



UN Joint Programme on Local Governance and Decentralized Service Delivery

(In Somaliland, Puntland and South-Central Somalia)

REPORT OF THE MID-TERM REVIEW (MTR)

FULL REPORT

15 August 2011

The Mid-Term Review of the UN Joint Programme on Local Governance and Decentralized Service Delivery was carried out by Local Development International s.a.s. (LDI) under contract with UNDP. Fieldwork in Nairobi, Somaliland and Puntland took place between the 11th of April and the 2nd of May 2011, and was conducted by an LDI team composed of Leonardo Romeo, Henny Andersen, Sarah Jones and Giuliano Bosi.

Although this report is the output of an assignment commissioned by UNDP, its authors and LDI are solely responsible for the content of the document. Views and interpretations here expressed are not necessarily those of Government of Somalia, nor of UNDP, ILO, UNCDF, UNICEF, or UN-Habitat, nor any of the parties that contributed in one way or the other to the report.



info at: www.locdev.org

Headquarters:
Via G. Notari 99, 41100 Modena, Italy

USA Office:
213 Wyckoff Street, Brooklyn, NY 11217, USA

Acronyms

AIMS	Automated Information Management System (for DC)	UN-HABITAT	United Nations Human Settlements
AWPB	Annual Work Plan and Budget	UNICEF	United Nations Children's Fund
BIMS	Billing Information and Management System (for DC)	UNPOS	United Nations Political Office for Somalia
CMG	Community Monitoring Groups	UNSAS	United Nations Somali Assistance Strategy
CSO	Civil Society Organisation	UNTP	United Nations Transition Plan for Somalia
DC	District Council	USD	United States Dollar
DBBF	District Based Basket Fund	VC	Village Committee
DDF	District Development Framework	VFM	Value for Money
DG	Director General	WB	World Bank
DIF	District Investment Fund		
GEWE	Gender Equity and Women's Empowerment		
GFP	Gender Focal Point		
IDP	Internal Displaced Person		
ILO	International Labour Organisation		
JNA	Joint Needs Assessment		
JP	Joint Programme		
JPSC	Joint Programme Steering Committee		
LDF	Local Development Fund		
LDI	Local Development International s.a.s.		
LED	Local Economic Development		
LG	Local Government		
LOA	Letter of Agreement		
MCL	Mogadishu City Law		
MIS	Management Information System		
M&E	Monitoring and Evaluation		
MDG	Millennium Development Goal		
MOI	Ministry of Interior		
MOLSA	Ministry of Labour and Social Affairs (Somaliland)		
MOSS	Minimum Operational Security Standards		
MOU	Memorandum of Understanding		
MOWDAFA	Ministry of Women Development and Family Affairs		
MTR	Mid-Term Review		
NGO	Non-Governmental Organisation		
OES	Outcome Evaluation System		
OVI	Objectively Verifiable Indicators		
PL	Puntland		
PCU	Programme Co-ordination Unit		
PEM	Public Expenditures Management		
PFM	Public Finance Management		
PMU	Programme Management Unit		
RBM	Results based management		
RC	Resident Co-ordinator		
RC	Regional Council		
RDP	Somali Reconstruction and Development Programme		
RRF	Results and Resources Framework		
SL	Somaliland		
SC	South-Central Somalia		
SIDP	Somali Institutional Capacity Development Project		
SMART	Specific-Measurable-Achievable-Relevant-Time-bound		
SWAP	Sector-Wide Approach		
SWS	Sector-Wide Strategy		
TFG	Transitional Federal Government		
UN	United Nations		
UNCDF	United Nations Capital Development Fund		
UNCT	United Nations Country Team		
UNDG	United Nations Development Group		
UNDP	United Nations Development Programme		

Table of Contents

Acronyms	3
Table of Contents	5
1. Introduction	7
1.1 Background	7
1.1.1 The JPLG	7
1.1.2 The MTR	7
1.1.3 The Somali Context	8
1.2 Structure of the report and responsiveness to the Terms of Reference	10
1.2.1 Structure of the Report	10
1.2.2 Responsiveness to the Terms of Reference	11
2. Programme Summative Review	15
2.1. Programme Logic	15
2.1.2. Original Results and Resources Framework (RRF)	15
2.1.3. Revised Logical Framework (LF)	15
2.1.4. Conceptual framework advanced in the 2010 Annual Work Plans and Budget	16
2.2. Programme Outcomes	16
2.2.2. The Outcomes Evaluation System (OES) reports	16
2.2.3. Assessment of JPLG outcomes	17
2.3. Programme Outputs	21
2.3.2. Policy, Legal and Regulatory Framework Outputs	21
2.3.3. Institutional Development and Capacity Building Outputs	26
2.3.4. Sector Investment and Services Delivery Outputs	33
2.4. The UN Joint Programme Modality and JPLG Management	37
2.4.1. Country-Operated UN Joint Programmes	37
2.4.2. JPLG and the UN Joint Programme Modality	38
2.4.3. JPLG Management arrangements	40
2.5. Programme Monitoring, Evaluation and Reporting System	42
2.5.1. MIS - Management Information System (Outputs M&E)	44
2.5.2. OES - Outcomes Evaluation System (Outcomes M&E)	46

2.5.3.	Reporting System	48
2.6.	Value for Money.....	48
2.6.1.	Effectiveness	49
2.6.2.	Efficiency	50
2.6.3.	Economy.....	50
3.	Programme Formative Review.....	51
3.4.	Programme Design.....	51
3.4.1.	The case for formulation of a second phase of the JPLG.....	51
3.4.2.	The JPLG internal logic	52
3.4.3.	Gender mainstreaming in formulation and management of JPLG new phase.....	55
3.5.	Programme Scope and contextual variations	55
3.5.1.	Need for expansion and related criteria	55
3.5.2.	The JPLG guiding principles for District Selection	56
3.5.3.	The 2011 PFS review (Principle #7) and the need for a diversified strategy	57
3.5.4.	Four contextual situations for JPLG operations and expansion.....	57
3.6.	Programme Financing	59
3.6.1.	Ensuring a more predictable funding framework.....	59
3.6.2.	Re-balancing Technical and Financial Assistance.....	60
3.6.3.	Diversifying the JPLG instruments of investment financing	60
3.6.4.	Improving the LDF Design	62
3.7.	Programme Management.....	64
3.7.1.	Strengthening programme management structure.....	64
3.7.2.	Harmonizing accountability relations of UN staff to Sr. Programme Manager	65
3.7.3.	Integrating Somalia-based teams under international PMU Area Managers.....	65
3.7.4.	Improving relevance, timeliness and quality of technical inputs from UN Agencies	66
3.7.5.	Develop internal learning by JPLG staff	66
3.7.6.	Lessons learned from the JPLG experience for other UN Joint Programmes in Somalia	66
3.8.	Programme Monitoring and Evaluation	67
3.9.	Timeline for transitioning to next JPLG phase	68

1. Introduction

1.1 Background

1.1.1 The JPLG

The JPLG for Somalia is a five year joint UN programme of ILO, UNCDF, UNDP, UN-HABITAT and UNICEF. It is implemented in partnership with, the Transitional Federal Government (TFG), the Authority of Puntland (AoP) and the Authority of Somaliland (AoSL). It started in April 2008 and is scheduled to end on 31.12.2012.

The JPLG is meant to:

- (i) Respond to the priorities in the Somalia Reconstruction and Development Programme 2008 – 2012 (RDP)
- (ii) Contribute to Outcome 2 of the United Nations Transition Plan 2008-2010 (UNTP): *“Local governance contributes to peace and equitable priority service delivery in selected locations”*. and
- (iii) Assist in the implementation of the United Nations Somali Assistance Strategy 2011 – 2015 (UNSAS) which is currently under development.

The JPLG supports the establishment of District-level autonomous and accountable local governments (LG) and the development of effective linkages with constituent communities and private sector. It empowers LG with systems and resources to deliver services, improve security, manage conflicts and build peace, and in the process strengthen their legitimacy and contribute to state building.

The programme aims at producing outputs in three main categories: (i) policy outputs, i.e. the development of a conducive decentralization policy and legal framework, (ii) institutional outputs, i.e. organizations and procedures for improving local governance, at State, District and community levels, (iii) sector outputs, i.e. local-level economic and social infrastructure and services delivery. Special emphasis is made on the rights of women and children and on addressing gender issues in local government.

1.1.2 The MTR

The JPLG programme document signed in April 2008 required that a Mid-term Review of the programme, focusing of *“assessing programme relevance, effectiveness and efficiency of management and implementation, programme effectiveness and the sustainability of results and recommend action to be taken in response to the findings”* be carried out in 2009. But the start up of the programme was slower than expected and the programme did not gain momentum until late in 2009. All stakeholders then agreed to reschedule the MTR to the first quarter of 2011.

The MTR was carried out by Local Development International (LDI) under contract with UNDP Somalia. Fieldwork in Nairobi, Somaliland and Puntland was conducted between the 11th of April

and the 2nd of May 2011. A Meeting with a delegation of the Transitional Federal Government (TFG) was held in Nairobi on the 12.04.2011, to review the JPLG performance and perspectives for expansion in South-Central Somalia. A detailed schedule of the Mission's fieldwork is enclosed as Annex IX.

1.1.3 The Somali Context

Since 1991, Somalia is engaged in an unfinished and controversial transition towards a federal country. The reality on the ground in 2011 is that of three macro-zones (South-Central Somalia, Somaliland and Puntland) which differ substantially with respect to the process of formation of the viable and legitimate sub-national entities of a workable federation. This creates a challenge for JPLG as the question of the nature of the sub-national administrations, within which JPLG-supported, local (District-level) authorities, are bound to operate, cannot be eluded and presents itself differently in the three macro-zones.

South Central Somalia

South-Central Somalia is where the federal capital Mogadishu is located and the Transitional Federal Government (TFG) of Somalia is sitting. It is also the zone witnessing the highest degree of instability and fragility and where the process of formation of viable sub-national administrations is least advanced and most controversial. The process is obviously affected by the fact that a large part of South-Central Somalia is currently under the military control of al-Shabaab, an Islamist insurgent group with ties with Al Qaeda, fighting to overthrow the TFG and defeat the troops of African Union Mission to Somalia (AMISOM) that support it.

In 2007-2008 under the terms of the Transitional Federal Charter, UNDP and UNOPS had helped the TFG establish regional and district councils in areas under its control. The process was completed in the Bay and Bakool regions, which however were taken over by al-Shabaab in 2009. As a consequence, in late 2009 JPLG revised the scope of its operations in South-Central Somalia. They are currently restricted to 10 districts in the Benadir (Mogadishu) region.

But at the core of the problem are also the resistances to implement a more decentralized model of governance and public administration. Despite attempts, since 2004, to push the TFG to share power, responsibilities and resources with emerging sub-national self-governing administrations (like Puntland, Galmudug, Ximan and Xeeb), the relations between the TFG and such emerging sub-national States remain tense. While federalism and devolution rhetoric are pervasive in their discourse, most Somali politicians remain attached to the kind of strong central government which most Somali instinctively are suspicious of, as they associate it with capture of State power in the narrow interest of one particular clan or group of clans, marginalizing all others.

Under these conditions a programme like the JPLG, whose counterpart in South-Central Somalia is the TFG, is faced with the difficult choice of whether and how to engage with emerging sub-national administrations whose legitimacy and/or powers may be questioned by the TFG.

Yet, most of these administrations are starting to provide a minimum of security and basic services and facilitating whatever humanitarian assistance and NGO-managed programmes are delivered locally. They could certainly be helped to consolidate their security maintenance and local development promotion role by adopting the decentralized district-focused governance and administration systems extended by the JPLG.

On the other hand, the decision to extend JPLG assistance to emerging administrations in South-Central Somalia cannot be taken in isolation from a broader reorientation of international aid to peace and state building, which may need to combine continuing engagement with the TFG with parallel assistance to emerging sub-national state entities. This reorientation appears to be in the making and JPLG might play a piloting role in this respect. We return on this in section 3.5.4 below.

Different challenges must be faced by the JPLG in the Somaliland and Puntland macro-zones.

Somaliland

Somaliland does not think of itself as a state within federal Somalia, but is seeking international recognition as an *independent country*. Since 1991 it adopted a unique system of governance leveraging the “social capital” and related practices of conflict management and cooperation of traditional clan-based social structures, while pursuing a “modern” constitutional design of the State. The system has been remarkably successful at securing stability. Somaliland has a bi-cameral Legislature, an Executive led by a President and Vice-President and an independent judiciary. The country moved to multi-party democracy in 2002 and following the presidential elections of June 2010, power was peacefully transferred to the opposition. Pending the country’s international recognition, external development aid remains limited. Yet the government has established an office for coordination of donor assistance under the Ministry of National Planning and Coordination (MNPC).

District governments have been operating in Somaliland since the early 2000, but their legal framework remains ambiguous and the scope of their autonomy and accountability are still to be defined (see 2.3.1). Some capacities for both local resources mobilization and public expenditures management exist in most district governments, particularly in the larger and more urbanized ones. But considerable capacity building is still required to improve local development planning practices and, most critically, the delivery of services by local administrations.

Working in partnership with the Ministry of Interior as its State counterpart, JPLG is currently supporting capacity development and investments in 6 districts (located in 4 of the 14 regions of Somaliland). Subject to availability of resources, the programme could expand its coverage to other districts in most regions, with the exception of the Sool and Sanaag regions, which are the object of a territorial dispute with neighboring Puntland. Nevertheless, with UNPOS support and oversight, JPLG might play a role in brokering a limited agreement, strictly focused on the modalities through which District Councils and administration departments in the Sool and Sanaag

regions could be strengthened as developmental local authorities, pending a solution of the inter-states territorial dispute.

Puntland

The Puntland State of Somalia (Puntland) was established in 1998 as an autonomous sub-national state administration within the future Somalia federation. Covering the north-eastern regions, it is home to one third of Somalia population and its capital is Garowe. Puntland has its own judiciary, legislative (House of Representatives) and executive (the President and his nominated council of Ministries) branches of government. The President is appointed by the parliament which is elected by clan elders; Local governments at the district level are also elected on a staggered basis following a clan based process.

Though relatively peaceful, Puntland has over the years witnessed a rapid turnover in the management levels of central and local authorities, and occasional political unrest, leading to poor consistency in public administration and losses of institutional memory and capacity. Rule of law is weak and marginalized sections of society (such as IDPs) have limited access to justice and other protection. Puntland continues to claim the regions of Sool and Sanaag and this has led to intermittent armed clashes with Somaliland.

A District governments system is formally in place, but elected Councils are still to be established in many districts. The recently enacted Constitution provides a good basis for developing a system of autonomous and accountable LG, but the ordinary legislation that still regulates the LG sector is outdated and inconsistent with both the new Constitution and the reality on the ground. Councilors' capacity for transparent and participatory policy making is low, and local administrations departments need to learn the basics of public administration, public expenditures management and services delivery.

Besides supporting national policy development and the strengthening of a number of state-level institutions, JPLG is also active in a limited number of districts where it supports capacity building and investments, in partnership with the Ministry of Interior. Prospects for expansion of JPLG work in other Puntland districts, with the exception of the Sool and Sanaag regions, are limited only by availability of external funding.

1.2 Structure of the report and responsiveness to the Terms of Reference

1.2.1 Structure of the Report

The rest of this report is divided in two parts.

Part 2 covers a *summative* review of the programme (*looking backwards*). Section 2.1 reviews the evolving conceptualization and logic of the programme. Section 2.2 and Section 2.3 respectively assess JPLG progress against intended *outcomes* and planned *outputs*. Both sections draw on MTR observations during fieldwork in Nairobi, Somaliland and Puntland as well as on an abundance of available documentation on almost any aspect of the programme, including the most recently

produced reports of the OES and the 2009-2010 Annual Reports. A list of most relevant documents including Annual Work Plans and Budgets (AWPB), workshop review meetings, programme strategies, guidelines, manuals, etc. is shown in Annex VII). Special attention in reviewing both outcomes and outputs, is given to the way in which JPLG is contributing to Gender Equality and Women Empowerment (GEWE). Section 2.4 reviews management arrangements and emerging issues associated with the adoption of the Joint Programme modality by participating UN agencies. Section 2.5 looks into the program's Monitoring and Evaluation system and its effectiveness to support programme management and results achievement. The concluding Section 2.6 attempts an assessment of the Value-for-Money delivered by the JPLG, making use of a framework recently developed by DFID.

Part 3 provides a *formative* review of the programme (*looking forward*) and develops the MTR recommendations. Section 3.1 makes the case for extension of JPLG and advances the logical model that should guide its re-formulation. It also discusses ways to improve gender mainstreaming. Section 3.2 argues for a diversification and adaptation of JPLG approaches and operations to four different contexts: the Mogadishu city-region, the emerging sub-national administrations in South-Central Somalia, the "new entry" and the "more mature" districts in Somaliland and Puntland. Section 3.3 discusses the financing of JPLG and argues for a more reliable funding framework, a better balance between the funding of technical and financial assistance, a diversification of the instruments of financial assistance and an improved design of the Local Development Fund. Section 3.4 discusses JPLG management arrangements and suggests improvement to both structures and working relations among participating UN Agencies. Section 3.5 makes recommendations to improve the program's Monitoring and Evaluation system and clarify the relationship between the MIS and OES components. Finally Section 3.6 presents a tentative timeframe for formulation and approval of the program's second phase (JPLG-2) to avoid breaks in operations and ensure a smooth transition from the current to the next phase.

1.1.2. Responsiveness to the Terms of Reference

The report strives to address all specific issues raised in the Terms of Reference. However while it reviews achievements, limitations and prospects of the JPLG as a whole, it does not contain a one-by-one account of the contribution of each of the 5 participating UN agencies.

For ease of reference, the table below lists all issues specifically raised in the TOR and indicates in which sections of the report, and how, they have been addressed. The official TORs are reflected in Annex VIII.

