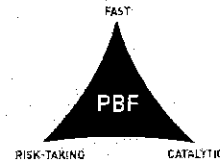


IRF – REVISED PROJECT DOCUMENT

TEMPLATE 2.2



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

IRF REVISED PROJECT DOCUMENT¹

Project Title: Support to Stabilization (S2S)	Initial Recipient UN Organization(s): UNDP and Somalia UNMPTF National Window Revised Recipient UN Organization(s) (if applicable): N/A
Project Contact: Iain Paterson Address: United Nations Assistance Mission in Somalia, Mogadishu Head Office Telephone: E-mail : paterson@un.org	Implementing Partner(s) – name & type (Government, CSO, etc.): Federal Government of Somalia, Ministry of Interior and Federalism; and State Governments; District Governments; Interim District Administrations; and Civil Society Organizations
Project Number: 00095366 (Gateway ID)	Project Location: Somalia (Jubbaland State, South West State, Galmudug State, HirShabelle State)
Project Description: The project supports stabilization efforts, in line with the Government Stabilization Strategy, in newly recovered areas of Somalia through establishment of interim local administrations capable of leading an inclusive dialogue towards the formation of permanent and representative governance structures and of promoting reconciliation.	Initial approved PBF budget: US\$ 4,123,420 Additional PBF budget requested: N/A Additional Government contribution: N/A Additional Other contribution: US\$ 273,058 Total PBF Project Budget Increase: N/A Total with Additional Other Contribution: US\$ 4,396,478
	Project Start Date: June 2015 Initial Project End Date: December 2016 Revised End Date: December 2017
Gender Marker Score²: <u>2</u>	

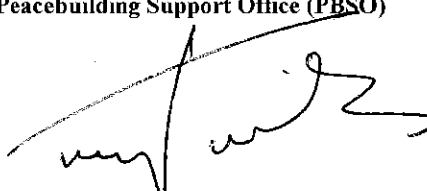

¹ Use this template ONLY if (i) there is an increase to the project budget; or (ii) if there is a substantive change to the project scope/outcomes.

²PBSO monitors the inclusion of gender equality and women's empowerment all PBF projects, in line with SC Resolutions 1325, 1888, 1889, 1960 and 2122, and as mandated by the Secretary-General in his Seven-Point Action Plan on Gender Responsive Peacebuilding.

Project Outcomes:

Proposed new outcomes:

Outcome 1: Federal, State and District-level administrations have capacity to oversee, coordinate and implement stabilization activities**Outcome 2:** An enabling environment conducive to social cohesion, trust, civic participation and development led by the community is established in accessible districts**PBF Focus Area³** which best summarizes the focus of the project (*Select only one focus area*):
(4.2) extension of state authority/local administration

<i>(for IRF-funded projects)</i>	
Recipient UN Organization(s)	Representative of National Authorities
<i>Michael Keating</i> <i>SRS</i> <i>UNSOM</i> <i>Mogadishu, Somalia</i> <i>Date & Seal</i>	<i>Cabdirixman Mohamed Hussein</i> <i>Minister</i> <i>Minister of Interior and Federalism</i> <i>Mogadishu, Somalia</i> <i>Date & Seal</i>
Peacebuilding Support Office (PBSO)  <i>Oscar Fernandez-Taranco</i> <i>ASG for Peacebuilding Support</i> <i>Peacebuilding Support Office,</i> <i>UN, New York</i> <i>Date & Seal 27 JAN 2017</i>	Resident Coordinator (RC) a.i.  <i>George Conway</i> <i>UNDP Somalia Country Director</i> <i>Mogadishu, Somalia</i> <i>Date & Seal</i> Digitally signed by George Conway DN: cn=George Conway, o=UNDP, ou=UNDP Somalia, email=george.conway@undp.org, c=SO Date: 2017.01.19 12:53:42 +03'00'

³ PBF Focus Areas:

1: Support the implementation of peace agreements and political dialogue (Priority Area 1):

(1.1) SSR; (1.2) RoL; (1.3) DDR; (1.4) Political Dialogue;

2: Promote coexistence and peaceful resolution of conflicts (Priority Area 2):

(2.1) National reconciliation; (2.1) Democratic Governance; (2.3) Conflict prevention/management;

3: Revitalize the economy and generate immediate peace dividends (Priority Area 3);

(3.1) Employment; (3.2) Equitable access to social services

4) (Re)-establish essential administrative services (Priority Area 4)

(4.1) Strengthening of essential national state capacity; (4.2) extension of state authority/local administration; (4.3)

Governance of peacebuilding resources (including JSC Secretariats)

PROJECT COMPONENTS:

I. Peacebuilding Context and Rationale for PBF support

a) Changes to peacebuilding context:

The institutional, conceptual and situational context of Southern Somalia has evolved significantly since the design and launch of the Government Strategy for Stabilization in the years 2013/2014 and the subsequent inception of this project in the first half of 2014.

In the first instance, the federalization process has advanced considerably with the formation of new Federal Member States (FMS), namely the States of Jubbaland, South West, Galmudug and Hirshabelle. With this new level of governance, closer to citizens living in the concerned areas, the relationship between Government and the population is changing, offering new space for coordination and prioritization of governance interventions at the district governance level.

