commerce and Industry to AICS Somalia, the appeal of the Federal Government to AICS is to strengthen and expand the work implemented by UNIDO within the PSDP, hence ensuring that adequate support to the development of Somalia productive sectors is sanctioned. In particular the Federal Government of Somalia Ministry of Commerce and Industry reinforced the message that while taking stock of the work implemented under the Youth Employment for Somalia Joint-Programme (YES-JP) that terminated on December 31st 2019, the Productive Sectors Development Programme for Somalia, led by UNIDO, and implemented with FAO and ILO, has now become the flagship for economic development, hence requesting that the residual funds of AICS, previously earmarked to the Youth Employment for Somalia Joint-Programme are shifted to UNIDO programmatic efforts within the PSDP for Somalia.

Based on FGS-MoCI request, the additional funding contribution of Italy to MPTF should contribute to priorities set within the PSDP for Somalia joint-programme, as per approved Project Document interventions, expanding the scope, duration and location reach of the originally planned activities and adding new activities complimentary to the one originally approved. This additional funding contribution will further reinforce the project's output by adding one (1) new activity (activity 3.3.2: credit facility) and expanding the intervention in three (3) already planned activities in terms of indicator's target, geographical coverage, and duration of the intervention.

In the extension period, also FAO Somalia PSDP team is committed finalize the programmatic initiatives, namely by completing the progress on the development of the National Fisheries Master Plan for Somalia, was steady as private and public sectors, alongside the Ministry and the PSDP FAO teams developed an outline framework for the document and agreed a participatory process allowing effective opportunities for stakeholders to engage with the process. An annotated contents list was presented by the Federal Government of Somalia's Ministry of Fisheries and Marine Resources to the Productive Sectors Development Programme (PSDP) Technical Working Group (TWG) in May 2021.

To date, informal consultations, data collection and analysis supporting the FMP have been initiated and first drafts of the Fisheries Master plan document prepared by the technical team from FEDERPESCA with whom FAO is partnering to produce this important document. Unfortunately, despite repeated attempts to travel, FEDERPESCA have been unable to complete their Mission to Somalia and consequently unable to host and facilitate the planned Technical Workshop on the Fisheries Master Plan. However, with international travel restrictions expected to continue to ease over the next weeks and the election timetable scheduled to complete in early March, the Workshop will be scheduled and held in the month of March or April this year.

The second line of work which has been delayed due to factors outside of FAO's control, are the interventions with women's groups in South West State. Particularly in the case of the agriculture work, owing to the project area's existing access and security problems mainly in Janale district, where a regular active battle between AS and NSA has occurred at least three times recently. The project has further experienced delays in completing the required agricultural field extension services and training, by the Ministry of Agriculture and Irrigation (MoAI) at both the Federal and state levels.

Therefore, the need for a six-month implementation period extension will allow completion of the FMP process through an integral consultative process that will build consensus among the broad group of stakeholders, and timely completion of the agricultural value chain activities in south west state particularly. There are no foreseen changes or re-allocations between budget lines at this time.

Annex 1 – Revised result framework and programme workplan (Q4 2020 to Q3 2023)

OBJECTIVE and OUTCOMES		INDICATORS	TARGET RESULTS														
			PROGRESS (2021)	TARGET	FEMALE Target												
Overall OBJECTIVE: Somalia Productive sectors are able to create and sustain jobs and economic opportunities also against internal and external shocks.		#of jobs created, and jobs retained (UNCF 3.1.c & SCO1)	375 (sept 2021)	min. 2,000	33%												
Specific OBJECTIVE: To support inclusive and sustainable post-crisis productive sectors development across Somalia		# of SME with increased inclusion in value chains (SOC2)	450 (sept.2021)	min. 1,000	33%												
OUTCOME 1: Growth enabling strategic policies, plans and legislations put in place		# of new or revised reforms/ policy adopted by policymakers (POL 1)	1	3	n.a.												
OUTCOME 2: Somali public and private institutions have access to enhanced productive sectors development services and infrastructure		# of f intermediary institutions strengthen (GOV 1)	5	5	n.a.												
		Value (\$) of new investments leveraged (INV 3)	Est. 5m. (Sept. 2021)	\$150m.	33%												
OUTCOME 3 - Somali productive cooperatives and MSMEs access skilled development initiatives, production facilities and technologies		Number of investment-ready proposals elaborated (INV 1)	150 (set 2021)	min. 1000	33%												
		# of SMEs financed (INV 2)	92 (sept 2021)	min. 600	33%												
		# of new technologies adopted (TEC 3)	8 (sept 2021)	min 100	n.a.												
OUTPUTS	AGENCY	INDICATORS	TARGET RESULTS														
			PROGRESS (2021)	Target	FEMALE Target	20			2021			2022			2023		
OUTPUT 1.1: Capacities of public and private productive sectors institutions are established to deliver on a sustainable and inclusive post-crisis economic agenda		Number of reforms/ policy drafted/prepared (PAU 1)	1	2	n.a.	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
1.1.1 Review existing legislations required to stimulate economic activities and investment; e.g. Industrial zones (IZs), special economic/export zones (SEZs) and provide a revamped draft laws.	UNIDO	# of legislations reviewed/submitted	0	1	n.a.												
1.1.2 Development of OSH Policy & technical assistance to operationalized new OHS Policy	ILO	# of policy document developed	1	1	n.a.												