#	TOR specific requirements (page 4 of official TORs)	Relevant sections	Comments
1	Assess the progress to date against the JPLG project document as well as the annual work plans, the quality	2.2 2.3	To assess the overall progress of the JPLG against the objectives set in its Logical Framework, the MTR examined whether and to which extent intended <i>Outcomes</i> are being achieved (Sect. 2.2) and planned <i>Outputs</i> are being

	and sustainability of institutional results as well as improvement in equitable access to basic services [...]		produced(Sect. 2.3). The review is based on the first reports (2010) of the OES for Puntland and Somaliland, the JPLG 2010 Annual Report and other documentation, as well as interviews and fieldwork in Nairobi, Puntland and Somaliland. The inability to travel to S.C. Somalia and the limited interaction with TFG stakeholders inevitably limited the MTR appreciation of JPLG work in that region.
2	Assess how value for money in the JPLG interventions can be calculated /arrived at and provide an assessment on same.	2.6. Annex VIII	To assess the JPLG performance in delivering Value-for-Money (VFM), the MTR applies an evaluation framework originally developed by DFID to assess VFM of governance programmes in post-conflict situations. The framework allows for an assessment of the Effectiveness, Efficiency and Economy of the programme along several specific dimensions of these general criteria.
2bis	Assess how the JPLG contributes to stability at the local level and overall peace-building.	2.2.2 2.3.2	To assess the JPLG contribution to local security and peace building the MTR examined whether and to which extent the programme: (i) enhances the legitimacy of local Councils and improves their relations with communities (ii) prevents single individuals or clans to dominate and impose self-interested agendas on LG, and (iii) helps District Councils and administrations assume increasing responsibility for security in their localities.
3	[....] Pay specific attention to integration of gender and children issues and including the integration of the UN Security Council Resolution 1325.	2.2.2 2.3.1	The MTR looks at how JPLG efforts to mainstream gender in local governance may be affected by: i) <i>evaporation</i> (when good policy intentions fail to be followed through in practice); ii) <i>invisibilization</i> : (when monitoring and evaluation procedures fail to document what is occurring on the ground); and iii) <i>resistance</i> : (when political opposition and gender-based power relations effectively block gender mainstreaming). ¹ The MTR further applies the standard criteria of <i>participation</i> , <i>transparency</i> , <i>legitimacy</i> and <i>effectiveness</i> .to assess the degree to which gender-sensitive governance, has been promoted.
4	Consider the benefits of a longer term JPLG [...] and make recommendations on	3.1.1 3.1.2 3.6	The MTR examined the case for extension of the JPLG beyond its current termination date, and made recommendations accordingly, on both the substantive scope and the timeframe for

¹ DFID Malawi Gender Audit – Caroline Moser et al. 2004.

	this point		formulation of a second phase of the programme (JPLG-2)
5	Assess progress, efficiency and effectiveness of implementation of the participating UN agencies...	N.A.	Because of time constraints and the priority given to a review of JPLG performance as a whole, the MTR could not assess the individual performance of participating UN agencies. It took a PCU perspective and could not single out the Agencies' respective contribution to the achievements of the programme...
5bisas well the JPLG management arrangements and recommend reductions, additions or changes.	3.4The MTR however looked into the more general issue of management relations between the JPLG PCU and the UN implementing agencies, and made specific observations and recommendations for their clarification, so that the role of the agencies be defined more by their ability to respond to the demands of a newly and cohesively designed programme than by the extension of the trademark approaches and technical packages they have in store.
6	Assess the current JPLG monitoring and evaluation (M&E) framework, including the revised logframe and indicators, the outcome evaluation system, the general reporting system, the web-based JPLG MIS and community monitoring groups and recommend any adjustments helping attain results.	2.5.1 2.5.2 2.5.3	To assess the current JPLG M&E framework, the MTR applies the basic principles of results-based management (RBM). Better adherence to these principles in the next phase of the JPLG could improve the logframe and its indicators at both output and outcome level. It could also help clarify the distinction between the staff-managed MIS (regular output/outcome monitoring) and the OES (in progress evaluation)
7	Assess the added value of this joint programme in terms of expected benefits of UN joint programmes [....] Also make an assessment on the basis of the JPLG for other possible joint programming.	2.4.1 2.4.2 3.7.6 Annex VIII	The MTR assessed the benefits of the JP modality for JPLG stakeholders. It also looked comparatively at JP implemented worldwide and the JPLG and summarized lessons the lessons learned that could inform the preparation of other JP in Somalia.
8	Provide strategic advice on and possible responses from JPLG to issues such as the proliferation of new administrative territories such as regions, districts and villages and in the absence of criteria....	3.2.5	The MTR looked into the issue and concluded that JPLG, with strategic advice and analytical support from UNPOS, could reach out to emerging administrations and initiate the process of LG establishment and strengthening in selected Districts, linking them to both their communities and the emerging sub-national administrations.

8bis ...In addition the lack of population data with the last census in Somalia carried out more than 25 years ago [is] making it difficult to assess per capita income for the [for the purpose of allocating the resources of the] LDF (Local Development Fund) to start in 2011. With the fall back position being LDF allocations based on grading of districts.

3.3.5

The MTR suggests the building blocks of a formula to distribute LDF resources, to ensure consistency with the two main purposes of the Fund (i) support a learning-by-doing approach to local development planning capacity building and (ii) support fiscal equalization between districts. It recommends that JPLG help the Ministries of Planning and Finance to develop rough estimates of both population and fiscal potential of the Districts, for the specific purpose of sharing LDF resources.

2. Programme Summative Review

2.1. Programme Logic

The JPLG is an innovative policy experiment. At its core are two assumptions:

- (i) Good local governance and local development are critical factors for both peace building and poverty reduction (via local conflict management and improved services delivery), and
- (ii) Good local governance and local development are best promoted through the technical and financial resourcing of *autonomous and accountable local government*. and their linking to constituent communities

In Somalia, the first assumption is increasingly shared by providers of external aid, and the second represents a most remarkable shift in aid delivery channels, which, over the last two decades, have been limited to non-state actors. Beneficiary District Councils and Administrations have welcomed the JPLG, because it can provide both the capacities and the resources that they need to interact with and serve their communities and, in the process, enhance their own political legitimacy, maintain security and build peace.

Since the JPLG inception, designers and managers have struggled to turn the above assumptions into a consistent statement of outcomes, outputs, activities and inputs, i.e. into *a consistent programme design*. Efforts to clarify the JPLG logic are still ongoing. The original “Results and Resources Framework” (RRF), was replaced by the current Logical Framework in late 2008, and an improved programme’s conceptualization was presented in the AWPB of 2010.

2.1.2. Original Results and Resources Framework (RRF)

The original JPLG project document states that JPLG should deliver: (i) policy outputs for the development of the legal and regulatory framework of decentralization reforms, (ii) institutional outputs for system-wide strengthening of local and state institutions and (iii) sector outputs for improved local infrastructure and services delivery.

However, the original RRF fails to clearly distinguish and logically arrange the programme’s intended outputs under the three above categories. It also adds, somehow spuriously, another sector-specific category of outputs: “Improved land management”, bringing to 4 the JPLG “Intermediary Outcomes”.

2.1.3. Revised Logical Framework (LF)

In late 2008 the original RRF was replaced with a rather different Logical Framework. This replaces the 4 intermediary Outcomes of the RRF with 2 “Specific Objectives”: (i) *Communities have equitable access to basic services through local governments* and (ii) *Local Governments are accountable and transparent* (see Annex IV – JPLG Logframe)

The revised LF represents an improvement with respect to the original RRF, in so far as it:

- (i) Brings forward the development of the decentralization policy, legal and regulatory framework as a *deliverable* of the JPLG (from Activity 1.5.1 in the RRF to Output 1.1 in the Log-frame)
- (ii) Defines a realistic target (24 Districts in 2 years) for the JPLG coverage
- (iii) Drops improved “Land Management” as a separate outcome and mainstreams related activities under the two specific objectives.

Yet the distinction between policy, institutional and sector outputs of the programme is even less clear in the Log-frame than it was in the RRF.

Moreover, the logic linking outputs and outcomes remains weak. In particular it is not entirely clear how the six expected results under specific objective 1 (see Annex IV) taken together would ensure that services will be delivered in an equitable way. The revised Logframe is also weak when it comes to capturing gender equity and progress on women participation in local governance.

A conceptual issue in the current Log Frame is its characterization of the JPLG as supporting the “demand” and “supply” sides of local development, where “demand” is identified with communities’ articulation of their needs and “supply”, with the LG capacity to respond. This rather conventional thinking about community/LG relations is not helpful in the logical structuring of the programme’s outputs and misses the more sophisticated nature of the JPLG as agent of change of community perceptions of LG and builder of *two-way bridges* for both *conflict resolution* and *co-provision* and *co-production* of services. In today’s Somalia, stressing communities’ “demands”, at the expenses of co-responsibility to “supply”, may not help get communities positively engaged with their own LG.

2.1.4. Conceptual framework advanced in the 2010 Annual Work Plans and Budget

The JPLG Annual Work Plan and Budget of 2010 presents a third conceptual framework, called “JPLG Local Governance Framework and Process” (adapted from a UNCDF presentation) which reintroduces the structuring of outputs in the three logical categories of policy, institutional and sector outputs, associated with the “local development through local governments” paradigm. This is a step in the right direction and comes close to the logic model suggested later in this report (ref. sect. 3.1.2) for formulation of the JPLG’s next phase.

2.2. Programme Outcomes

2.2.2. The Outcomes Evaluation System (OES) reports

The JPLG intended outcomes (referred to as “specific objectives”), are: (i) ‘*Communities have equitable access to basic services through local government*’ and (ii) ‘*Local governments are accountable and transparent*’.

To track JPLG achievements against those outcomes, it has been set up an Outcome Evaluation System (OES) that generates periodic reports. A slightly confusing feature of the OES is that the two intended outcomes have been broken down into other (intermediate?) “Outcomes” not explicitly linked with the outputs in the logframe, somehow blurring the outputs/outcomes

distinction. Anyway, it is these intermediate “outcomes” (see Annex III) and their associated indicators, which are then tracked by the OES reports. The reports also include individual accounts from key informants which make for interesting reading and provide a rich picture of JPLG activities. The tables in Annex III summarize the findings of the latest (end 2010) OES reports for Somaliland and Puntland. No report is available for South-Central Somalia at this time.

2.2.3. Assessment of JPLG outcomes

While it is too early for a comprehensive evaluation of the outcomes and impact of the JPLG, the OES reports and the MTR own observations allow for a preliminary (and summary) assessment of the JPLG contribution (and limitations) with respect to:

- (i) *The development of autonomous and accountable Local Governments*
- (ii) *The development of LG-Community interaction and partnerships*
- (iii) *Conflict Resolution and Peace Building*
- (iv) *Improved and equitable access to service*
- (v) *Mainstreaming of Gender in Local Government and implementation of UN resolution 1325*

(i) Autonomous and Accountable Local Government

As noted already, the choice of Local Governments as entry points for the promotion of local development and peace building makes JPLG a *unique* programme in Somalia.

Yet this choice remains fragile and needs to be further assimilated and supported in actual practice by all stakeholders. Temptations to slip back into a more familiar “community development” (CD) mode, continue to surface, understandably, because of both the objective difficulties of legitimate local governments to emerge, and the more established CD culture in the aid community, in Somalia.

The choice of LG as entry points drives the JPLG’s concern with both (i) the policy and legal framework for Local Governments to operate as developmental organizations and (ii) the LG institutional capacities for effective Councils’ deliberations and for implementation of local development and peace building initiatives by local administrations.

On the first dimension, it is indeed too early to assess outcomes and impacts. JPLG is engaging, primarily with Ministries of Interior in the three zones, but also with sector Ministries interested in exploring modalities for decentralizing the delivery of specific services, and with Ministries of Finance on the issue of central-to-local resources transfers. The very fact that decentralization policy issues and options are brought onto the agenda and discussed by State authorities in the three zones, represents already a major contribution to the emergence of autonomous and accountable local authorities in Somalia.

But challenges remain enormous and the outcome uncertain. The very concept of local autonomy, a strong feature of the Somali social formations, is actually foreign to the tradition of the Somali public sector. And the accountability of LG (to both communities and the State) is still confused with hierarchical controls by the center.

Nevertheless, the timing for the JPLG work on decentralization policy and legal reforms *could not be more right*. The issue of the sub-national system of governance and public administration is absolutely central to the ongoing constitutional debate and the potential for the JPLG to contribute to shape it through both upstream support to policy development, and downstream support to policy experimentation, is major.

On the second dimension, outcomes and impact, while still limited and fragile, are already noticeable. As reported by all LG personnel interviewed, the technical and financial resources, modest as they may be, that the JPLG has put at the disposal of District governments, have empowered local Councils and administrators², and both made possible and required that, for the first time in a long period, LG act as *developmental organizations* and adopt improved, more accountable and transparent practices of development planning and implementation. This is no minor achievement.

The very exposure of District Governments and communities to participatory development planning, improved methods for tax assessment and collection, transparent procurement of goods and services and structures for social auditing of LG performance, is improving LG practices in District Governments participating in the JPLG.

Yet, as reported also by the OES, the adoption and mainstreaming of such practices in local governments beyond what is required to implement the JPLG itself, remains an open question. In fact such adoption depends on at least three factors: (i) a LG regulatory framework specifying LG accountability and related oversight arrangements; (ii) an effective local leadership and LG personnel capacity; and (iii) the adequacy of the LG procedures extended by the JPLG, and related capacity building efforts.

Only the last of these factors is under full (output-level) control by JPLG management. On this, the MTR found that changes are needed to facilitate the mainstreaming of JPLG-supported practices in LG. In particular the planning and investment programming methods introduced by the JPLG require conceptual and technical adjustments. Also, a greater focus on capacity of the district administrative departments for services delivery (as opposed to general governance capacity) is needed. We elaborate on these issues in the section (2.3) when reviewing the programme's outputs.

(ii) LG-Community interaction and partnerships

It will take a long time to overcome the distrust and suspicion that characterizes the community perception of local governments in Somalia. But another, and equally critical, perception is changing faster thanks to the JPLG: that of Mayors, Councilors and local administrators about themselves, their own role and their responsibility to reach out to their constituencies offering concrete opportunities for participation in policy making and partnership in policy implementation. And this is an absolute pre-condition for improvement of LG/community relations.

² As one mayor graphically put it "JPLG allowed the mayor to show his face to his constituency"

JPLG has focused on linking LG to their constituent communities through all the steps of the process of preparation of the five years District Development Frameworks (DDF). But a particular mention deserves the open Council meeting organized to validate the DDF. These meetings have turned out to be well attended exercises of good local governance allowing communities to question, and LG officials to defend, the choices made. Important results have also been achieved through Civic Education and Information campaigns, to raise awareness around citizens' rights and the processes of local government. Another important contribution has been the set up of community monitoring committees for all JPLG-funded projects. These have the potential to develop into neighborhood or village level structures with a broader mandate for social auditing of LG performance.

The sustainability of these institutional linkages depends of course on the LG-wide adoption and mainstreaming of the participatory planning and social auditing practices introduced by the JPLG, as discussed above.

Two questions arise in this connection. The first is how to manage community expectations and perceptions of LG in light of a long history of distrust. The second is how to mobilize the potential for community self-help and combine it with LG resources and initiatives. On both counts more could be done by the JPLG.

An exclusive or excessive JPLG concern with "ensuring that community demands are incorporated into LG plans" does not help devise a sustainable statutory LG planning system. Communities must be made aware of the extent of LG responsibilities and of the difficult choices that LG must make, at the risk of unpopularity, also because of the gap between needs and resources (both financial and human). Here is where a JPLG characterization of organized communities and LG as standing on the opposite "demand" and "supply" sides rather than sharing responsibilities and being mutually accountable, might not help and could even be dangerous.

Also the considerable potential for community resources mobilization and contribution, based on a long tradition of community self-help (also highlighted in the OES reports), must be brought to bear on the *co-provision and co-production of infrastructure and services* with LG. JPLG uncertainties on "community contribution" requirements and the abandonment of "community contracting" (foreseen in the original JPLG design but then shifted to the WB-financed CDRD, with a reduced visibility of the District authorities), might not help strengthen the LG/community linkages.

(iii) Conflict Resolution and Peace Building

The JPLG contribution to conflict resolution and peace building is particularly difficult to assess. The main mechanisms linking LG strengthening to sustainable peace building are (i) enhancing transparent deliberations and broad based community participation in decision making on LG resources and (ii) supporting an enhanced LG role in security maintenance. JPLG is generally active on both fronts (although it could do more on the second one) and evidence of impact is starting to emerge.

The JPLG-sponsored DDFs preparation and validation process is a primary contributor to building consensus around problems and priorities and thus discouraging individual or clan-based attempts to capture and dominate the local development agenda, which invariably generate resentments and ignite conflicts.

Also, LG are starting to take greater and more direct responsibility for maintenance of security. As reported by the OES from Puntland, there is *“a range of ways in which the LGs are contributing: holding public meetings on security issues through the village committees, paying for night patrols by the police and for police expeditions to rural areas when conflicts occur.”* While JPLG has already helped, it would be worth to explore further opportunities and modalities to assist LG improve local security. It appears that LG action on this front immediately results in a greater appreciation by, and a closer relation with, their constituent communities. In turn, LG/communities partnership is also a most critical determinant of LG effectiveness on the local security front.

(iv) Improved and equitable access to service

Undoubtedly, JPLG is helping improve access to services in participating Districts, through investments in health, education, water, sanitation, transport and marketing facilities. The choice of investments also seems to reflect community priorities as well as gender and poverty reduction considerations. Nevertheless, the intended JPLG services delivery outcomes remain constrained, and occasionally negated, by three major factors.

The first is the *very modest share* of JPLG resources that are allocated to investment financing (as opposed to training, technical and management advisory services) to participating LG. The absorptive capacity of participating districts varies considerably, but in the larger, more urbanized, ones already far exceeds the JPLG allocations of investable funds. The second is the still *inadequate processes* of JPLG investment projects formulation and technical/economic appraisal, and the associated risks of ineffective or wasteful use of the programme’s investable funds. The third, and perhaps most serious, is the difficulty to ensure that in the health sector (and to a less extent in others) externally financed infrastructures are accompanied by sustainable central, local or community *financing of operating costs* and human resources deployment needed for actual delivery of services.

(v) Mainstreaming of Gender in Local Government and implementation of UN resolution 1325

JPLG is playing an important role in promoting GEWE in local governance. It is however facing an array of potential barriers and discriminatory practices: from legal and regulatory discrimination, to customary law and practice within the Somali clan structure, to various interpretations of ‘sharia’ law, and to strong resistance to social change. A baseline survey which had collected data on actual or perceived impediments to greater engagement of women in local governments and where and how those impediments are manifested would have provided the kind of information which could have usefully informed programme management and other stakeholders.

In this respect it is a concern that the OE reporting does not provide much in the way of informed discussion about progress in gender equity and women empowerment outcomes. In the OE baseline survey (2010), women represented some 33-40% of respondents of the community survey, but the survey instruments did not include questions around barriers to greater inclusion or participation of women and minorities in local government either as elected officials or as employees. Nor are there any indications of what changes would be required for greater participation of women.

2.3. Programme Outputs

Annex V summarizes in table form the JPLG progress against its intended outputs, as reported by JPLG management in the 2010 Annual Report. This section provides the MTR assessment of such progress. It is organized in three sub-sections, each referring to one of the main categories in which the intended outputs can effectively be classified: policy, institutional and sectoral.

2.3.2. Policy, Legal and Regulatory Framework Outputs

JPLG has produced policy papers and legal texts for adoption by State authorities to guide and implement systemic decentralization reforms, as well as more specific sector and cross-sector reforms (e.g. decentralized land management and gender equality and women empowerment in local government).

However, in spite of intense JPLG activity, results have been limited. The rhetoric of decentralization is adopted by State authorities, across all three zones of Somalia, and JPLG could engage with them in analytical reviews and discussion of policy options, but there has been little progress in actually agreeing on and issuing policy and legal texts to enable autonomous and accountable sub-national governments.

Legal frameworks remain inadequate (in Somaliland and Puntland) or still under development (in South-Central Somalia). In such policy and legal vacuum, decentralization happens by default rather than design, and District Councils may operate with a degree of autonomy, with outcomes dependent on the quality of local leaders and administrators, rather than systemic incentives.

(i) Puntland

In Puntland a window of opportunity opened up with the adoption of the 2008 Constitution which recognizes local *autonomy* and the double *responsibility* of Districts to implement national policies and develop local plans/policies/programmes/projects. It provides a good foundation for an effective local authorities system. To move forward, the current LG legislation (Law 7/2003) should be replaced. It is confusing and contradicts both the new Constitution and the realities on the ground.

JPLG is trying to help. In 2009 and 2010, JPLG worked with the Ministry of Interior to define decentralization guiding principles and a “roadmap” to the reform of Law 7/2003³ and provide

³ Erik Bryld and Harriet Naitore, Decentralization Policy Options for Puntland (August 2010)

analytical support to the reform of the sub-national system of governance and public administration⁴. Most recently it has agreed with the Ministry of Interior on the need to develop a national decentralization strategy and to implement a broad consultative process on it, with the assistance of InterPeace. It is also fielding an international consultant to help MOI to draft the strategy. Yet, all these efforts may still not result in the expected improvement of the LG legal framework.

Ministries of women and family affairs, education and environment, seem interested in decentralizing their operations to LG, but the distinction between administrative de-concentration of the State, and empowerment of LG, is not fully understood or supported within the government at large.

The Ministry of Interior chairs an Inter-Ministerial Working Group (IMWG) tasked with developing a new LG legislation, but there is no agreed timeframe for this work, and no technical secretariat with capacity to table and facilitate deliberations on policy options.

(ii) Somaliland

The legal framework of Local Governments in Somaliland is provided by the Constitution and by Law 23/2002 as amended in 2007. It is a very fragile basis for a system of autonomous and accountable local governments⁵.

On the positive side, the legislation (i) creates District authorities, with their own legislative, executive, and administrative structures, (ii) gives them a broad “general mandate” and “specific functions”, and (iii) provides them with own sources of revenue (including property taxes and commercial license fees) and with some autonomy in preparing their own budgets.

On the negative side, the Law fails to clarify LG autonomy and accountability relations with the center. It is also silent on central-to-local fiscal transfers and on mechanisms to coordinate Districts and de-concentrated state administrations. The Law also establishes Regions, as a new tier of local authorities, but leaves mostly undefined their responsibilities, while assigning to them powers of oversight on Districts, that should be reserved to the State. A radical re-thinking of sub-national governance and administration arrangements appears to be necessary.

Again JPLG has tried to help. It supported a study⁶ of the sub-national systems, which made a number of recommendations, on which action remains to be taken. Most recently, and similar to Puntland, it has agreed with the Ministry of Interior on the need to develop a national

⁴ Nicholas Awortwi, Institutional Assessment for Services Delivery in Puntland (October 2009)

⁵ On a key point for external assistance to sub-national authorities, the Law 23/2002(as amended in 2007) denies the possibility of channeling external aid (directly or even through Central Government) to Local Governments, asking them to plan and implement development projects. Art. 103(h) explicitly reserves to Central Government, *at the exclusion of Local Governments*, the tasks of “*Finalizing the planning and implementation of development projects, which are funded by the central government or by foreign agencies*”. Strictly speaking, the JPLG is currentlyillegal in Somaliland (!)

⁶ Holger Pyndt, Institutional/Organisational Review of the Organisational Structures at Sub-National Levels in Somaliland (Dec.2010),

decentralization strategy and to implement a broad consultative process on it, which could be assisted by InterPeace. This is a major step forward.

But the space for decentralization reforms has shrunk rather than expanded with the last change of government, and the current authorities' commitment to the empowerment of local governments remains unclear. Momentum may develop again however, if, as some informants suggested, the leadership of the process moves higher up from MOI into the President or Vice-President offices.

(iii) South Central Somalia

In South-Central Somalia, the need to establish a decentralized system of governance is recognized by the 2004 Transitional Federal Charter and the 2010 draft Constitution. In addition, for all of Somalia there is a draft "Bill for the Establishment of Regional and District Administrations",⁷

Overall, however, the Transitional Federal Government (TFG) has shown little interest in the empowerment of autonomous and accountable LG. The most urgent task for the TFG is still to put forward, and obtain parliamentary agreement on a shared vision, which articulates in sufficient details a system of state, regional and local governments⁸, both autonomous and accountable. Without it, the Constitution will be largely irrelevant, since the key concern for most Somali is to avoid another predatory central government in which one clan, or group of clans, controls most of the state's resources and deny them to their rivals⁹

The JPLG has engaged with the TFG, and more specifically with the Ministry of Interior (MOI) on the definition of the national decentralization policy and legal framework. A policy options paper¹⁰ has been produced by JPLG consultants to facilitate policy deliberations on sub-national governance and public administration arrangements, with no apparent or immediate take up by the TFG.

⁷ This Bill has been used between 2006 and 2009 to establish 19 LGs in Bay, Bakol, Gedo and Middle Shabele regions, but given the take over of these districts by Al-Shabab, the status of these councils is unknown.

⁸ Ref. Somalia: The Transitional Government on Life Support (Crisis Group Africa Report N°170, 21 February 2011) which reminds analysts that "Calls for decentralization are not new. In 1995, the London School of Economics conducted an extensive analysis into ways political authority could be devolved in Somalia and presented four models: a confederation (a union of separate but equal states); a federal system (with three ways of organizing federal-provincial relations); a decentralized unitary state with guarantees of regional or local autonomy; and a consociation (a non-territorial option). It also noted that decentralization does not preclude evolution to a more centralized and stronger state, but the immediate goal should be to establish an environment of peace and stability, in which clans feel relatively secure and the country can develop".

⁹ In this respect a proposal has been made in a recent report of the International Crisis Group that "Somalis should convene an inclusive consultative forum, to be held in Somalia, to agree on reform of the transitional federal institutions for the post-TFG period. The focus should be solely on governance: the relationship between local administrations and the government in Mogadishu, the structure of the national government and the division of power within that government. [Somalia: The Transitional Government on Life Support (Crisis Group Africa Report N°170, 21 February 2011)]

¹⁰ Erik Bryld and Harriet Naitore, Decentralization Policy Options for Puntland (August 2010)

JPLG might however play an important supporting role, by making technical and policy advisory services available to the TFG, if the latter eventually decides to move forward in defining the architecture of the sub-national system of governance and public administration for the Somali federal republic.

In a more positive development, the draft Mogadishu City Law (MCL) has also been prepared with JPLG support, and most recently, MOI has agreed to move forward and undertake the legal review of the draft MCL and related public consultations, with a view to adopt and issue the MCL. The Draft Law foresees the establishment of a Mogadishu City/Region, a regional state with governance mechanisms that allow for the simultaneous safeguard of the right of Mogadishu residents to self-government and of the interests and requirements of the Federal Government associated with the status of Mogadishu as capital of the Somali federal state. Understandably, the main focus of the draft is on issues of political governance and public participation, which are treated in considerable detail. Much less attention is given to issues of administrative organization and to how service delivery responsibilities and resources will be shared by the two tiers of local government within the Mogadishu city/region (or metro area): the Mogadishu City Council and the constitutive District Councils. Yet these are critical aspects on which the sustainability of local governance and development practices in metropolitan areas like Mogadishu will eventually depend. JPLG might help address them by developing and piloting the planning and financing systems necessary for integrated services delivery at both regional (metropolitan) and local level.

(iv) Support to sub-national functional assignments policy

While supporting the development of comprehensive decentralization policies/strategies and related revision of LG legislation, JPLG is also working with sector Ministries through policy advisory services (to be supported by critical pilot initiatives) on reassignment of functions from central to local authorities.

This work has started only recently, but guidelines on how to “unbundle” public sector functions have already been developed by the PCU and approved by SL and PL governments. Sector studies are being commissioned by UNICEF (for the Health, Water and Education sectors) and ILO (for Public Works and Environment sectors). JPLG is aware of the distinction between outright devolution of functions and contractual delegation arrangements, and will mostly explore opportunities for the latter. Piloting innovative delegation (rather than devolution) mechanisms could go a long way in initiating the functional re-assignment process under the current conditions in Somalia.

(v) Support to sub-national finance policy

Reflecting the general lack of progress on comprehensive decentralization reforms defining the architecture of the sub-national governance and public administration system, no significant

progress has also been made in the three zones of Somalia with respect to sub-national finance systems¹¹.

Discussions have been initiated in Somaliland on the need to develop a transparent formula to replace the current distribution of central revenue to districts¹². Yet, the process and timeframe for adoption of the formula remain uncertain.

JPLG support to sub-national finance policy development has essentially been limited to the introduction of State-level “Local Development Funds” (LDF)¹³. The LDF are conceived as pilot facilities for discretionary block grants from States to Districts. LDF agreements have been signed in both Somaliland and Puntland, but the current design suffers from several weaknesses, a reflection, in part, of the objective difficulty of introducing a proper fiscal transfer mechanism under the present conditions of Somalia. Weaknesses include the lack of a medium term capitalization plan projecting domestic and external financing requirements, confusing provisions on co-financing obligations of beneficiary Districts, “ad hoc” disbursement procedures, and an excessive emphasis on capital spending. We elaborate further on these issues in section 3.3.4 below.

(vi) Support to policy reform for Gender Equality and Women Empowerment (GEWE)

The Gender Strategy developed by JPLG in 2009 and highlighted in the 2010 and 2011 annual work plans indicates the importance that the programme attaches to promoting gender equality and women empowerment (GEWE).

Building on UNDP’s support for the development of gender policies and strategic frameworks (2008-2013) in Puntland and Somaliland,¹⁴JPLG helps the Ministry of Women Development and Family Affairs (MOWDAFA) in Puntland and the Ministry of Labor and Social Affairs (MOLSA) in Somaliland promote GEWE in local governance. This is difficult work, as in both Somaliland and Puntland the LG legislation is certainly not gender-sensitive and most Ministries fail to recognize and address the linkages between a progressive LG policy and regulatory framework and the promotion of GEWE. . It is therefore not surprising that there is as of yet little evidence of an understanding of GEWE and a commitment to a greater and more substantial role for women in local governance.

Yet there are substantial differences between Puntland and Somaliland in terms of results of JPLG work of advocacy of, and support for, greater participation of women in LG as a measure of

¹¹ It should be noted that the World Bank supported Public Finance Management (PFM) Reform Program, rather than the JPLG, is primarily concerned with developing the sub-national finance dimensions (as distinct from the functional assignments dimension) of the fiscal decentralization policy.

¹² The current system is the result of a negotiated arrangement through which Districts, which were previously collecting revenue through informal road blocks on trade originating in the port of Berbera, were guaranteed similar amounts through central transfers in exchange for a discontinuation of the road blocks..

¹³ JPLG work on improved local-level financial management (introduction of District AIMS and BIMS) is covered in the following section on institutional development.

¹⁴ Although UNDP is in the process of developing an LOA with the TFG, there has been little substantive work in South-Central since the JPLG inception. The discussion on progress on GEWE is therefore limited to Puntland and Somaliland.

Somalia's commitment to UN resolution 1325. Unlike its Somaliland counterpart, MOWDAFA has a strong team of consultants working in concert with Ministry staff. Strong Ministerial commitment combined with an effective advocacy strategy, which has reached out to women's networks, is starting to have an influence and change perceptions in other Puntland Ministries, as well as among clan leaders and women themselves, encouraging many of them to become councilors.

The JPLG-supported Peace Dialogue Conference held in Puntland brought together women from the region and provided a forum for discussion for Somali women. The issues of women's political participation were raised and one of the outcomes of the meeting was a declaration that 25% of all council seats would be reserved for women. MOWDAFA and the Puntland government at large deserve credit the success of the conference. However, much remains to be done by JPLG to help translate the recognition of women's role in grass-roots dispute, conflict resolution and peace building, into their greater inclusion in LG-level decision making.

More generally, the JPLG Gender Strategy design and implementation suffers from a number of limitations. First it appears to be still a 'post facto' addition to the programme documentation and remains to be better linked from the core elements of the programme. Second there is no clear theory of change to justify and explain the activities that are prescribed to implement the strategy. An finally , while there is a high sense of obligation and commitment within the participating UN Agencies, neither the responsibilities for promotion of GEWE are clearly assigned, nor the expertise deployed within JPLG are adequate to the task. Without sufficient expertise and capacity for effective advocacy of GEWE in local governance, policy changes are difficult to promote.

2.3.3. Institutional Development and Capacity Building Outputs

While JPLG is involved in decentralization policy development, and local investments, its core business remains the development of institutions and capacities. The programme works at three levels: central government, local government and community.

(i) Central government level

Reflecting its focus on local governments, the JPLG's main counterparts are State agencies legally in charge of support and supervision of local authorities. In all three zones of Somalia these are the Ministries of Interior (MOI).¹⁵

JPLG is currently engaged in a new round of institutional assessments of MOI in Somaliland and Puntland, following up on initial efforts in 2009. This aims at a re-engineering of MOIs, supporting their functions of legality controls and performance monitoring, of local governments. Strict focus

¹⁵ While increasingly important, the functions of State support and supervision of LG, are neither the only, nor the principal ones for Ministries of Interior, whose main task remains that of maintenance of law and order (internal security). This has led many countries, engaging in decentralization reforms, to shift the tasks of State support and supervision of LG systems to specialized Ministries variously designated as Ministries of Local Governments, Local Administration, Territorial Administrations, Local Development, etc.

on these functions should be maintained. In particular, pressures to support an expanded role for MOI as channels of LG financing, or builders of LG capacity (beyond basic legal competence) should be resisted.

In the Somalia environment¹⁶, expanding MOI's role may *de facto* compromise the relative autonomy of District authorities. It increases the risk of (i) distorting local decision-making processes through strict guidelines and manuals, officially meant to “build capacity” and (ii) invasive opportunity controls and financial management requirements, officially justified by central financing. In this respect the choice of the JPLG to fund local development investments through a quasi-fiscal transfer mechanism (a redesigned LDF), is indeed a step in the right direction.

Also, when building District capacities, JPLG may want to move gradually but decisively to a more “demand-driven” approach, and both promote a network of trained and certified services providers and resource Districts to directly employ them. As capacity develops first in larger more urbanized LG, JPLG could also support their peer-to-peer arrangements with smaller more rural jurisdictions.

Besides MOIs, JPLG is supporting other central agencies in all the three zones of Somalia. These include:

- Ministries of Finance to set up LDF (UNCDF) in Somaliland and Puntland
- Auditor General Office to audit DC accounts (UNDP)
- Ministries of Public Works, to develop urban planning standards and management guidelines (UN-Habitat) , and to re-engineer and decentralize their operations and assist District Public Works Departments (ILO)
- Ministry of Women and Family Affairs (Puntland) Ministry Labor and Social Affairs (Somaliland), Ministry of Women and Family Care (South-Central Somalia), to develop Gender policies (UNDP)
- Ministries of Health and Education (UNICEF), in Puntland and Somaliland to decentralize their services delivery operations.

All JPLG activities are ultimately relevant, but some might be better carried out under separate sector-supporting programmes or projects. The risk of expanding the scope of the JPLG to the point of losing or blurring the focus on “local development through local governments” deserves management attention.

Local governments in JPLG target areas may be able, either *de jure* or *de facto*, to develop their own charters and bylaws. District Councils could then adopt improved sector and cross-sector policies (e.g. on urban planning and land management, social services delivery, public participation in public policy making, gender equality and women empowerment, social auditing, etc.) *through their own deliberations*, where state-level policies do not exist and legislation fails to specify local mandates. JPLG is actually pursuing this possibility (e.g. by supporting local adoption

¹⁶ Where there is little clarity on the very nature of local governments as distinct from the State administration.

of procurement guidelines or develop local pilots of functional reassignments) while remaining engaged in State-level policy development.

(ii) Local government level

JPLG is helping develop Local Governments capacity for (i) basic public expenditure management (PEM), (ii) infrastructure and services delivery and (iii) promotion of local economic development.

A major issue affecting the sustainability of JPLG efforts is the difficulty to recruit and retain a cadre of qualified staff in the District administration departments. Low levels of remuneration make it difficult to attract trainable staff and to retain those who have been trained. This situation is forcing external agencies to resort to the recruitment of consultants, who end up taking over most tasks of District departmental staff. This practice creates unsustainable parallel structures which would disappear with the end of externally funded programmes, without leaving behind the capacities the programmes were meant to build.

The problem is not specific to the LG sector, but affects the public sector at large. It cannot be eventually resolved outside of a broader civil service reforms process, which may also consider the establishment of a separate local civil service. In the absence of such process, some interim and potentially more sustainable solutions could be explored by JPLG, taking advantage of the space of autonomy (de jure or de facto) available to LG.

This report cannot provide a definite plan for JPLG to follow in this respect. It can only suggest that, as part of its policy dialogue with State authorities, and without requiring from the latter an upfront policy decision, the JPLG might experiment in its target Districts with a LG-specific personnel management policy (to inform future civil service reform). Policy experimentation may include appropriate manning tables for District departments by District categories, a combination of salary supplements and employment conditions with fidelity clauses, financing mechanisms with stringent conditions to reward efficiency and discourage staff proliferation and clearer distinction between staff and advisors, to ensure that external resource persons facilitate, rather than compromise, sustainable capacity development of LG within current context.

Capacity building for local-level Public Expenditure Management (PEM)

JPLG has contributed to develop Districts' capacity in most of the standard elements of the local-level public expenditures management (PEM) cycle¹⁷ and in particular:

- Developed and extended a District planning process
- Proposed a services-oriented format for the District budgets
- Introduced improved local public procurement institutions
- Introduced a Districts assets management system
- Developed and extended improved accounting and revenue collection systems
- Proposed a District performance monitoring and evaluation system

¹⁷ The standard elements of the PEM cycle are planning, programming, budgeting, procurement and implementation, assets management, accounting and financial reporting, monitoring, evaluation and auditing

A number of weaknesses were noted by the MTR and are discussed below. JPLG management is aware of limitations of the currently extended PEM guidelines and is recruiting a consultant to address them.

The JPLG aims to introduce a statutory LG planning process to allocate all resources available to the Districts and guide the preparation of their annual work plans and budgets. But OES reports suggest that the JPLG-supported planning process is not yet being institutionalized by participating Districts.

This is not surprising, as the JPLG is still transitioning from an early practice of “community development planning” to the implementation of regular LG Planning process that could actually be institutionalized. Inevitably, the process takes time.

At the outset of the JPLG, in part because of pressures to deliver quickly and put a project in each community consulted, and in part because of limited understanding of the organization, functions and planning capacity requirements of the District administrations’ departments, the district-level planning process extended by JPLG was not different from most community-level planning, driven by external resources. These conditions are likely to prevail again whenever JPLG enters a new target District, so the task of JPLG management will be that of navigating through them, without losing sight of its goal, which should remain that of addressing community needs through a statutory, technically sound, participatory and sustainable LG planning process.

JPLG management is aware of this and the transition from early *community development planning* to the intended sustainable *LG planning* has already started. Particularly important are the recent efforts to look more closely at the organization and functions of District administration departments (beyond Communities, Councils and Mayors) as a first step to build the staffing, knowledge and skills required for sustainable LG planning, programming and budgeting. Similarly there is consensus within the programme’s TWG that the critical institutions of community participation, need to be carefully structured (i) to avoid raising unrealistic expectation (feeding resentments and conflict) and (ii) to fit within a transparent and sustainable LG planning process.

But besides the above considerations, additional clarity should also be brought onto the conceptual design of the JPLG-sponsored District planning process. The table below summarizes its 5 steps.

#	STEP	OUTPUT
1	Preparing a District Development Framework	A document outlining the 5 year vision and priorities within the district.
2	Resource forecasting and budget assessment	A compilation of the best possible information on all financial resources available for the coming year
3	Investment programming	A district annual work plan and budget - Decisions on which priorities in the District Development Framework should be funded in the coming year.

4	Detailed project design and implementation	Detailed planning and design of selected projects.
5	Monitoring and Evaluation	Projects monitoring and review reports and lessons learned to feed back into the District Development Framework

The first step (preparation of the DDF) is the most important and the one in need of greater conceptual clarification. It combines three elements: (i) a comprehensive assessment of the physical, economic and social conditions of the Districts (the “District Profiles”) , (ii) the development of a multi-stakeholders/community *vision* of the desired future of the District and (iii) the identification of development strategies and related programmes and projects.