OUTPUT 1.2: Comprehensive plans for the development of Somalia productive sectors infrastructure and stimulate investment have been conducted						Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
		Number of analytical publications produced (PAO 2)	3	6	n.a.													
1.2.1 Develop a National pre-feasibility study for industrial zones and special economic/export zones (SEZs)	UNIDO	# of reports developed	0	1	n.a.													
1.2.2 Develop of a National Fishery masterplan	FAO	# of reports developed	0	1	n.a.													
1.2.3 Conduct Durable solutions and rural mobility study for Somalia	FAO	# of reports developed	1	1	n.a.													
1.2.4 Assessment for the formulation of a Somalia Programme on Quality & Standards for Trade Facilitation & Development (QS4T)	UNIDO	# of reports developed	2	3	n.a.													
OUTPUT 2.1: Proposal drafting of employment reach Economic Growth initiatives with MoCI, MoLSA, MoA and other relevant ministries institutions submitted for approval						Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
		# of technical advisor in secodment	8	8	33%													
2.1.1 Reinforce MoCI's advisory team and its technical capacities to effectively deliver on their inclusive and sustainable industrial development mandate, particularly focusing on delivering awareness trainings, conduct consultations and provide advisory support to MoCI and other FGS partners on youth and women participation in Somali productive sectors	UNIDO	# of Ministry's Advisor recruited	4	4	1													
		# of economic growth initiatives taken/ revamped	3	3	n.a.													
		# of technical training programs developed for the economic growth initiatives	3	3	n.a.													
		# of ministerial staff trained	10	10	33%													
2.1.2 Reinforce MoAI's advisory team and its technical capacities to effectively deliver on their development mandate.	FAO	# of Ministry's Advisor recruited	1	1	1													
		# of economic growth initiatives taken/ revamped	3	3	n.a.													
		# of technical training programs developed for the economic growth initiatives	3	3	n.a.													
		# of ministerial staff trained	10	10	33%													
2.1.3 Reinforce MoFWR's advisory team and its technical capacities to effectively deliver on their development mandate.	FAO	# of Ministry's Advisor recruited	1	1	1													
		# of economic growth initiatives taken/ revamped	3	3	n.a.													
		# of technical training programs developed for the economic growth initiatives	3	3	n.a.													
		# of ministerial staff trained	10	10	33%													
2.1.4 Reinforce MoLSA's advisory team and its technical capacities to effectively deliver on their development mandate.	ILO	# of Ministry's Advisor recruited	1	1	1													
		# of economic growth initiatives taken/ revamped	3	3	n.a.													

		# of technical training programs developed for the economic growth initiatives	3	3	n.a.												
		# of ministerial staff trained	10	10	33%												
2.1.5 Conduct 3 consultation seminars/workshop/trainings aimed at facilitating MoCI and SCCI Public-Private Dialogue initiative - (Activity implemented in collaboration with IFC)	UNIDO	# of PPD consultative events organized	3	3	n.a.												
		# of PPD roadmaps drafted and deployed	3	3	n.a.												
OUTPUT 2.2 Capacities of selected agricultural, Industrial and labor support institutions (i.e. VTCs, BDS, Sector associations/organizations, financial institutes/ MFIs etc.), involved in supporting productive sector in the country, are developed to provide services.						Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
		Number of capacity building activities provided (TCO.1)	4	4	33%												
2.2.1 Deliver capacity building training, advisory and mentorship support to 15 representatives from the Somalia Chamber of Commerce & Industry senior management team on international best practices in private sector development organization, aimed at reinforcing SCCI organizational governance structure and delivery on mandate (Activity implemented in collaboration with IFC)	UNIDO	# of organizational road-map prepared	1	1	n.a.												
		# of capacity building programs held	1	1	n.a.												
		# of SCCI members trained	10	10	50%												
2.2.2 Deliver capacity building training, advisory and mentorship support to MSMEs development and investment promotion through experts embedded within Enterprise Development Units (EDUs) hosted by the regional offices of the Somali Chamber of Commerce & Industry – adding Galmudug and Puntland to the network of 4 EDUs already established	UNIDO	# of EDU ESTABLISHED	4	6	0												
2.2.3 Technical assistance for the re-establishment of the National Labour Court	ILO	# of expert trained	1	1	0												
OUTPUT 3.1 - Women and men farmers, women-led cooperatives and women and men-led MSMEs in targeted value chains have received technical assistance aimed at boosting productivity while becoming more knowledgeable of environmentally sound business practices.						Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
		Number of capacity building activities provided (TCO.1)	28	25	50%++												

3.1.1 Deliver capacity building support to at least 1 MSMEs/cooperative or private sector association on value chain integration on production competitiveness, developed through adoption of good production and business practices	UNIDO	# of Common Infrastructure development	0	1	n.a.												
3.1.2 Deliver capacity building to women group in prioritized agriculture and fishery value chains	FAO	# of women majority cooperative formed and operationalized in the priority sector	150	150	100%												
		# of women benefiting from leadership and business management training	300	300	100%												
OUTPUT 3.2 - Farmers and fishermen, cooperatives and MSMEs are provided access to entrepreneurship development tools, finance and productive technology.		% of male and female youth with increased technical knowledge and practicing sound business management within 6 months of the trainings/coaching	51	50	50%++	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
3.2.1 Rolling out gender sensitive business support services and coaching to existing and newly created women owned MSMEs starts ups in priority value chains	UNIDO	# women owned MSMEs supported	51	100	100%												
3.2.2 Increase in the number of local enterprises accessing a project supported credit financing scheme to upgrade/rehabilitate and/or start new enterprises.	UNIDO	# MSMEs supported through the facility	60	105	33%												

Annex 2 – Revised Budget (by agency)

Productive Sectors Development (Joint-)Programme				
Categories	UNIDO	FAO	ILO	Total
1 Staff and other personal	\$ 943,700	\$ \$142,238.00	\$ 115,000	\$1,058,700
2 Supplies and material	\$ -	0	\$ -	\$0
3 Equipment, Vehicle, and Furniture including Depreciation	\$ 120,000	\$ 86,308.00	\$ -	\$206,308
4 Contractual service	\$ 1,313,600	\$ 129,132.00	\$ 120,000	\$1,562,732
5 Travel	\$ 64,250	\$ 40,572.00	\$ 10,000	\$114,822
6 Transfers and Grants to Counterparts	\$ -	\$ 271,700.00	\$ 0	\$271,700
7 General Operating and other Direct Costs	\$ 189,868	\$ 118,137.00	\$ 1,277	\$309,282
SubTotal	\$ 2,631,418	\$ 788,087	\$ 246,277	\$ 3,665,782
GMS (7%)	\$ 184,199	\$ 55,166.00	\$ 17,239	\$ 256,604
TOTAL FOR OUTPUT	\$ 2,815,617	\$ 843,253	\$ 263,516	\$ 3,922,386

Participating UN Agency	Amount in USD
UNIDO	\$ 2,815,619
FAO	\$ 843,253
ILO	\$ 263,516
1% MPTF	\$ 39,224
Total	\$ 3,961,612

Other Annexes:

- **Annex 3: government request letter**
- **Annex 4: UNIDO project document**
- **Annex 5: link to the video of the Programme Launch and Government of Italy signing ceremony (July 14th 2021):**
<https://vimeo.com/575799572>