While the first two elements are exercises of joint *analysis* and *visioning* , bringing together multiple stakeholders (organized communities, private sector units, NGO’s, District governments , central and de-concentrated State agencies), and may be rather *comprehensive* ¹⁸ , the third is a *corporate* planning exercise by District governments, and should rather follow a *strategic* approach¹⁹.

The JPLG-designed planning process should (i) distinguish between “multiple stakeholders’ analysis / visioning” and “corporate LG planning” and (ii) adopt a genuinely *strategic* approach to planning for the latter process. This would ensure that District plans are not just a prioritized collection of small scale community projects, but a coherent set of LG interventions (with claims on LG resources, including both capital and recurrent expenditures) aligned with the service delivery goals, mandate, and improved capacities and resources of District administrations’ departments. *It is this corporate LG strategic planning step which remains to be better designed in the JPLG-sponsored process.*

With respect to local government budgeting JPLG has just helped draft a Ministerial Decree²⁰ for Somaliland with the aim of improving the LG budgeting and accounting systems and facilitate a focus on services delivery and reporting on actual results. If adopted, it might have a most positive effect not only on the ability of Districts to deliver services, but also on that of JPLG to support them in the process. In fact, the draft decree proposes to reclassify both recurrent and capital expenditures and distinguish general administration expenditures from expenditures directly related to services delivery (both capital and recurrent). The new budget format would be supported by a new accounting format. Importantly this would allow JPLG to provide (also through the LDF) a more holistic financial assistance to Districts for services delivery, not restricted to the financing of capital spending (infrastructure and equipment), with potential gains in terms of development results.

¹⁸ To the extent allowed by available information and capacity for its elaboration

¹⁹ Particularly in an environment of limited technical data and capacity

²⁰ Hernado Garzon, Ministerial Decree on Service-based Budgeting and Accounting systems for Somaliland Districts (April 2011)

In the area of procurement JPLG has developed guidelines on standards, policies and procedures to be followed by District administrations in the procurement of goods, works and services and disposal of assets. This has come in response to a situation characterized by a weak legal and institutional framework including absence of clear guidelines, overlap of responsibilities, little transparency and accountability and a general lack of awareness by Districts, of public sector procurement procedures.

The legal status and enforceability of the guidelines is unclear, as they have not been adopted (through local bylaws) by any of the participating Councils, nor are a matter of central LG regulation. While designed to cover all instances of local-level public sector procurement, they are heavily focused on the procurement of works (construction) and being used by District engineers only in the procurement of works funded by JPLG, with rather intense support by ILO staff.

With respect to assets management, JPLG has just completed a study²¹ with a view to introduce a simplified system in Somaliland Districts. The report recommended that the legal framework for District-level assets management be clarified and that an implementation plan be developed. If adopted, it could greatly facilitate the, repair maintenance and expansion of existing assets, as well as the proper allocation of resources of the forthcoming LDF to critical infrastructure maintenance.

JPLG support to improved accounting and financial reporting in target districts revolved around the introduction of automated accounting and billing systems through software packages named AIMS and BIMS respectively²². This component of JPLG builds on the effort initiated under a UN-Habitat predecessor project. It's already achieving substantial results in Somaliland and starting to have an impact in Puntland.

Finance departments in Districts visited by the MTR showed an enthusiastic adoption of the systems, although the capacity to use them without substantial technical support varies across districts²³.

The billing system is also proving effective for local revenue generation. More advanced Districts in Somaliland have experienced remarkable improvements in revenue collection²⁴. For example, Somaliland Districts visited by the mission, were able to collect more revenues from property taxes in the first quarter of 2011 than during the entire 2010 fiscal year thanks to a combination of BIMS, and GIS-supported property registration system²⁵. JPLG could now leverage the success of

²¹ Hernado Garzon, Local Government strategic management of fixed assets: basic Guidelines (April 2011)

²² The introduction of the software packages named Accounting Information Management System (AIMS) and Billing Information Management System (BIMS), as well as the respective training and technical backstopping is provided by UN-Habitat through the NGO Terre Solidali.

²³ This seems to be mostly due to the fact the previous UN-Habitat project (also implemented with the support of Terre Solidali) didn't cover all the districts with the same level of support, e.g. there is a marked difference between the districts visited in Somaliland and those visited in Puntland.

²⁴ Currently, the BIMS is applied only to the assessment and collection of property taxes

²⁵ In a few major districts the use of Geographic Information Systems is being introduced to support property taxes assessment and collection currently only in Hargesia.

the AIMS and BIMS to promote more comprehensive reforms in District-level financial management practices.

As for the capacity of Districts to operate their own Monitoring and Evaluation system, this has been affected by delays in development of training material²⁶ and related extension activities. Materials have now been finalized and training is expected to start soon. While their understanding and ownership of the programme's M&E system so far remain limited, District administrations have already been involved in collecting data and building up the programme's management Information system's (MIS) databases.

Capacity building for promotion of local economic development (LED)

The JPLG action to develop Districts' capacity for LED promotion is at a very early stage. Work carried out in both Puntland and Somaliland so far includes (i) an assessment of the existing policy and legal frameworks for small and medium Enterprises (SMEs), (ii) Studies to assess the local economy in selected District (4 in Puntland and 6 in Somaliland), (iii) Surveys and classification of existing enterprise in selected Districts (2 in Somaliland and 2 in Puntland). The intention is to proceed with value chain analysis and preparation of District LED strategies.

The JPLG may not want to proceed too far and too quickly in this direction. This is an area requiring considerable analytical resources and facilitation services over an extended period of time to allow District Administrations to internalize and practice a proper role in LED promotion. Whether the Districts, or the Regions, are the most appropriate scale for LED strategy formulation in most geographical areas, needs also to be assessed. An effective use of JPLG resources would probably see the programme focus on just one a pilot initiative to formulate and implement a District LED strategy in a relatively larger and more developed District, before embarking in more extensive analytical and programming efforts.

(iii) Community level

Community organization and linkages with LG

JPLG helps communities organize and engage with the LG planning process and related project cycle management (PCM) activities.

Progress has been uneven. In 2009, in Somaliland, the community consultation process was somehow hijacked by the electoral process, resulting in a "one village-one project" approach that while politically effective, is neither sustainable, nor helpful to build better informed and more accountable LG/communities relations. Better results were achieved in Puntland, where community engagement in the process of planning and validation of LG projects, was more informed and collaborative, in both urban and rural environments.

January (2011): *District Participatory Planning and Budgeting Process. Module 6: Monitoring and Evaluation – Training Material (DPPB Guidelines Step 5: Monitoring and Evaluation), Trainer Guide and Participant Book*, (Puntland and Somaliland)

In 2010, the DDF preparation process has provided more opportunities for structured community engagement with LG, including the already mentioned “validation meetings”, where communities are able to comment and influence the LG plans for the following year

However, much remains to be done and the revision of the PEM (and PCM) procedures in which JPLG is now embarking, should further look into how community participation can be *sustainably mainstreamed* within a statutory LG policy making process at District level.

A comment that the MTR can offer at this point is that the JPLG choice²⁷ not to set up “ad hoc” community organizations only for the purpose of the programme, is a step in the right direction. Instead JPLG is trying to revitalize the village committees (VCs) provided for, under both Somaliland and Puntland legislation. These committees could indeed be helped to become inclusive first-tier organizations with structured linkage with the Council, to effectively articulate community concerns in the LG planning process and increasingly mobilize community financial and human resources to help operate LG infrastructure and services delivery projects.

Civic Education and Information campaigns

The JPLG also supports Civic Education and Information campaigns that have made an important contribution to inform communities and raise their awareness of citizens’ rights and LG processes.

The approach and content of the campaign is evolving. At the outset, it, might have relied too much on “media outreach” activities (via television, newspapers, printed materials), it is increasingly including a mix of approaches including on-the ground workshops which have been effective in less reachable rural areas.

The campaigns are critical given the environment of distrust and suspicion that characterizes LG/communities relations in Somalia and should remain at the center of JPLG activities, strengthening both the quality of the message (in the sense of fostering cooperation rather than confrontation) and institutionalizing its delivery as a key activity of Ministries of Interior refocused on their mandate of support and supervision of LG.

2.3.4. Sector Investment and Services Delivery Outputs

(i) JPLG-funded investments in 2009-10

In the last two years, JPLG has allocated about 1.4 M US\$ and spent about 1 M. US\$ on some 76 investment projects, as shown below. The totality has been used for construction or rehabilitation of relatively small scale physical facilities, with an average cost per project of about 14,000 US\$.

²⁷ in contrast with most Community-driven development (CDD) programs

Sector	Projects	% of Total Projects	Total Approved Investments US\$	% of Total Approved Investments	Total Disbursements US\$
Community Centre	3	4%	46,196	3%	41,576
Education	3	4%	48,976	3%	40,049
DC Buildings	7	9%	175,250	12%	156,544
Health	13	17%	173,918	12%	113,270
Infrastructure	18	24%	441,372	31%	281,479
Livestock	2	3%	21,888	2%	11,478
Markets	12	16%	226,745	16%	211,408
Sanitation	3	4%	20,731	2%	15,846
Sports	3	4%	75,634	5%	69,884
Water	12	16%	195,318	14%	114,676
Grand Total	76	100%	1,426,028	100%	1,056,209

Table 2.3.3 – JPLG Funded Districts Investments by Sector (2009-10)

(ii) The process of investment programming

The JPLG District planning guidelines identify “investment programming” (the analysis, selection and funding of development projects) with step 3 of the planning process. This is the step in which project feasibility studies are carried out and consultations take place, with sector ministries and communities, on projects designs. It is possibly also the weakest step as we elaborate below. While it helps allocate JPLG funds, it falls short of a sound and sustainable process of LG investment programming.

A comprehensive critique is not part of the TOR of the MTR, but three major sets of issues, (which JPLG management may want to consider in the next phase) are outlined below.

First, the projects (or rather “project ideas”) that are the object of the process of prioritization and matching against available resources, are derived directly from the “objectives” identified in the District Development Framework , without any attempt to convert first such objectives (essentially policy goals) into action programmes associated with the mandate of District Administrations departments. This keeps the process of projects identification and prioritization still too external to the core concerns and structures of the District Administration. If the key objective of the JPLG is to leave behind “developmental” local governments with appropriate structures and capacities, it must ensure that local “investment programmes” are developed and managed within and by *sustainable LG structures*, i.e. the District Administration departments.

Good local government investment programming is not just about identification of community priorities and selection by local elected representatives, but also and most critically about enabling local administrations departments to take primary responsibility for projects identification, preparation, appraisal and implementation. They also prescribe the forms of interaction of LG departments with both the public (through appropriate community participation institutions) and the elected representatives (through appropriate deliberation procedures). Until *a more central role is given to the local administration units* that are ultimately responsible for their delivery, it will be difficult to ensure the sustainability and quality of LG investments.

Second, the process is designed to be annual rather than “rolling” over multiple (3-5) years. This (i) discourages the funding of larger projects whose cost exceeds resources available in a single fiscal year (ii) prevents the adoption of “investment programmes” with phasing of projects over a 3-5 years horizon, and (iii) does not support the mobilization of resources other than those made available annually by the JPLG. A related weakness is the absence of any explicit consideration of the claims of the selected investments on the Districts’ future years’ recurrent budgets.

Third, and related to the above, there is also no formal place, in the suggested investment programming process, for even a simplified technical, financial, economic, institutional, social and environmental appraisal of projects. This obviously deprives decision makers (Councilors) of critical information they could use in resources allocation and introduces risks of inefficiency and waste.

(iii) Technical quality of the Investments

An independent technical auditing of the JPLG-supported infrastructure projects, was outside the scope of the MTR, but JPLG management may want to consider it. Time limitations prevented the MTR team from visiting more than a handful of projects (most listed below). It would not be right to draw general conclusions from the review of such a limited sample. Technical issues noted are reflected below:

Code (JPLG MIS)	Location /Project	Technical quality issues
SL/SXL/SHEIKH/TOWN/ 2010/001	Sheikh Town <i>Construction of Elevated Water Tank</i>	The lack of a comprehensive appraisal of the water system, led the District to prioritize investment in increased water storage, when, data provided by the local system manager suggest that the priority should have been the replacement of the water main affected by high water losses (estimated at 50% of the pumped water). Increasing storage capacity in the presence of extremely high network losses, obviously leads to highly inefficient and costly operations.
SL/SXL/BER/Beyodhndh/ 2010/002	Beyodhadher village (Berbera District) <i>Rural water system</i>	After constructing a water retaining wall and an upstream new shallow well that could be hand operated, the District invested additional resources in the construction of a small pumping station and water distribution kiosk whose operation and maintenance costs (including fuel , parts and eventually replacement of the small pump installed) must be covered by the District budget. The additional investment appears costly, for the additional benefits (users’ convenience) it provides, and imposes maintenance liabilities on District or community. It’s at risk of being wasted if recurrent District allocations or community contributions do not materialize.

SL/SXL/BER/TOWN/ 2010/003	Berbera town <i>Urban drainage system</i>	The elevation of the outlet of the drainage system, is below the seawater high tide level with the risk of sea water intrusion (which has apparently already happened). Reportedly no gate installation was foreseen in the original design and tender. This was corrected and instructions were given to the contractor to build a gate, but the one being built at the time of the MTR team visit (a concrete slab) appears inoperable and should be replaced by an easier to maneuver metal gate.
PL/KAR/GAR/GAC/ 2010/006	Dhahan village (Gardo District) <i>Health Post</i>	This and other Health Posts are reportedly built, following a standard design of the Ministry of Health. The center visited had internal electrical wiring, (but no generator installed or covered by the contract). On the other hand there was no water sink or internal plumbing in any of the rooms. If this is indeed not foreseen in the MOH design, perhaps JPLG should help improve such standard designs.
PL/NUG/GAR/AUG/ 2010/009	Garowe town <i>Urban roads</i>	The low plasticity of available soil materials and the level of compaction possible with labor-intensive methods supported by JPLG, may not produce a reasonable degree of durability of the pavements, given the projected level of urban traffic. Some low-cost sealing method (e.g. bitumen emulsion or a proprietary soil chemical stabilizer) should be explored as their economic benefits are likely to exceed the extra cost.

(iv) JPLG projects and access to services in target Districts

The JPLG is improving basic services in both urban and rural Districts through projects that are essentially about building physical facilities. Where the project is not affected by poor quality of appraisal and technical limitations (as discussed above) or lack of operating funds, the positive impact is clear. Yet in many cases, sustainable service improvements depend on factors other than just the construction of facilities. Operations financing remains a critical constraint²⁸. Ways should be found to ensure that JPLG addresses it.

If, beyond its concerns with more general aspects of local governance and LG/community interaction, JPLG focused more on the capacity of the local administration, and “projects” were identified, appraised, financed and implemented as part of holistic (investment and operation) services delivery “programmes” of the relevant District departments, these could indeed take responsibility for the actual services delivery, where State agencies are proving unable to do that. These considerations should be at the center of JPLG attention when developing State-District sector decentralization policies and pilot programmes.

²⁸ In the Health sector several JPLG-financed facilities remain unutilized for lack of State financing of their running costs

2.4. The UN Joint Programme Modality and JPLG Management

2.4.1. Country-Operated UN Joint Programmes

The JPLG is a complex joint programme that involves five UN Organizations, six different bilateral and multilateral donors, and three different sets of government counterparts in the three zones of operation: South-Central Somalia, Puntland and Somaliland.

The UNDP's Multi-donor Trust Fund (MDTF) Office is currently acting as Administrative Agent (AA) of the JPLG as well as of other twenty two UN joint programmes worldwide. According to data published on the MDTF Office Gateway²⁹, JPLG is one of the nineteen "country-operated"³⁰ UN joint programmes in activity at the time of the MTR. Here we look at some features of the programmes in this sample for comparison with JPLG management arrangements. A table presenting additional details is included in ANNEX II.

A first observation is that the greater the complexity of the programme in the sample, and the larger the number of UN agencies involved, the more prominent, direct, and explicitly defined is the role of the UN Resident Coordinator in the programme's management. In six out of seven JP involving three or more UN Organizations, the UN RC is directly involved in the management of the programme, typically as chair of the programme steering committee and/or direct supervisor of the programme Manager/Coordinator. In the seventh case (Uganda JP on Gender Equality) where a leading agency (UNIFEM) is entrusted with the overall programme management, the agency formally performs its coordination role on behalf of the UNCT and as representative of the UN RC.

A related observation is that the larger the programme, the greater the need for a central coordinating or management unit (PCU/PMU). All programmes in our sample with a budget over 20 millions do have a PMU or PCU, while only half of those with budgets below that threshold do.

The composition and powers of these units however, varies widely between programmes, going from simple liaison and coordination of participating UN agencies, to overall programme execution responsibility, to direct implementation of some of the programme activities. Also, since UN JP are meant to align UN assistance to nationally owned policies and programmes, the composition and role of the UN-supported PCU/PMU significantly depends on the structures and capacity deployed by national authorities for the management of the national programme that the UN JP supports.

With respect to funding, all programmes in our sample obviously use the pass-through modality (being the MDTF Office their Administrative Agent) but often in combination with other arrangements including parallel funding. The latter is generally used for funds contributed to the

²⁹ MDTF Office Gateway is available online at: <http://mdtf.undp.org>

³⁰ These are programs implemented by the participating UN Organizations at the country level. They are defined as "country operated" joint programmes, to distinguish them from JP with global or regional reach that are usually executed at the HQ level.

JP budget, from their core resources, by some of the UN agencies participating in the Joint Programme. Some donors also use parallel funding, most frequently the EC in our sample.

2.4.2. JPLG and the UN Joint Programme Modality

All stakeholders interviewed described the genesis of the JPLG as a long series of “protracted negotiations” and described a UN Country Team not particularly familiar with the Joint Programme modality, in particular for programmes with such degree of complexity. The end result –as reflected in the original project document– is a hybrid between a genuine *Joint Programme* driven by its own internal logic, and what can be expected from a *Joint Programming* exercise looking for synergies and coordination among separate interventions, some of them already ongoing at the time of the JPLG formulation.

In a comparative perspective, this situation is not unique to the JPLG. For all its promises, the Joint Programme modality is ultimately constrained by the underlying limitations of the larger UN reform process. Individual UN Organizations continue to be bound by different corporate requirements, rules and regulations. Also corporate identities, priorities – and often egos– remain front and center in the design of joint programmes. All this prevents the emergence of truly integrated/joint programme design and management structures. In the JPLG case, all the above factors were compounded by the peculiar Somalia context, without counterparts that could be engaged upfront in the development of a national strategy and programme for promotion of local governance and development, which in turn would have driven the design of the JPLG and aligned to it all the UN agencies’ interventions.

At the outset the JPLG design, the absence of an overarching design owned by the counterpart authorities and kept firm by the programme’s PCU/PMU on behalf of the UN RC, made it difficult to align the contribution of the participating UN agencies, based on objective comparative advantages. Some MTR informants reported UN agencies “stepping in each other’s turf” and encroaching on previously agreed responsibilities of other agencies. Great improvements in UN agencies co-ordination have been made in the last two years of implementation, through effective consensus building by the JPLG PCU Manager. This is an extraordinary result by all standards in UN JP Management. Yet it should not induce complacency. First of all, the consensus building process hinged on the exceptional skills of an individual manager, which may not be easily replicable. But, most importantly, it cannot be taken as a substitute of the structures and procedures needed to develop upfront a cohesive programme design to drive the role that each participating agency can eventually play. This should be kept in mind when embarking in the re-formulation of JPLG-2

As far as national authorities are concerned, all representatives interviewed reported great satisfaction with the Joint Programme modality as applied in JPLG. Actually, because of JPLG reputation, national authorities are asking for greater use of the JP modality to implement the UN Somalia Assistance Strategy. National counterparts recognize the strategic role the JPLG is playing in moving decentralization and local governance policy issues up on the respective state authorities’ agendas. They are also starting to see the need to develop national decentralization and local development strategies and programmes, and appreciate the help that JPLG can provide

in this respect, so that in the next round JPLG could actually align itself with a coherent national programme and harmonize multiple donors and UN agencies interventions in the process, even if UN direct implementation of such supporting programme will continue to be needed for JPLG-2.

With respect to harmonization of external assistance, national authorities also express appreciation for the “one” counterpart and for the different forums (steering committees, periodic joint reviews) in which they can express their views and suggest improvements. They also appreciate the reduction in transaction costs, and the use of a single M&E and reporting system.

Donors also reported a high degree of satisfaction with the JP modality, which they see as facilitating compliance with the Paris/Accra agenda of “alignment” and “harmonization”. Actually, pending the development of a national decentralization strategy and local development programme, “alignment” in Somalia is limited to efforts of the international community itself to come up with consistent and mutually supportive interventions. JPLG is seen as being highly instrumental in this respect.

JPLG is also credited with fostering the harmonization of donors’ assistance through the use of the effective and transparent “pass-through” modality for channeling multiple external contributions to a single programme. And even contributions that are still made through parallel financing arrangements are eventually combined into a single JPLG work-plan and budget. Donors also appreciate the reduction of transaction costs associated with dealing with a single referent (the PCU) for the multiple streams of their development assistance strategies which are implemented through the JPLG.

The picture is more nuanced when it comes to the impact of the JP modality on effectiveness and efficiency of the UN system’s operations. Reaching conclusions on these matters, without the time and resources for the necessary in depth study, is highly problematic.

In terms of effectiveness, the JPLG provides an example of how a particular sub-outcome of UN Somalia Assistance Strategy can be directly pursued through a single unified effort³¹. It also seems to have allowed a form of intra-UN networking which facilitates access to different specialized expertise and fosters a learning process that in turn expands the perspective of the single participating agencies and contributes to their own policies development. The latter effect was particularly stressed by JPLG staff of UN agencies traditionally less active in the areas of decentralization reforms and local government systems development³². On the negative side however participating UN technical agencies may find it difficult, costly and time consuming to adjust their operations to fit the innovative JPLG LG-centered territorial approach to local

³¹ The UN Country Team is interested in replicating the JPLG experience for other sub-outcomes.

³² Some agencies staff involved in implementation of the JPLG, however reported difficulties in later trying to make *the new territorial and LG-centered approach* spearheaded by JPLG, fully understood and supported by the corporate hierarchy and sectoral experts in their own agencies.

development, deviating from the more familiar delivery of technical packages for sectoral development, which they can effectively deliver.³³

In terms of efficiency, participating UN organizations place a great value in having a single joint reporting³⁴ system and on the possibility of centralizing some functions (e.g. M&E). Most importantly they appreciate that JPLG allows them to access funds that they would find difficult to mobilize otherwise (some have no core resources at all). On the other hand, they all report the added cost of time spent in negotiations and coordination meetings during the design and implementation of the programme. Indeed it can be reasonably argued that at least part of the transaction costs saved by donors, are internalized by the UN agencies. On the other hand, participation in the JPLG may help realize some economies in the logistics for delivery of the multiple UN Agencies programme components. But then again, agencies continue to operate under internal administrative rules that may not allow for the most effective pooling of resources among them. In any case, neither time, nor directly usable data, was available for a comprehensive assessment of the comparative efficiency the JPLG versus the hypothetical counterfactual of a set of parallel projects managed by single UN agencies and delivering the same technical and financial assistance inputs, and no definitive conclusion could be reached by the MTR on this matter.³⁵

2.4.3. JPLG Management arrangements

During the programme's formulation, the design of management and coordination arrangements attracted particular attention, resulting in a quite elaborate structure comprising of several committees and working groups. Although slightly modified over time, these arrangements have generally proven adequate and effective. When compared to those of other joint programmes, the JPLG management arrangements are among the most elaborate and best thought. All stakeholders interviewed expressed satisfaction with the arrangements – considered to be possibly the most critical factors of success of the Joint Programme.

But, beyond the structural arrangements, all stakeholders also agreed that the quality of leadership in the Programme Coordination Unit (PCU) has been critical for the success of the programme. Indeed, successfully operating a programme of the complexity of the JPLG, and securing the high level of buy-in and commitment that the programme enjoys from all UN partners and donors is a major achievement of the PCU which in no way should be taken for granted. The only other joint programme formulated around the same period by the UN Somalia Country Team folded in 2010, reportedly due to lack of agreement among the five UN partners

³³ A Head of Agency involved, lamented explicitly that participation in JPLG was “diluting” the agency’s impact on their traditional sectors of intervention and making it “lose its technical edge”.

³⁴ Except for some of the donors still using parallel funding modality,

³⁵ The perspective of the different stakeholders and an attempt to quantify and allocate the benefits (as transaction costs reduction) generated by the JPLG are described in more detail in Annex II.

involved; the lack of a capable and independent PCU is considered to be single most relevant factor in explaining the different outcome for the two joint programmes.³⁶

The JPLG PCU interacts on a regular basis with: a) JPLG Steering Committees³⁷; b) the Programme Management Group³⁸; c) Nairobi-based project managers and staff of the UN participating organizations d) JPLG staff based in Somaliland and Puntland³⁹; e) government counterparts at the district, state and federal level; and f) JPLG current and prospective donors.

Relationships with the Steering Committees, government counterparts and donors are universally judged as most positive. The flow of information is regular, comprehensive and transparent and the PCU performance is assessed as highly satisfactory by all parties involved. The programme manager's leadership and people skills are obviously playing an important role⁴⁰ — but the structural arrangements in place also appear to be fully adequate and effective.

However, a few issues were identified in the relations of the PCU with the remaining sets of actors.

With respect to the Programme Management Group (PMG), the chairmanship of the PMG is currently rotating among the five participating UN organizations, the PCU acts as secretariat of the Group and the Senior Joint Programme Manager reports to the five Heads of Agencies/deputies members of the Group. Since the Programme Management Group is the highest mechanism for coordination among participating UN organizations, the UN Resident Coordinator should rather chair the Group. In line with the same logic, the PCU should be formally affiliated to the UN RC Office and the Senior Joint Programme Manager should report directly to the Resident Coordinator⁴¹. Although working fine so far, current arrangements are vulnerable to potential conflicts. These are likely to (re)emerge in the phase just opening before the JPLG, in which a more cohesive design of the programme, less influenced by established approaches, pre-existing activities, and proprietary technical packages of the participating agencies, is to be developed. A more overt role of the UN RC and a stronger PCU (better if renamed Project Management Unit-PMU) would also bring the JPLG in line with most other joint programmes of similar size and complexity.

³⁶ The Joint Programme titled "Protection, Reintegration, and Resettlement of IDPs in Bossaso, Somalia" was implemented by UNHABITAT, UNICEF, FAO, UNHCR and UNDP; it was funded from the UN Human Security Trust Fund, administered by UNOCHA. There was no PCU and the Joint Programme Manager was also UNDP Project Manager; other partners complained about lack of impartiality and independence in decision making.

³⁷ JPLG has three Steering Committees, one for each zone of Somalia and set of government counterparts, instead of the single Steering Committee foreseen in the project document.

³⁸ The Programme Management Group is made of the Heads of Agencies or their deputies with delegated authority to advance the tasks of working towards a harmonized country programme; the Group was originally referred to as Programme Working Group –JP, in the project document.

³⁹ No JPLG staff is currently based in South-Central Somalia due to security concerns.

⁴⁰ Leadership and people skills should be considered as key competencies, when recruiting senior JPLG staff.

⁴¹ The PCU is currently located inside UNDP and the Senior Joint Programme Manager reports to the five heads of agencies with UNDP providing logistic and administrative support. While it is currently perceived as being independent and impartial between UN partners, few stakeholders expressed concerns that a future weaker SJPM could be influenced by corporate bias and somehow jeopardize the harmonization and coordination role successfully played by the PCU so far. RC Office seems the ideal location (physical location is not an issue).

With respect to the Nairobi-based JPLG programme staff, their accountability is horizontal (to the Senior Joint Programme Manager) but also vertical (to the heads of agencies/Deputies of participating UN organizations), raising issues typical of most matrix management arrangements. In the case of the JPLG, they should be dealt with by (i) strengthening the staff horizontal accountability to the Senior Joint Programme Manager for all substantive decisions and for performance assessment and (ii) enacting a standard system of dual administrative reporting⁴² that applies to all participating UN organizations. As both the above measures may require adjustments in established procedures of participating agencies, a formal instrument, in the form of a pilot “contract” agreement between the PCU/PMU representing the UN RC and acting as the programme’s “executing agency”, and the participating UN Agencies as programmes’ “implementing agencies” might have to be developed.

Beyond the Nairobi-based programme’s structures, the MTR also looked at the joint programme modality and management arrangements on the ground in Somalia. The overall coordination of the JP activities is delegated to Team Leaders, selected among national officers of the UN participating agencies. There is currently a Team Leader based in Hargeisa for Somaliland and one based in Garowe for Puntland. However their coordination role is loosely defined and the scope of their authority is limited. The first call on their time continues to be made by their agency’s specific programmes tasks. As a consequence, the integration of JPLG activities by multiple agencies at District level, remains sub-optimal, with occasional overlaps and competing demands on the time of local beneficiaries of training and other capacity building activities.

A more integrated JPLG logistics would also be helpful. Field staff of all UN organizations interviewed stressed that Joint JPLG field offices in Somalia greatly facilitate operational integration. They should be the first option to consider and evaluate. In this respect the MTR team shares the concern expressed by the JPLG team in Hargeisa with respect to the recent decision by UNDP to move out of the joint JPLG office there. As the team suggested, such decision should be reversed.

But undoubtedly the most critical question remains that of effectiveness of JPLG personnel on the ground. JPLG staff based in Nairobi deserves credit for traveling frequently and extensively to Somalia but long term postings in the field are critically needed.

2.5. Programme Monitoring, Evaluation and Reporting System

All fundamental elements of a proper M&E system have been put in place, but need strengthening. The JPLG M&E System includes:

- 1) Revised Logframe and Indicators
- 2) The Management Information System (MIS) with the Contracts and Training Databases
- 3) The Outcome Evaluation (external) System (OES)

⁴² There are several typologies of matrix arrangements though in all cases it is crucial to define and formalize the extent and procedures of dual reporting. For further reference see Knight, Kenneth, ed. “Matrix Management: A Cross-Functional Approach to Organization”. New York: PBI-Petrocelli Books, 1977

- 4) Community monitoring groups and monitoring for district administration social service departments
- 5) Ministry of Interior and monitoring of district local government's performance – using the indicators and contracts datasets.

The *Management Information System (MIS)* tracks the JPLG outputs with the help of three databases (i) output indicators status; (ii) investment projects and related contracts status; and (iii) training and capacity building activity status. The first two databases are also accessible online and the third will be available online in late 2011. The MIS is housed within the Ministries of Interior of the relevant authorities in Somaliland, Puntland and South-Central Somalia. They rely on data collected by MoI with Districts and are maintained by JPLG funded consultants with technical oversight from the JPLG PCU-based M&E Specialist. Reflecting general differences in programme's scope, the MIS in South-Central Somalia is more limited than in Puntland and Somaliland.

The overall purpose of the *Outcome Evaluation System (OES)* is to be an external mechanism to measure outcomes and impacts over time to support changes in the JPLG to ensure its effectiveness over the period of its implementation and beyond. The OES will provide information on the basis of changes to the programme over time, to enable continuous focus on achieving its specific objectives and overall objective.

It is therefore meant to provide the information required to assess whether the programme is on track or requires strategic corrections. The OES is meant to report on the indicators of the outcomes (the 2 “specific objectives”) included in the JPLG logframe, but it has also developed a set of intermediate outcomes, whose relation to outputs in the Logframe is not made explicit. Additionally, the OES also undertakes qualitative assessments of selected indicators at output level. The operation of the OES has been outsourced to a consulting firm (the OES Team⁴³) responsible for producing a baseline and periodic reports. The OES generates one six-monthly review report for each of the three zones and an annual evaluation report, again for each zone.

The very establishment of such a comprehensive M&E system is *a remarkable achievement* of the JPLG. Particularly noteworthy is the fact that, in a pioneering move, JPLG is building such system within Somali public sector institutions, building national M&E awareness and capacity with potential impacts beyond the programme itself through training of for Ministries of Interior staff.

In the following paragraphs we elaborate on possible further improvements, including a better Logical Framework and indicators for the next phase of the programme.

⁴³ IntermediaNCG, (John Fox, Team Leader).

2.5.1. MIS - Management Information System (Outputs M&E)

(i) The JPLG logframe output indicators

Output indicators have been revised once since the adoption of the current logframe in late 2008. A set of 39 indicators, listed in the AWPB-2011, are now in use. Although reduced from the original 44, the number of indicators remains unnecessarily large⁴⁴.

Also some of the revised indicators remain vaguely formulated, as a reflection of an under-specification of the outputs to which they refer. They are then difficult to make objectively verifiable. Two examples should clarify this point:

Indicator	Observations
<i>Revisions of policies, laws, regulations and guidelines related to LG drafted and approved (e.g. human resource management, procurement and gender)'</i>	<i>Without an agreed "road-map" specifying (i) which policy and legal drafts the JPLG is meant to deliver, and when, as well as (ii) which process and timeframe for their adoption, is expected to apply, this indicator will be impossible to quantify. Moreover, this is a summary indicator of progress in the policy and legal category of outputs. As deliverables in this category are multiple and of different importance, the construction of a meaningful summary indicator of JPLG progress in policy and legal development would have to be based on an explicit specification of weights assigned to each of the intended deliverables.</i>
<i>'Number of councilors and staff having attended and completed capacity building activities (by district, gender, committee, department)'</i>	<i>Again without specifying the number of people in different categories that should be trained, it will not be possible to use this indicator to assess whether the programme is on track or not. The indicator could be to express as a % of trainable resources in each of the categories and explicit importance weights could be attached to such categories.</i>

Throughout the JPLG M&E system there is also a certain lack of clarity about what is an 'outcome' and what an 'output'⁴⁵ and related indicators⁴⁶. While intended to track outputs⁴⁷, some of the revised indicators in the MIS are rather outcomes indicators.⁴⁸ Two indicators are discussed to exemplify:

Indicator	Observations
<i>Increase in number of women and vulnerable groups represented in district councils</i>	<i>Representation in district councils is decided through elections – and the outcome of local elections cannot be seen as an output of JPLG. Rather, an increase in women representation would be better described as the uptake by authorities and citizenry of JPLG outputs geared towards empowering women and raising awareness among political parties and voters about the importance of women's representation.</i>
<i>Number of sector ministries</i>	<i>This will not be a direct output of JPLG activities, as it will hinge on political decisions</i>

⁴⁴ For example, as many as 16 indicators are associated with just one output (Output 1.3: 'Up to 98 rural and urban councils' capacity to govern and manage service delivery enhanced')

⁴⁵ Output level indicators should track the delivery of results whose production is entirely a program responsibility while outcome level indicators track the achievement of higher level objectives (purpose and impact level) which critically depend on the response of intended program's beneficiaries

⁴⁶ For a discussion on relevance criteria for indicators, see e.g.: Barnett, Chris et al (ITAD) (January 2011): *Governance and Conflict Indicators Report*.

⁴⁷ See: *Management Information System Report for the UN JP on Local Governance and Decentralized Service Delivery*, p.12.

⁴⁸ For a simple practical guide, see e.g.: Norad, Norwegian Ministry of Foreign Affairs, (December 2008): *Results management in Norwegian Development Cooperation. A practical guide*, Oslo.

decentralizing service delivery obligations and resources to local government

on what to decentralize and not. JPLG may contribute to the process through supporting e.g. functional assignment studies, the completion of which would then be an output. The actual adoption of delegation arrangements by selected Ministries would be the uptake of such outputs.

Also, in some cases, because of weak logical linkages between outputs and outcomes in the Logframe, the revised output indicators may not actually measure progress that cumulatively leads to the intended outcomes (purpose and impact). One example is specific objective #2, which concerns 'equitable access' and non-discriminatory inclusion of all in access to provided services. Monitoring progress in equitable access requires disaggregated data – certainly by gender, but also by other relevant vulnerable groups. Currently, however, only one indicator mentions gender and no indicator is disaggregated by other vulnerable groups.

Finally with respect to risks assessment in the M&E system, this is limited to the identification of risks and related programme assumptions in the Log-frame. This is just a first step. The next ones should be (i) to assess the level of threat to the JPLG intervention (risk analysis) and (ii) to identify risk responses (risk mitigation). This remains to be further developed in the JPLG. However a periodic update on risks is included in the Annual and Quarterly reports (as in the 2009 Annual Report, Annex 1).

More generally, the difficulty to develop a set of SMART⁴⁹ outputs indicators, especially in relation to indicator targets and improved data collection on gender and vulnerable groups data, and a more comprehensive risk analysis is ultimately related to the weakness of the current logframe. As discussed elsewhere in this report (2.1 and 3.1.2), the programme's expected results need to be reassessed to reflect a clearer, more cohesive and strategic intervention logic. Another revision of the indicators, while keeping the current programme document and logframe, is therefore not recommended. Instead such revision should come naturally as an integral part of a reformulation of the programme.

(ii) The contracts database

The contract database tracks all aspects in the administration of contracts (so far only for procurement of civil/infrastructure works) awarded to implement JPLG-financed projects in districts. Its purpose is to increase transparency and promote accountability in local government.

The database also includes an indicator of the project's cost-effectiveness. This is a standard "cost per beneficiary". However beneficiaries are routinely equated to the total population living in the geographical area served by the project. This may not be a relevant measure for most services delivery projects whose cost- effectiveness should be gauged through more meaningful metrics (e.g. cost per patient seen/treated, cost of per-capita water consumption, etc.). This will require improved data collection for direct beneficiaries actually benefiting from and using the projects. In addition to cost-effectiveness, data on the economy of JPLG financed investment projects should also be systematically tracked, comparing project costs with benchmarks developed through periodic investigation of market conditions for the project inputs and outputs.

⁴⁹ SMART: Specific – Measurable – Achievable – Relevant – Time-bound.

More generally, the *contracts* database would probably benefit from being re-conceptualized in broader terms as a *projects* database⁵⁰. This would track not just the execution of the civil/infrastructure works to build an infrastructure, but all aspects of the cycle of the small scale projects implemented by District authorities. Indicators of project operations tracking the actual delivery of services, rather than just construction progress should then be developed and included in the database.

Also better use could be made of an enhanced community monitoring system to feed information in the MIS. Currently the work of the Community Monitoring Group (CMG) seems to end with completion of the project construction. It could be extended to the actual delivery of services and be made part of a broader system for social auditing of LG performance. JPLG may want to explore this simultaneous re-conceptualization of contracts database as a District Council project database, and community monitoring of projects implementation as part of a broader social auditing system.

(iii) The training database

The training database provides the Programme Coordinating Unit with an overview of the scope and content of training carried out by all agencies implementing the JPLG, and to assess whether or not the right training is provided to the right trainees and whether training is provided in a coordinated and efficient fashion.

The capacity building provided through JPLG is largely about building individual competences. There is no mechanism to assess how these individual competences translate into improved institutional performance. And, indeed, this may be generally captured through the outputs or outcome indicators. However, for selected and critical institutions (e.g. District administration departments in charge of revenue mobilization or services delivery) JPLG may want to also look for indicators of the impact of specific training activities on improved performance of the institutions in question.

2.5.2. OES - Outcomes Evaluation System (Outcomes M&E)

The OES findings are meant to be shared and discussed with all stakeholders in regular review workshops in each of the three zones. The executive summaries of the OES reports are also translated into Somali for wider dissemination. More could be done. In particular a summary matrix summarizing and translating into Somali the assessment of the outcomes indicators and their evolution over time would help national stakeholders make sense of this information.. The preparation of such matrix has been initiated following the MTR Mission..

A first methodological issue already flagged above (2.2) is that the OES Team found it necessary to translate the *two specific objectives* of the JPLG Logframe into *a set of intermediate outcomes*. It is these intermediate outcomes and not directly the two specific objectives specified in the

⁵⁰ Concerns with data on project cost-effectiveness actually indicate that the “contracts” database is already covering more than just contract administration data

Logframe that are tracked with the aid of indicators. The place of these intermediate outcomes in the JPLG Logframe and their relation to the outputs included in the Logframe, remains to be clarified.

A second issue is that while the proposed outcome indicators may be useful to focus the OES Team's *subjective* qualitative analysis, they do not serve well as *objective* measurements of JPLG progress at the outcome level. To objectively measure progress at outcome level the indicators would need to adhere to SMART-type criteria, similar to what is required for output indicators.

Take for example the indicator 'Voter turnout' which is proposed to monitor the outcome: '*Local government councilors perceived as legitimate representatives*'. The baseline value of this indicator for Somaliland in 2010 reads "*District Councils elected; Village Councils nominated by elders*". Clearly this does not measure voter turnout. And the progress in the first quarter of 2011 is stated as "*Success of July Presidential elections raised public expectations of forthcoming local elections*". It's again hard to see how this is a measure of voter turnout and how it is comparable to the baseline assessment.

Another issue is the occasional use of measures of outputs to assess indicators of outcomes. For example, to assess the outcome indicator '*LGs having access to, and autonomy over, adequate financial resources*', the measurements used are, "*All target districts supported in using the BIMS system for increasing own revenue [...]*" and "*Training on BIMS scheduled for 4th quarter 2011*". Both these statements say little about District's access to, or autonomy over, financial resources, but rather directly report on the production of a critical JPLG output: the installation of improved financial management software and the training of related personnel in District administrations.

Also, similarly to what noted for outputs indicators, only a few outcome indicators are appropriately gender disaggregated and none captures equity on behalf of other specifically vulnerable groups. It is recommended to disaggregate the indicators to capture change in gender equity and vulnerability.

The above leads to two general conclusions with respect to the current JPLG OES and its relation to the programme's MIS.

First, outcomes indicators should be made objectively measureable against time-bound targets⁵¹, as already recommended for output indicators. They should also be included in, and reported through, the MIS, not a separate and loosely connected OES, to ensure consistent reporting along the entire results chain and help support or correct the underlying JPLG theory of change.

Second, the respective scope of the MIS and OES should be clarified, strengthening their complementarities and avoiding overlaps. The MIS should be concerned with objective monitoring of the entire results chains. Integrating outcome level objective information into the already institutionalized MIS would also help strengthening national capacity and ownership of the M&E system. However this would not be sufficient to explain why a particular problem has occurred or why the programme is not reaching its planned outcomes. This is the task of periodic reviews and

⁵¹ Se e.g.: Barnett, Chris et al (ITAD) (January 2011): *Governance and Conflict Indicators Report* (p.46).

external evaluations and the OES Team would be well suited to focus on such questions. The distinction between MIS and OES could therefore be established along the difference between *reporting* on outputs and outcomes through objectively verifiable indicators (OVI) and *attempting to explain* why outputs and outcomes are, or are not, being produced as reported.

2.5.3. Reporting System

The JPLG progress reporting system appears to be more than adequate for programmes of such complexity. It includes substantial narratives of achievements and builds on information gathered from the MIS, and its databases.

However the quarterly schedule of JPLG reports to donors does generate an unnecessarily heavy workload. As JPLG indicators and the contract database are both available online, comprehensive bi-annual reports by JPLG management should be sufficient. Ideally these could be synchronized with OES report to be discussed jointly during review workshops with all stakeholders. A step in the right direction has been the decision to include reports addressing donor-specific requirements (such as for DFID's request on Value for Money from 2011) within the regular JPLG reports.

2.6. Value for Money

We make use of a framework advanced by DFID⁵² to assess the value-for-money (VfM) delivered by the JPLG. The original framework is slightly modified, as suggested by DFID-Somalia⁵³. VfM analysis involves examining the programme's Economy, Efficiency and Effectiveness, identifying the links between them and drawing conclusions on overall performance.

Annex I shows the modified ITAD/DFID framework (Table 1) and the detailed assessment of made by the MTR (Table 2). Resulting scores (on a scale 0-5 from minimum to maximum VfM) for the 2 dimensions of economy (procurement and unit costs), the single dimension of efficiency (productivity) and the 2 dimensions of effectiveness (theory of change and leverage/replication) are shown below.

⁵² Chris Barnett, Julian Barr, Angela Christie, Belinda Duff, and Shaun Hext , Measuring the Impact and value for money in governance and conflict programs – ITAD Final Report (2010)

⁵³ DFID-Somalia, DFID Somalia guidance to implementing partner on strengthening VfM in governance and conflict programs (22 Feb. 2010). The ITAD original framework includes seven criteria: three for *Effectiveness* (Theory of change, Leverage/replication and Robustness of indicators) two for *Efficiency* (Productivity and Risk analysis and mitigation) and two for *Economy* (Procurement and Unit costs). DFID Somalia is choosing to remove two of these from the summary VfM assessment – robustness of indicators and risk analysis and mitigation – as they do not relate uniquely to effectiveness and efficiency. These issues are, however, crucial to good project design and management and lay the basis for managing VfM. A third criterion, Theory of Change is also part of fundamental project design, but it is retained in the framework as it is central to demonstrating VfM effectiveness – i.e. that the program is delivering the right outputs to achieve its objectives.)

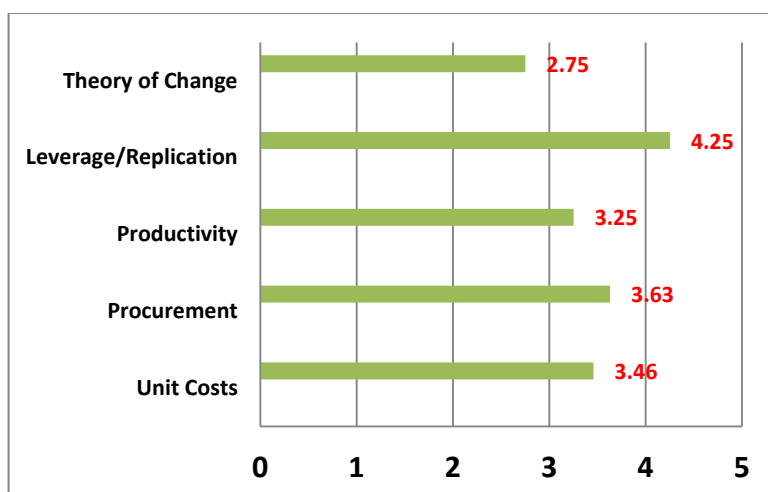


Diagram 1. VfM: JPLG scores against dimensions of effectiveness, efficiency and economy

It should be stressed that a VFM assessment of the JPLG is made difficult by the limitations of the current Logical Framework and related M&E system (as more broadly discussed in sect. 2.5 of this report). However, the attempt may help make explicit the information required and inform the development of the Logical Framework and indicators for the next phase of the JPLG.

2.6.1. Effectiveness⁵⁴

The relatively low score of the JPLG against the theory of change dimension of effectiveness reflects weaknesses in the Logical Framework and related indicators. The effect of key outputs (Capacity of District Administrations for public expenditure management and MOIs systems for legality controls and performance monitoring of LG) are difficult to appreciate because not properly identified and tracked by key performance indicators, even if the impact of these outputs on transparent and accountable LG is at the core of the JPLG change effort. Also, as discussed in section 2.3, poor investment appraisal and often unrealistic assumptions on funding of recurrent costs, reduce the effectiveness of JPLG physical infrastructure outputs in generating the intended service delivery outcomes.

By contrast, and not surprisingly, the programme's score is quite high on the leverage/replication dimension of effectiveness, because of the very institutional approach that characterizes the JPLG. Having chosen Local Governments as entry points, JPLG strives to develop systems that can be institutionalized, as part of the regular operations of Somalia's LG. This institutional perspective should not be lost or diluted.

⁵⁴ Effectiveness is defined as: qualitative and quantitative measures of increase or decrease in outcomes that show that a program 'is effective in delivering its intended objectives'. This examines the relationship between outputs and outcomes.

2.6.2. Efficiency⁵⁵

JPLG outputs appear to be delivered in a reasonably efficient manner, but efficiency varies across outputs. At one end of the spectrum, investments in LG financial management systems (AMIS and BMIS) have already generated substantial increases in LG own-source revenue in Somaliland Districts. If consistently supported, over the next few years, AMIS and BMIS may deliver substantial value for the money invested in their development and extension. At the other end, resources invested in developing the policy, legal and regulatory framework of decentralization reforms have had limited impact so far.

A separate discussion is warranted for the efficiency with which JPLG improves services delivery. This is affected by the imbalance between the resources allocated to “capacity building for design and procurement of infrastructure” and those allocated to the actual “investments in infrastructure facilities”. The low level of the latter limits the leveraging of the former. In 2010, accounting for the cost of the ILO staff and consultants/trainers most directly involved in infrastructure design and procurement, JPLG might have spent between 2 and 3 dollars on construction-related technical assistance (engineering and project administration) for 1 dollar worth of actual construction.

Opportunities for costs-cutting in delivery of construction-related capacity building services may be found, but are bound to be limited. Hence substantial gains in efficiency (greater services delivery output per dollar spent in construction-related support services), actually depend on *increasing the amounts available for investments and facilities operation*. In more mature Districts, such increased amounts could already be easily absorbed and effectively spent in line with the improvement in District-level public expenditure management introduced by the JPLG.

2.6.3. Economy⁵⁶

JPLG also delivers reasonable value for money through improved procurement practices and containment of unit costs of the inputs. It would however be worthwhile to explore whether, shifting decision authority on logistics matters (establishment of office premises, vehicles fleet management, etc.) from individual UN agencies to the JPLG PMU (currently PCU) could generate additional cost savings and better value for money.

Importantly, both on the procurement and unit cost dimensions of economy, the JPLG scores are high when it comes to construction materials and services inputs.

JPLG has made specific and successful efforts to develop and extend to all participating District authorities improved procedures for procurement of infrastructures. These are currently applied

⁵⁵ Efficiency: is defined as a measure of productivity, in other words how much you get out in relation to what is put in'. This examines the relationship between inputs and outputs; for example, planned versus actual delivery of milestones by service providers, or benchmarked comparison among programs working to same or similar outcomes but using different pathways to achieve intended outcomes.

⁵⁶ Economy is defined as: 'a measure of what goes into providing a service'. This costs inputs. Unit costs are typically used as an economy measure. 'The whole life costs of inputs such as the direct and indirect costs of acquiring, running and disposing of assets or resources should be considered'.

to all JPLG-financed construction contracts, with good impact on unit costs. A rapid review of construction contracts costs in Somaliland carried out during the MTR fieldwork in Somalia indicates that these are consistently *below the benchmark* of the engineer's estimates of prices of labor, materials and consumables prices.

To facilitate the assessment of the programme's VFM, JPLG should develop simple economy indicators, like unit cost of inputs and related efficiency indicators comparing summary costs of outputs (per sq.m., cu.m., km, etc.) with benchmarks reflecting independently assessed local market conditions⁵⁷. Measures of effectiveness should also be developed by sector, and supported through appropriate data collection systems, to gauge the change in actual services delivered (e.g. # of patients actually treated) per dollar invested in both physical construction and operations of services delivery units. Ultimately the JPLG management may want to consider incorporating the qualitative assessment methodology outlined in Annex I into the JPLG Outcomes Evaluation System (OES).

3. Programme Formative Review

3.4. Programme Design

3.4.1. The case for formulation of a second phase of the JPLG

The JPLG is an innovative and flexible programme, most relevant to the conditions of all three zones of Somalia. The programme has been welcomed by recipient state and local authorities of Somalia who appreciate the channelling of external aid through local authorities as it helps to build both their political legitimacy and their administrative capacity to deliver services and improve security.

The programme also reflects an approach to sequenced peace-building and state-building, which is receiving increasing attention from the international community and which is based on localized analyses and recognizes the critical contribution that emerging local authorities can make towards the linking and achievement of these two goals.

It would be a great loss if the programme was left to terminate at the end of 2012, just when it has started to make an impact and demonstrate the potential of the "Local development through local Government" approach, and could be rather dramatically scaled up.

The MTR therefore recommends that a second phase of the JPLG be formulated. The aims should be (i) to extend the programme for a next 5-year phase beyond 2012. (ii) to expand the geographic coverage of the programme in all three zones of Somalia in accordance with clear rules of engagement (see below) and (iii) to resource the programme accordingly.

But the formulation of the second phase, which should start as soon as possible (see timeline in sect. 3.6 below), should also be an opportunity for a re-design of the programme, to strengthen its

⁵⁷ This would be an improvement over benchmarks built on estimates of engineers employed by the program.

logic, focus its efforts and streamline its operations, overcoming the programme's design and implementation "teething problems" documented in this report.

The new formulation should not question the basic logic of the JPLG as *a programme that contributes to peace-building and state-building by promoting "local development through local governments" and, to that end, supports decentralization reforms, the development of local institutions and capacities and the financing of local authorities development spending.*

What is needed is not really a re-conceptualization, but rather the translation of the basic programme's idea into a coherent programme design, which is driven by the "demand" for activities and inputs necessary and sufficient to deliver the JPLG intended outcomes and outputs, and not by the "supply" of inputs and activities associated with standard technical and financial assistance packages pushed by variously specialized UN agencies.

In substantive terms the new design should reflect and address two major challenges

- The first challenge is for all stakeholders to fully internalize and adopt the "LG-centered approach to peace building and poverty reduction", i.e. the strategic choice of local governments as *entry points* for aid for peace and development.
- The second challenge is how to translate such strategic choice into programme activities with the flexibility required by the huge differences (with respect to the presence, nature, legitimacy and capacity of local governments), in different areas of the country

We comment on the first challenge in the following paragraph and on the second in the following section (3.5 below) that deals with the issues of geographic expansion and engagement of the JPLG with emerging administrations.

3.4.2. The JPLG internal logic

The JPLG must walk a thin line. It must avoid falling back into either (i) more familiar, but less sustainable, "community development" approaches, or (ii) more centralized approaches in which sub-national, if not federal, State authorities directly "manage" local development instead of enabling *local* authorities to do that. At the same time, and particularly in a conflict-rife environment as Somalia's, it must recognize the systemic nature of the State/LG/Civil society relations and (i) empower organized communities and private sector units to build mutual cooperation and accountability relations with their own LG, as well as (ii) develop the State capacity for legality controls and performance monitoring over autonomous and accountable LG. All this, in widely differing and evolving contexts of LG legitimacy and capacity.

The design of the next phase should therefore start with a discussion and internalization by all stakeholders, of the programme's core logic, integrating from the outset gender perspectives and women participation and empowerment. A series of Log-frame development exercises with all stakeholders should be at the centre of the formulation effort and the JPLG PMU (currently PCU) should lead such effort. With consensus from all UN participating agencies, the PMU should be empowered by the UN RC with the authority and responsibility to both develop the

programme's design, and later manage its execution. The task cannot fall on any single UN agency, if activities have to be driven by a cohesive programme's logic and then assigned by the PMU to UN agencies based on comparative advantages.

We suggest that the starting point for such exercises could be the review, adoption and adaptation of the generic logical model summarized in the diagram below. This is not the actual JPLG logframe, but a model to facilitate consensus among stakeholders on the general logic of the JPLG-2, before moving to the design of the programme's specific logframe (hierarchy of objectives, activities, indicators, assumptions).

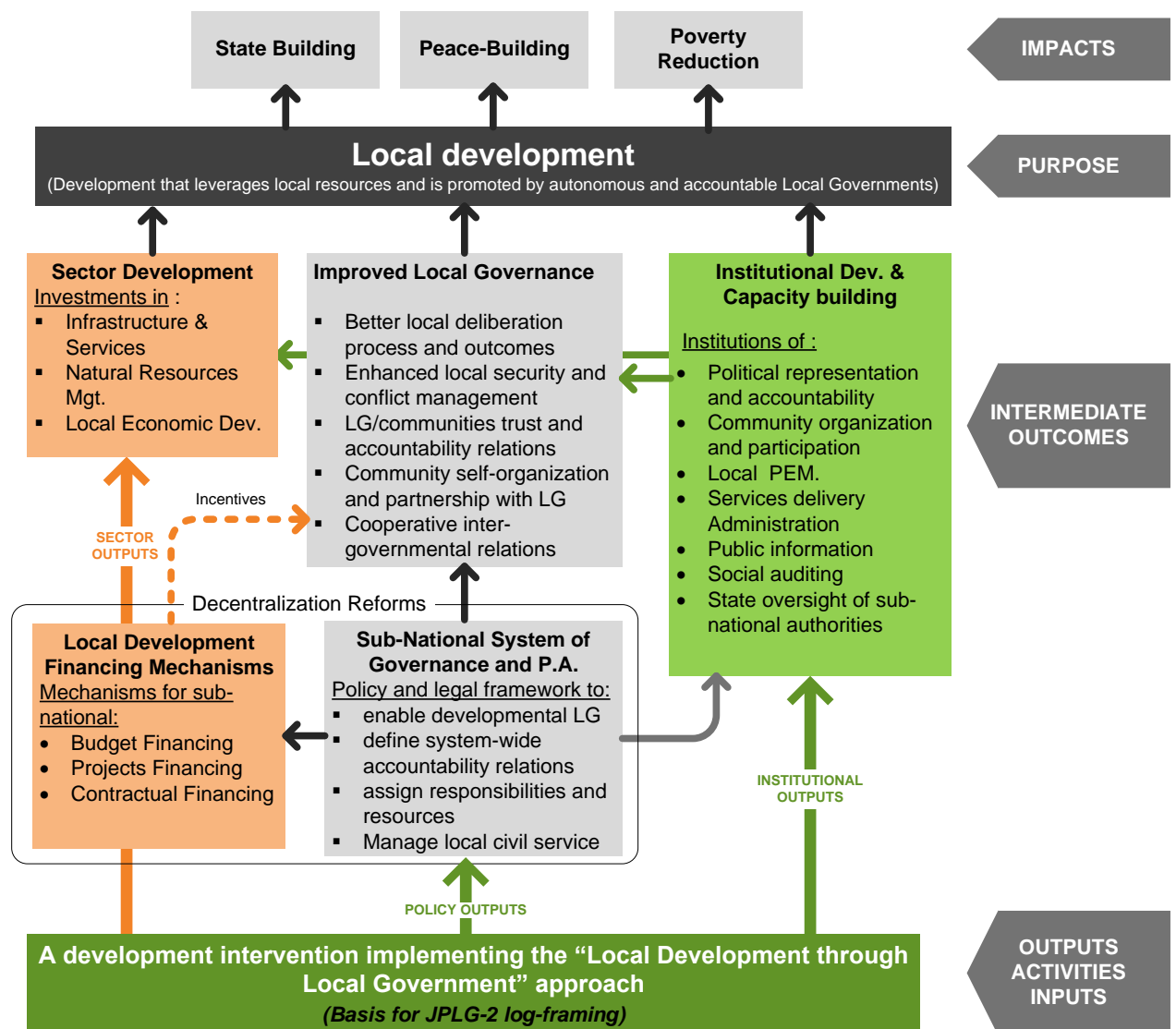


Diagram 2 – Logic of the LDLG approach to peace/state building and poverty reduction

The model suggests that JPLG-2 should be designed as a programme that aims at poverty reduction and peace and state building *by promoting local development through local*

governments, that is development that leverages local resources (material and immaterial) and combines them with national and external ones, under the overall direction and responsibility of legitimate and accountable local governments.

In its most comprehensive and general formulation such programme should:

- (i) promote decentralization reforms that allow the emergence of autonomous and accountable local governments and set up mechanisms that finance local development and create incentives to the adoption of good local governance practices,
- (ii) develop the institutions and build the capacity of local institutions (LG, communities, private sector, the press) and state agencies (Ministries, Auditing authorities) required to deliver good local governance and local development
- (iii) provide technical and financial support to investments in local development.

The model *will need to be adapted* to the diverse contexts within which JPLG operates in Somalia, and such adaptation may generate *several variants*, with different emphasis on different activities and their sequencing.

The JPLG engagement with decentralization reforms will obviously vary with context. In Puntland and Somaliland it may focus on developing LG enabling legislation and regulations, focusing on critical fiscal decentralization issues and drawing on existing constitutional provisions and policy pronouncements.

In South-Central Somalia, JPLG might want to play a larger role and help the TFG develop the very vision of the sub-national system of governance and public administration to be negotiated and reflected in the Constitution. With UNPOS political support, JPLG could provide technical and policy advisory services to help the TFG set up a cabinet committee, tasked with developing the national decentralization policy and strategy, which could then be examined by a parliamentary commission prior to submission to the approval of Parliament. Such policy, if approved, would simultaneously facilitate the discussion and agreement on the Constitution, and provide the basis for ordinary legislation, to support the emergence of legitimate local authorities, and the extension of external assistance to them.

Different contexts also will dictate the nature and sequencing of JPLG activities directed to local institutions building and local development support.

For example, in districts where both the legitimacy and capacity of local authorities are greater (as currently in much of Somaliland and Puntland) the JPLG-2 may want to give greater attention, than has been possible so far, to the capacity of district administration departments for sustainable delivery of basic services. More institutionally sustainable mechanisms of financing (of both budgets and projects) and related disbursement modalities could be considered and more emphasis may be put on piloting the reassignment of services delivery functions in key sectors.

By contrast, in contexts of lower LG legitimacy and capacity and only emerging State administrations, emphasis will have to remain on community self-organization and linkage with LG, improved political deliberation in target Councils and perhaps a greater direct assistance to LG to improve security in the locality. Participatory and transparent PEM will be at the centre of the initial capacity building and less institutionalized financing mechanisms and funds disbursement procedures may be used to fund projects rather than budgets.

But it will be a matter of different emphasis and timing, in sequencing activities, not of different philosophy. The JPLG evolving perspective will be guided by the general model outlined above, and the programme will not run the risk of losing its ultimate strategic focus on building viable and developmental local governments that promote peace and deliver services, no matter where the starting point is.

An encouraging thought is that the need for a flexible and evolving approach, which must however remain consistent with the strategic choice of promoting *local development through local governments*, has been fully recognized, and is already being implemented, by the JPLG. What is needed is only the reflection of such approach in a new and more cohesive programme design.

3.4.3. Gender mainstreaming in formulation and management of JPLG new phase

Gender needs to be factored into all components of the second phase of JPLG. This is the only way to ensure that (i) good policy intentions are followed through in practice, including gender-sensitive budgeting and service delivery, (ii) Training on GEWE is not provided in a stand-alone fashion but . mainstreamed into each training module as appropriate (iii) the M&E and reporting system adequately track the gender mainstreaming dimensions of both programme's outputs and outcomes, and more generally (iii) the obstacles to GEWE are properly identified and tackled.

In preparation, JPLG needs to seek more solid understanding of opportunities and obstacles for greater participation of women and minorities not only in consultative forums, but also in the actual decision making processes of local government. Without precise and local information about where obstacles lie, be they related to women's own refusal or unwillingness to engage (lack of confidence talking in public, lack of formal education etc) or to lack of public space, resistance from clan elders or other reasons, no remedial action or benchmarking is possible.

JPLG should also seek to strengthen the capacity of its own staff for gender analysis and promotion of GEWE, and recruit qualified specialists at the highest level possible given current difficulties to secure qualified staff to work in Somalia.

3.5. Programme Scope and contextual variations

3.5.1. Need for expansion and related criteria

JPLG geographic coverage should also be substantially expanded and availability of reliable financing remains the greatest constraint in this respect.

The case for expansion is strong, as the JPLG is currently *the main instrument available to the international community to implement the mix of localised and national assistance efforts required under the present circumstances of Somalia*.

At a more technical level, the inner logic of the JPLG, also requires that the programme move as quickly as possible to state –wide coverage, in those sub-national states/administrations where it has started to operate, because sustainable developmental local governments, ultimately depend on a supportive State system of intergovernmental relations. At present, prospects of such state wide coverage are obviously brighter in Somaliland and Puntland than in South-Central Somalia.

Nevertheless, in South-Central Somalia, JPLG should engage with emerging sub-national States/Administrations and assist selected districts within them. Such engagement could have an immediate and catalytic effect on peace and ultimately facilitate the building of a viable Somalia federal state.

But devising an expansion strategy is not something that the JPLG management can do on its own. Besides the need for donors commitment to increased and reliable multi-year financing, political consideration are also prominent and any expansion strategy needs to be guided and supported by the UNPOS and be cognizant of both (i) the “JPLG Guiding principles for district selection”⁵⁸ agreed by all stakeholders in 2009, and (ii) the “Principles for Good International Engagement in Fragile States and Situations as reviewed recently in the Somalia context”⁵⁹.

3.5.2. The JPLG guiding principles for District Selection

The guiding principles for District selection adopted by JPLG management in 2009 and applicable to all zones of Somalia (see Annex VI) are sound and should be retained. JPLG may want however to consider some adjustments to allow for a more pro-active engagement of the programme with emerging administrations in South-Central Somalia.

Specifically, principle #2, which requires the existence of a legitimate District Council (established in accordance with the existing legal framework) might be relaxed in the areas of emerging sub-national administrations of South-Central Somalia, where legitimate District Councils may not yet exist. In such cases JPLG should determine whether the opportunity exists for establishing transitional mechanisms as “forerunners” of legitimate DC (see point 3.2.3 below for elaboration). This criterion of “opportunity” should be given a dominant role in the JPLG expansion strategy to enhance the programme contribution to its ultimate goals of peace-building and state-building

Also principle #4 that requires access to the locality for UN staff to be able to undertake development activities, may be maintained, but in conjunction with an additional UN mechanism

⁵⁸ JPLG Guiding principles for district selection (adopted by the PMG Meeting of 9 May 2009)

⁵⁹ Monitoring the Principles for Good International Engagement in Fragile States and Situations- Somalia Country Chapter (3rd Draft , May 2011)

for assessment of District security conditions for the specific purposes and operating modalities of the JPLG.

3.5.3. The 2011 PFS review (Principle #7) and the need for a diversified strategy

Some of the findings and recommendations in the recent Principles for Good International Engagement in Fragile States and Situations review, are most relevant to the JPLG. In particular, with respect to Principle # 7 *“Align with local priorities in different ways in different contexts”* the review found that *“international actors are increasingly programming with different approaches for the north and the south. Donor funding patterns reinforce this point and reflect a respectable geographical spread”* but suggested that *“...international actors could find more ways to adapt to development engagement in Somaliland and Puntland, develop concrete ways to expand engagement in, for instance, Mogadishu and to adapt engagement with emerging administrations.”*

The key point is that as the JPLG expands, it will have to also diversify its activities.

3.5.4. Four contextual situations for JPLG operations and expansion

As the PFS review also suggests, there are four contextual situations, (and related JPLG “operating modes”) to consider:

- (1) Mogadishu city/region and constitutive Districts
- (2) Districts in emerging administrations in South-Central Somalia
- (3) “New-entry” Districts of Somaliland and Puntland
- (4) “Mature” (already participating) Districts of Somaliland and Puntland.

Detailed plans for JPLG activities under the four operating modes should be developed as part of the formulation of the programme’s new phase. The Table below summarizes the desirable focus and instruments of JPLG action in the 4 contexts.

(i) Assistance to the Mogadishu city/region

In the Mogadishu city/region the JPLG should focus on supporting the negotiation, adoption, implementation and further regulation of the Mogadishu City Law (MCL). JPLG support to further development of the regulatory framework of local government in the Mogadishu city/region should focus on the division of labour between the regional authority (the Mogadishu City Council) and the local authorities (the District Councils) with respect to promotion of local development and services delivery.

The current MCL draft correctly stresses the need for the Mogadishu City Council (MCC) to enable service provision by lower LG, communities and private sector rather than strive for direct provision. But, while it emphasizes community provision and contracting out to private sector, it is silent on the actual role that District could play. It may also underplay the need for the MCC to establish key administrative departments of its own, for both management and/or regulation of city-wide strategic services (e.g. urban transport and other network infrastructure requiring a

unitary city-level planning approach). The JPLG could then focus on building capacities for basic PEM, selected services delivery and LED promotion in administrations' departments at both city/region and District levels.

The JPLG could have a key role in developing a regional/local development planning and financing system that articulates the planning process of the city/region with those of the constitutive Districts builds the institutional and technical infrastructure for public participation and inter-governmental negotiation and enable the two-tiers LG system of the Mogadishu city/region to work effectively.

Finally, the JPLG could extend financial assistance to the Districts of the city/region through an LDF-like mechanism for Districts budgets financing, managed by the MCC as the relevant regional state authority, with procurement and disbursement modalities consistent with a specific assessment of both fiduciary risks and financial management capacities at both City/region and District levels.

(ii) Assistance to Districts in emerging administrations of South-Central Somalia

In South-Central Somalia, JPLG faces an opportunity to contribute to the emergence of the sub-national state administrations whose recognition and consolidation is critical for the establishment of a sustainable Somali federal republic. The process of engagement should be initiated in consultation with the Transitional Federal Government (TFG) but should not be held hostage of the hesitations and inability of the transitional federal institutions to agree on the country's multi-level governance system. In other words the engagement of JPLG to contribute to peace and state building "from the bottom up" should run in parallel with the programme's continuing engagement to help develop the federalist vision and constitution "from the top down". The two approaches are obviously interdependent, but progress can be made by taking advantage of their relative autonomy, with progress on the ground influencing policy development as much as the other way around.

In practice therefore JPLG could, with UNPOS strategic advice and analytical support, reach out to emerging administrations and initiate the process of LG establishment and strengthening in selected Districts, linking them to both their communities and the emerging state authority.

At the outset, and after a preliminary assessment, JPLG may or may not find legitimate District Councils in place in the selected Districts. Where this is not the case, JPLG could explore the feasibility of setting up transitional District-level local deliberation and implementation structures as *forerunners* of legitimate Councils and Administrations to be established in the short term (1-2 years) within the locally appropriate legal framework.

JPLG assistance would then focus on the basics of local governance and administration as per the standard approach applicable to "new entry" Districts also in Somaliland and Puntland (see below), also involving, and building the capacity of, appropriate agencies of the emerging administrations responsible for support and supervision of the LG system. Financing of local development spending could be secured through a JPLG-managed/disbursed variant of the LDF, until the LDF can actually be mainstreamed into a regular sub-national finance system.

(iii) Assistance to “new entry” Districts in Somaliland and Puntland

The expansion of JPLG into new Districts of Somaliland and Puntland (other than those in the Sool and Sanaag regions) is essentially constrained by the programme’s financial resources.

In Districts newly incorporated into the programme the early focus of JPLG should continue to be on building the capacity of Councils for transparent and accountable policy deliberations, linking them to the communities in their jurisdiction. Also basic capacity for administration, and public expenditure management should be built in local administration, which should be given from the outset greater attention that they have received so far in JPLG practice. Financing of local development spending could be made available through a JPLG-managed/dispensed variant of the LDF, until the LDF can actually be mainstreamed into the regular sub-national finance system.

(iv) Assistance to “mature” Districts in Somaliland and Puntland

In more “mature” districts of Somaliland and Puntland, where JPLG has provided a first round (1-2yrs) of assistance and some basic capacity for public expenditure management has been created, the programme should focus on the mainstreaming within the District administration institutions of all of all the improved governance and administration procedures extended by the JPLG.

It should gradually move from its early focus on basic capacity for public expenditure management to higher platforms of capacity including effective services delivery and local development management, building on the actual mandate, structures and priority requirements of the District Administration Departments (both the standard Public Works and Social Services departments and any other that it may be necessary to set up at the initiative of the District Councils).

Financial assistance for District development spending could be provided through a combination of a “budget-financing” facility like the Local Development Fund (LDF) and of a “project-financing” facility like the District Investment Fund (DIF), (see 3.3.3. below for a description) developing local and central level capacity to manage, access, disburse and report on the operations of both financial facilities.

To the extent that larger, more capable Districts are also likely to be the ones where sector decentralization mechanisms may be first introduced and tested, these District will also benefit from “contractual financing” mechanisms and purpose-specific transfers. These mechanisms should be developed in the frame of the *delegation arrangements* between sector Ministries and District authorities under which Ministries will remain responsible for overall planning of sector-specific services delivery standards and targets and will finance District authorities for their effective delivery through the appropriate local administration departments.

3.6. Programme Financing

3.6.1. Ensuring a more predictable funding framework

In 2010, the JPLG operated with a revised budget of 18.5 M.US\$. Of these, only 15.4 M.US\$ were pledged and 14.1 M.US\$ were actually received, with a shortfall of 4.4 M.US\$ (23%) against the approved Annual Work Plan and Budget (AWPB).

Only a few donors are financing the JPLG using multiyear funding cycles and only 55% of the programme's resources use the "*joint programming pass through mechanism*" in spite of its proven efficiency. Multiple parallel arrangements continue to impose an unnecessary additional administrative burden on JPLG management.

Most importantly the programme's effectiveness and efficiency are affected by (i) the absence of a multi-year resources framework and (ii) the approval of most contributions in annual and even shorter instalments.

Incremental improvements can be immediately realized if more donors start making multi-years pledges and deliver resources accordingly. In any case the formulation of the next phase should provide an opportunity for developing a much more predictable funding framework for the JPLG.

3.6.2. *Re-balancing Technical and Financial Assistance*

The JPLG is not only about policy advice and technical assistance. It is also about financial assistance for local development and services delivery. Importantly, financial assistance also supports a "learning-by-doing" approach to local institutional development and capacity building, substantially leveraging the impact of policy and technical advisory services.

However, financial assistance for actual development spending (capital or recurrent) remains extremely low. In 2009-10 it is estimated by the MTR at between 5 and 7% of the total programme expenditures.

As JPLG administration costs are difficult to compress and technical and policy advisory services will require increased resources if the programme is expanded geographically, any increase of financial assistance will require a substantial mobilization of additional resources. Judging from the impact that the current limited development spending of the JPLG is already having on legitimizing LG in the eyes of their communities, and improving LG/communities relations, the impact of increased financial assistance to LG on improving *local political conditions* and building peace could be major.

Appreciating this linkage is critical. We recommend aiming at about 25% of the JPLG resources for financial assistance to target LG in the next phase of the programme. There is no "scientific" basis for this figure as this is essentially a programme's policy decision. What is important to realize is that, at the current level, *any* increase in the share of JPLG resources allocated to investments is likely to improve the programme's impact on *both* services delivery and improved LG/community relations and peace building. This point has been stressed to the MTR by all LG stakeholders interviewed.

3.6.3. *Diversifying the JPLG instruments of investment financing*

JPLG has financed local investments through the District Based Basket Fund (DBBF) managed by the JPLG itself, which provides indicative planning figures to participating districts, with disbursements tied to the approval of specific projects.

This instrument served well the programme, *where* there was a need for quick financing of some community priority projects, without waiting for completion of the first cycle of district planning and budgeting introduced by the JPLG. It was also appropriate where initial low capacity for local planning, design and management of investment projects, called for JPLG-funded technical assistance to play a major surrogate role.

But, where District governments have gone through a first cycle of JPLG assistance and adopted the planning, budgeting and procurement procedures extended by the JPLG, the DBBF (a project-financing facility), can actually be replaced by the Local Development Fund (LDF), a budget-financing facility and a pilot performance-based grants transfer mechanism. The LDF is essential to provide Districts with both the incentives to adopt improved local governance practices and to finance a minimum level of development spending. The LDF is destined to become the primary instrument of financial assistance to LG supported by the JPLG.

Yet designing and operating the LDF as a fiscal transfer mechanism of the concerned State's public finance system may not be immediately possible and JPLG may have to continue to play a role in the management of the Fund including disbursing directly funds to contractors and suppliers where local financial management capacity is lacking. We elaborate on this in the following paragraph.

Also LDF annual transfers, which, to be sustainable, must be relatively modest size, may not be the most efficient way to finance strategic, and relatively larger scale, LG investments⁶⁰. This point was clearly made by LG stakeholders in larger, more capable Districts. To cater for those needs, a dedicated state facility to finance local governments' projects would be required.

Such facility could be set up, rather quickly in Somaliland and possibly also Puntland, as a District Investment Fund (DIF) managed by a specialized, semi-autonomous, State agency, supported by JPLG and overseen by the Ministry of Finance. It would essentially function as a State window of financing of economically viable and financially sustainable LG projects, with focus on infrastructure and promotion of Local Economic Development. The DIF should not be confused with a "fiscal transfer" system like the LDF, as it would rather finance specific investments based on their own merits, and ultimately on a competitive basis to properly ration the fund's resources. The detailed institutional design of the DIF could be considered by JPLG management, in consultation with interested donors, as part of the programme's next phase formulation.

Importantly, in Somaliland, the opportunity could immediately be seized to design the DIF as a specialized window of the *Somaliland Fund*, which is currently being considered for support by DANIDA and DFID.

The establishment of a range of investment financing mechanisms including multiple modalities for disbursement of the *budget-financing* LDF, (including, where necessary, direct disbursements by the JPLG), and a new facility for *project financing* like the DIF, would provide the JPLG with the

⁶⁰ Attempts to use LDF transfers for larger projects, may lead to efficiency losses because of pressures to cut corners in design and construction or delayed benefits due to need to spread the investments over longer than optimum periods.

flexibility needed to address the wide variations in local administrative capacity and requirements, which the programme will continue to encounter.

3.6.4. Improving the LDF Design

The LDF is meant to replace the DBBF as the JPLG instrument to extend financial assistance for development spending to Districts participating in the programme. It is also presented as the forerunner of a regular system of fiscal transfers in the form of general purpose performance-based grants. Clearly these are two different objectives and pursuing them simultaneously is problematic.

On one end the LDF could simply be conceived as a programme fund (very much like the DBBF) whose design has been improved by appending to it a system for assessment of minimum conditions of access and monitoring of performance to include/exclude, and modulate the allocations to, individual Districts. Management of the fund would remain in the hands of JPLG and its counterpart MOI and disbursement modalities could be adapted to perceived fiduciary risks and variations in capacities for accounting and reporting, including the possibility that JPLG itself disburse directly to suppliers and contractors.

At the other end , to really pilot a sustainable system of general purpose performance-based grants, the LDF should be conceived as a fund co-financed by domestic and external resources according to an agreed medium term capitalization plan, with all resources deposited in an MOF-managed account in the Central Bank , disbursed at pre-established regular intervals (unrelated to JPLG or other investment “project cycles”) , into District accounts in a commercial bank, and reported and controlled as part of the regular system of LG budget accounting and auditing.

Clearly the LDF as designed by JPLG in Somalia is closer to the first than to the second end of the spectrum. Moving towards a real pilot of a regular performance-based fiscal transfer mechanism is certainly risky, but risk is precisely why pilots, rather than full scale operations, are launched in the first place. If JPLG wants really to pilot fiscal transfers, it should, with support from its donors, carry out an LDF-focused fiduciary risks assessment to explore to which degree in Somaliland and possibly also in Puntland, a pilot fiscal transfer system for LG can be launched, with manageable levels of risk.

Pending such assessment, there are also a few points that could be addressed immediately to improve the current design of the LDF and move it closer to a fiscal transfer pilot mechanism, and away from just a revisited DBBF.

First, an effort could be made to agree on a multi-year framework within which aid providers and state authorities can agree on (i) the LDF medium term capitalization needs, (ii) a plan to gradually phase out aid contributions and increase domestic financing of the facility over the longer term, (iii) a donors’ multi-year financing plan (3 years minimum).

Second, any confusion about Districts’ contributions to the LDF should be removed. Current language in the LDF official agreement, call for Districts’ co-financing (at the tune of 5%) of the LDF

capitalization, introducing a conceptual confusion and an obstacle to the institutionalization of the LDF as a transfer system. In fact the capitalization of the LDF should be left entirely to appropriations of *central revenue*, complemented by *aid contributions* as appropriate.

Directly related to the above, even the presentation of the co-financing by Districts (at 5%) of the LDF as *a condition of access* to its resources is misguided. If the intention of the proposed District contribution to the capitalization of the LDF was to stimulate local fiscal effort, then an appropriate measure of such effort should be developed and used as a performance measure, with effects on Districts entitlements. If, on the other hand, the intention was to ensure that a certain share of the local budget was spent on development, again this share (a % of budget, not a % of the LDF) could be used as performance measure affecting entitlements. Finally the 5% contribution to the LDF risks to be interpreted as a local matching contribution to the cost of LDF-financed “projects”, a distorting mechanism leading the LDF further away from a pilot of a discretionary transfer facility.

Third, with the exception of those Districts that do not comply with minimum conditions (MC) of access and which are then entitled to capacity development (CD) grants to pay for CD services and fill their perceived gaps, all Districts that do have access to the LDF are meant to spend it on capital development projects. This may entrench a “brick and mortar” mentality and prevent a more holistic approach to services delivery. As the experience of the JPLG itself demonstrates, the critical constraint to improved access and quality of services in health, education, social protection, etc. is often not the absence, or inadequacy, of built facilities, but the dearth of operating funds.

JPLG has already put forward a proposal to change the budget format of the District administrations, making it service-oriented and separating recurrent expenditures for services delivery from general administration costs. The LDF design should accordingly be revised to make the Fund’s resources available for *development spending* (as opposed to *general administration spending*), including both capital and recurrent expenditures that support the delivery of local public services.

Two other interrelated issues were considered by the MTR, as required by the TORs. The first is that of the size of the LDF and the average amount transferred to District, the second that of the formula to distribute the LDF.

As discussed above (3.3.2) the current level of financial assistance to Districts is extremely low, in both absolute and relative terms. To the extent that the LDF will continue to be the main, if not the only, JPLG mechanism for financial assistance, an increase in the per-District allocation is desirable. Yet such increase cannot be major, if the LDF has to be institutionalized as a regular system of inter-governmental transfers. The MTR did not have access to data and time to calculate what a sustainable level of the LDF could be, based on projected GDP growth and public sector revenue⁶¹, but it may be possible to bring the *average* per District annual transfer from the current 100,000

⁶¹ The absence of any such calculation to size the LDF, at the time of its establishment, is also another weakness (perhaps inevitable given the dearth of reliable data) of the current design.

US\$ to say 150,000 US\$. Again the MTR would like to stress that the LDF should neither be seen, nor be pushed to become, the main instrument for local capital development financing. Its main purpose should remain that of incentive to a proper local planning process and to community and private sector resources mobilization for co-provision of LG basic *services* (not always and not necessarily infrastructures)

Regardless of the total capitalization of the LDF, the issue of the formula for its allocation arises. The formula should be consistent with the purposes of the Fund. In the current Somalia situation these could be stated as (i) supporting the institutions of local development planning and building LG capacity in the process and (ii) providing an element of fiscal equalization among recipient districts. This suggests that a portion of the Fund (say up to 50%) could be shared on an equal basis among participating Districts, a portion (say 20%) could be divided proportionally to the district shares of the relevant state's total population and a portion (say 30%) could be shared to equalize, up to the standard allowed by available resources, the "potential" per-capita revenue of the District.

Different weights than the ones indicated above could be used and some simulations will be required to adjust them. The above building blocks of the distribution formula, however requires two sets of data: (i) state population disaggregated by district and (ii) district "potential" revenue from local taxation and other resources. Both sets should indeed be produced by the Ministries of Planning and Finance (with support if necessary from the Ministries of Interior).

As far as *population* is concerned, the Ministry of Planning, should be in a position (or could be helped by JPLG) to produce estimates of district population for the purpose of allocating the LDF. What is required is not census-level data quality, but rough estimates focusing on getting relative distribution, rather than absolute values, as right as possible.

As far as local fiscal and non-fiscal *per-capita revenue* of District authorities is concerned, the parameter to be estimated is not the actual per capita revenue collected, but the "potential" (or target) revenue collectable, on the assumption of perfect local fiscal effort⁶². It would be the task of the Ministry of Finance (with support from JPLG and/or the PFM programme) to set, in consultation with concerned local authorities, such potential/targets for each District, based on both historic records and other information available. And in this case, it's only the relative position of Districts and not the absolute potential that is relevant for the purpose of distributing LDF resources.

3.7. Programme Management

3.7.1. Strengthening programme management structure

In line with other UN Joint Programmes of comparable size and complexity, the JPLG should see a greater and more direct responsibility of the Office of the UN Resident Coordinator (RC) in the programme's design and management. The RC (or his/her delegate) should chair the JPLG

⁶² What needs to be equalized is not the actual revenue, but the fiscal potential.

Programme Management Group, and the Programme Management Unit (as the current PCU should be renamed) should be affiliated to the UN RC Office, with the JPLG Senior Programme Manager reporting directly to the RC. In fact, it could be argued that the ultimate accountability for the overall impact of a UN Joint Programme rests with the UN Resident Coordinator; the case is even stronger in the absence of a leading technical agency.

The re-naming of the PCU as Programme Management Unit (PMU headed, as it is already the case by a Sr. Programme *Manager*, not *Coordinator*) should make clearer that the programme needs to be managed by a structure that takes overall responsibility for the design and “execution” of the programme, while associating the UN participating Agencies to the programme’s formulation and entering into specific “implementation” agreements with them for delivery of the programme’s outputs.

3.7.2. Harmonizing accountability relations of UN staff to Sr. Programme Manager

Once the ultimate responsibility of the PMU for the execution of the JPLG is recognized, the relation of the five managers of participating UN Agencies to the Sr. Programme Manager and their corporate hierarchies, should be clarified accordingly. While bound to the specific administrative rules and regulations of their respective agencies, these programme managers should seek instructions from, and be accountable to, the Sr. Manager of the PMU for all substantive decisions in the implementation of the programme’s components which their Agencies are responsible for.

This requires the empowerment of the project managers by their respective Agencies with greater space for autonomous decision-making (with corresponding accountability) and freedom from other corporate demands on their time. Having entrusted to a project manager the implementation of the components of the programme assigned to them, UN Agencies should refrain from micro-management. They should rather contribute to the programme’s design, provide programme policy guidance as members of the Programme Management Group and Steering Committees and mobilize technical services as required. In other words they should let the PMU actually manage the JPLG with the help of the implementation managers they have designated and support.

3.7.3. Integrating Somalia-based teams under international PMU Area Managers

The level of integration of JPLG staff working in Somalia under the different participating UN organizations should be improved. To address this issue, the position of the current Team leaders should be re-conceptualized as “JPLG Area Managers”⁶³ directly reporting to the PCU/PMU Senior Manager, and upgraded to international status. The broader point here is that in implementing a programme like the JPLG, a territorial approach made of a series of District-centric operating plans should take precedence over sector/agency level work-plans. JPLG Area managers’ first responsibility should be that of developing, coordinating and reporting on the implementation of

⁶³ The diagram describing the management and coordination structure of the program that was included as Annex II to the JPLG Project Document presented “Area Coordination Officers” as extensions of the PCU to be based in Baidoa, Garowe and Hargeisa. This idea needs to be retaken and strengthened.

such District-centric work-plans. Integration of JPLG operation in the field would also be helped by the establishment of joint offices, housing staff from all UN agencies working in the implementation of the programme.

3.7.4. Improving relevance, timeliness and quality of technical inputs from UN Agencies

Security concerns and hardship conditions are obviously critical constraints to attracting talent and securing presence of staff on the ground, but, given the relative stability of Somaliland and Puntland the current concentration of posting of international staff in Nairobi should be reconsidered. More stringent requirements for staff recruited for posting in the field may also be considered and international-level Area Managers should be fielded⁶⁴, initially in Hargeisa and Garowe. An opportunity to reconsider staff requirements and align competencies and levels with the programme's requirements will arise at the expiration of the current phase of the JPLG as all posts should be re-opened for competitive selection under the JPLG-2.

3.7.5. Develop internal learning by JPLG staff

JPLG is a rather complex programme based on an innovative territorial, LG-centered, approach to peace building and poverty reduction. It stands in contrast to more common approaches, both sectoral and community-driven with which most development workers have greater familiarity with. There is a need for all JPLG staff to better internalize such innovative approach. The JPLG-2 formulation exercise will provide a great opportunity for aligning all stakeholders' understanding and commitment with respect to it, but a structured internal learning programme for JPLG managers and field-based staff, covering the policy, institutional and sectors dimension of the approach, would go a long way in establishing a cadre of development professionals advocating and supporting the "local development through local government" approach during the JPLG implementation and beyond.

3.7.6. Lessons learned from the JPLG experience for other UN Joint Programmes in Somalia

JPLG experience could help inform the UN Somalia Country Team as it intends to move into more Joint Programmes:

- Alignment: where a nationally-owned programme is not available upfront, UN Joint programmes can provide initial forms of donors' coordination and help develop the national strategies and programmes which will eventually provide the basis for alignment of external aid.
- Harmonization: it is crucial to apply all external contributions to a single programme workplan and budget, and the pass-through funding modality has proven to be the most efficient and transparent to do that.

⁶⁴ The increase in cost of posting international staff is an element to be considered, but it would largely be counterbalanced by the increased effectiveness in the provision of the much needed technical assistance and reduce the severe constraints and inefficiencies of remote management.

- Joint Programmes should be based on a clear internal logic, which should drive the selection and define the role of participating agencies. The temptation to make JP neutral “containers” of loosely assembled (or even pre-defined) UN agencies’ interventions should be resisted.
- While overall management of smaller or simpler programmes might be left to a “leading agency”, the design and management of relatively complex programmes should be entrusted to a Programme Management Unit (PMU) affiliated to the Office of the Resident Coordinator, staffed with personnel designated by the UN participating agencies and led by a Programme Manager directly accountable to the RC.⁶⁵
- While bound by administrative rules and regulations specific to their organizations, managers of UN participating agencies must be relieved from other corporate demands on their time, given appropriate levels of autonomy for substantive decisions, and made directly accountable for such decisions to the Head of the JP PMU.

3.8. Programme Monitoring and Evaluation

All fundamental elements of an effective M&E system are in place, yet improvements are needed. These however are less a matter of technical tweaking with current output and outcomes indicators, than of improved consistency and logic in the programme’s design.

A better Logical Framework, built through the discussion and adoption of the model suggested in this report (3.1.3) would help clarify the JPLG intended theory of change and overcome the current confusion of outputs and outcomes levels and indicators. It would also facilitate the adoption of a more limited number of SMART indicators and their disaggregation by gender and vulnerability of specific groups.

The relation between the MIS and OES components of the JPLG M&E system, should also be revised, to ensure the integrity of the MIS and its coverage of both outputs and outcomes monitoring. The OES should then be conceived as a truly *supplementary* system, one that is not concerned with *monitoring* a particular level (outcomes level) in the programme’s hierarchy of objectives, but performs an entirely different, *genuinely evaluative*, role of interpretation and explanation.

Once integrated within the MIS, the monitoring of JPLG outcomes could further be strengthened by (i) re-conceptualizing its “contracts” database as a broader “projects” database tracking also pre-construction activities and post-construction effects of the JPLG-funded investment projects and (ii) integrating the existing community level monitoring activities into an institutionalized, village or neighborhood level, social auditing system, with explicit links to the MIS.

The coverage of outcomes indicators by the MIS, which has already been wisely integrated in counterpart Ministries, would also strengthen the national ownership of the M&E system as a whole.

⁶⁵ See as a reference the work/guidelines developed for the UN Aids Country Teams. The overall accountability lies with the UN RC and they identify a technical leading agency for each sub-component of the joint program.

To be implemented in full, the above changes may have to wait for the formulation of the next phase. However JPLG management may want to initiate the following actions:

- Distinguish between output and outcome indicators and clarify the relation between JPLG outputs and the intermediate outcomes tracked by the OES
- Determine which outcomes indicators could be immediately incorporated into the MIS
- Determine which indicators could be disaggregated to track changes by gender and other vulnerable groups
- Compile and post online, for ease of access by all stakeholders, a table with the information on outcomes indicators, (which is currently available but buried in the OES reports).
- Improve the contracts database , to include indicators of post-construction impact of JPLG funded projects
- Assess the impact of individual training programmes on the performance of local Councils and key administrations departments.

3.9. Timeline for transitioning to next JPLG phase

Following the review and discussion of the MTR report, Donors and other JPLG stakeholders should come as soon as possible to an agreement in principle on whether or not there should be a next phase of the JPLG (JPLG-2). The aim is to initiate the JPLG-2 formulation process early enough to ensure that there would be no break in operations and no need for bridge financing between the current and the next phase at the end of 2012. Yet donors may have to wait for clarification of the political situation in South-Central Somalia following the expiration of the TFG mandate in August 2011, and it will be difficult to arrive at a decision before the end of October 2011.

Preparation of the TORs for formulation of JPLG-2 is also bound to be time consuming. This is a critical step in which consensus must be built among UN and Somali stakeholders on the fundamental logic of the programme. It will require effective facilitation by the JPLG-PMU and should therefore be started early enough to benefit from the support of the current JPLG Sr. Manager who is leaving at end of November 2011. The process ultimately requires also strong leadership by the RC office, to build a common platform for stakeholders who may have a varying degree of understanding of, and commitment to, the “local development through local government” paradigm. In any case, the aim should be to complete such process, and agree on the TOR for formulation, by the end of 2012.

The above process should also be facilitated by the emergence, by the end of 2011, of the first lessons learned from the immediate adoption from now to the end of 2012, of the more focused “local development through local governments” approach recommended throughout this report and which the UN agencies implementing the JPLG are already moving towards.

The above should allow contracting out consulting services within the first quarter of 2012, delivering the draft formulation report by early June and completing the process of its revision and finalization before the summer break of 2012. The draft JPLG-2 programme document could then be ready by the end of August 2012. It’s essential that the new JPLG Sr. Manager be fielded

at the beginning of 2012, to participate in the selection of the formulation team and support from the very outset, the JPLG-2 formulation process. Obviously such process would also greatly benefit from the support of the current Sr. Programme Manager, whose services could be sought at least during the inception and fieldwork stages.

A joint appraisal of the JPLG-2 by prospective donors could then be carried out in September, allowing for the successive preparation of required funding instruments and the approval of JPLG-2 at the end of 2012 and its actual start in January 2103.

A tentative timeline for the preparation and approval of the next phase (JPLG-2) is presented in the figure below.

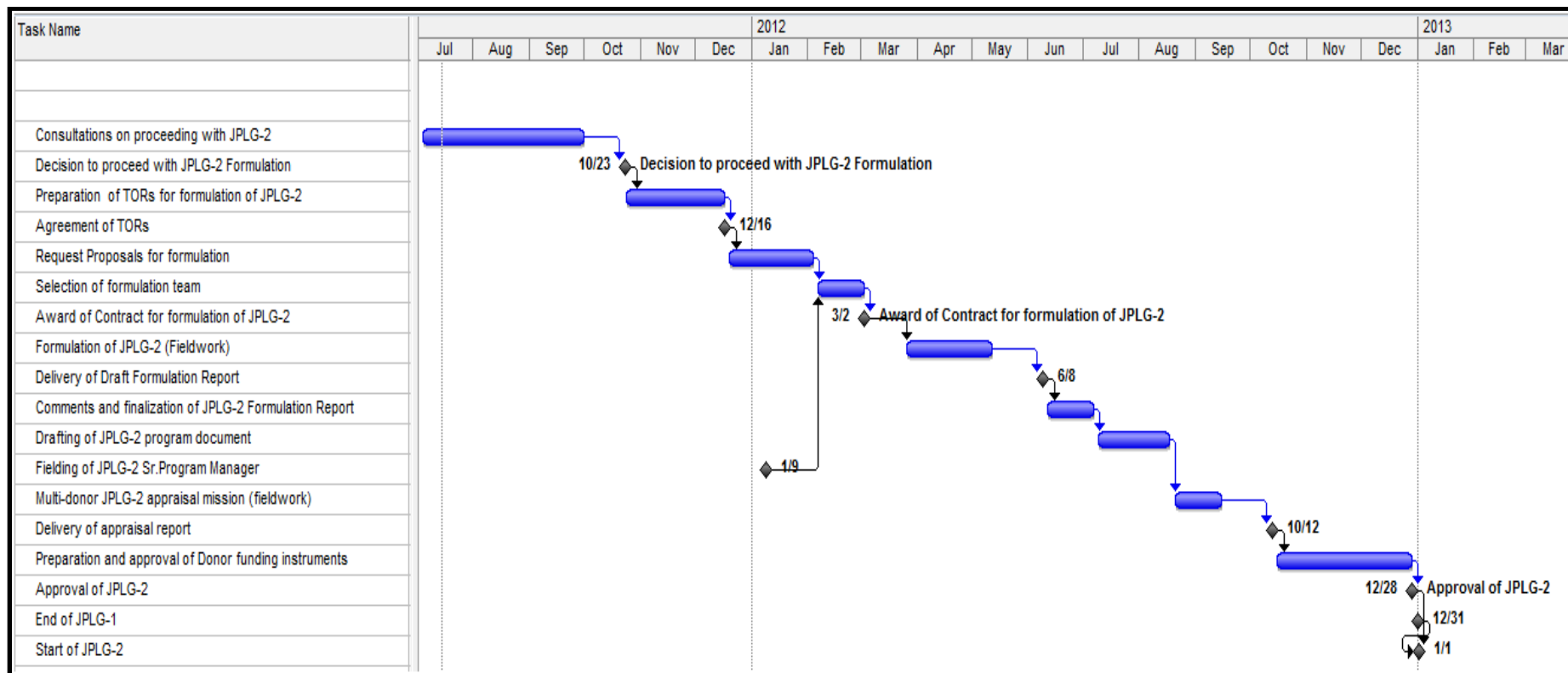


Diagram 3 – Tentative Timeline for formulation and approval of JPLG-2