Additionally, in 2016 the FGS launched the Wadajir National Framework for Local Governance that articulates a four component process that articulates a process to create an enabling environment as prerequisites for launching the formation (clan-based elections) of district councils/governments. The four components are social reconciliation, peace dividends, civic engagement and local governance/district government formation. Merging the support of this Support to Stabilization project with the Wadajir Framework for Local Governance (WF) is the required and logical course of action.

In terms of territorial control and access, the offensives by the Somalia National Army (SNA) and the African Union Mission in Somalia (AMISOM) forces against Al-Shabaab (AS) have delivered mixed results. From the 25 districts targeted under the 2014 offensives, 15 are considered liberated while two, that had been liberated, have fallen back in the hands of AS. However, even in liberated areas, access and security remain challenging with some districts encircled and blockaded by AS and/or under direct threat. This situation complicates access for government and project staff as well as security on the ground, with air travel often the only option to reach certain districts. Furthermore, police deployment to the target areas has been problematic due to lack of equipment and facilities, which were expected to be provided from sources other than this project.

With the formation of the States, the Federal Government appointed District Caretaker Administrations, have been replaced by State Government appointed Interim District Administrations. This has rendered the distinction between caretaker and interim administrations less relevant and requires the project to adapt our support accordingly. Consequently, the project revision will provide for support to the transitioning of the appointed interim administrations to elected district governments. This support will be in line with the Somali Governments' Wadajir Framework on Local Governance and particularly component 4 "District Council Formation" of said Wadajir Framework.

With the formation of the States and the establishment of the WF the FGS, led by the Ministry of Interior and Federal Affairs/Federalism (MOIFA) and the State Governments, led the respective Ministries of Interior (MOIs) undertook a consultative process that resulted in the identification of 26 districts where the formation of district

councils/governments would be / is prioritized. The implementation of the WF was also prioritized in this target districts. The recently SDRF approved PBF funded Daldhis (Build Your Country) programme documents also utilizes these identified in which the programme draws its' geographic focus.

With the above articulated factors has led to an expansion of programmes into the States and priority districts. Among those are the UN Joint Programme on Local Governance (JPLG), the UN Joint Programme on Rule of Law or the UN Joint Programme on Youth Employment, which have all included the prioritized districts in the geographic scope of intervention under their 2016 to 2020 annual work plans. Important national and international actors increasingly target these areas with projects directly related to the support to stabilization. This is the case for instance of the US State Department; USAID with its ongoing TIS+ programme⁴ and its OTI programme⁵; the Somalia Stability Fund, currently planning its second phase of implementation; or the European Union. These donors all support peace dividend projects, reconciliation initiatives and district council formation activities in the newly the prioritized liberated districts.

At the same time, while alternative administrative arrangements had to be put in place at the initial stages of this project; as a measure of liability⁶, the use of the National Window financial procedures by the project is now a reality and has shown its potential for building government reach, legitimacy and accountability. To realize this potential effort are having been implemented over the past 18 months to further improve and adjust the implementation of these procedures taking into account the reality on the ground, including the FGS launch of the Governments' Public Finance Management (PFM) policy and the corresponding State Government PFM guidelines. In addition, the PBF Ministry of Finance / UNSOM supported \$2 million funded project PIU/SFF (Somalia

⁴ USAID's TIS+ (Transition Initiatives for Stabilization +) aims to increase Somalia's stability through participatory processes that promote good governance and community cohesion with a continued focus on quick impact stabilization activities at the district and community levels in the newly emerging states, specifically Jubbaland and South West States at first. At the same time, TIS+ aims to support Somalia's goal of moving from crisis response and stabilization to medium and longer-term development by facilitating joint planning between community, government and private sector actors on shared goals. TIS+ boasts a funding level of US\$ 66.9 million for the period May 2015 to May 2020.

⁵ USAID's OTI provides timely, post-military offensive interventions that address immediate recovery in communities following their liberation from al-Shabaab. It helps deliver the "security dividend" of tangible results to districts, including equipment for local administrations, youth activities, reconciliation events, etc. Activities aim to enter a new area after it is recovered from AS, and lay the groundwork for the TIS+ community-driven development model.

⁶ The Government component of the S2S project was originally meant to be financed through the National Window whereby funds from the PBF were to go directly to the Treasury of the FGS; and structurally managed through the SDRF – UNMPTF national stream, taking advantage of the arrangements in place between the Multi-Partners Trust Fund Office (MPTF Office) and the Ministry of Finance of Somalia, as well as the exception agreed between PBSO and MPTF Office to channel PBF resources through the government National Window utilizing Government financial systems. Expenditure would then follow the processes agreed with the Central Bank. After negotiations on the appointment of a fiduciary agent initially stalled, a decision was taken in May 2015 to have the totality of the PBF funds transferred to UNDP which, in turn, would serve as managing agent for the Government funds utilizing the modality of a Letter of Agreement (LoA) between UNDP and the FGS Ministry of Interior and Federal Affairs. However, once UNDP transfers funds to the Central Bank, the Government financial procedures for project expenditures remain the same. The Federal Ministry of Interior and Federal Affairs and UNDP Somalia have now concluded that the project funding process should return to the original funds transfer modality (PBSO-Treasury of the FGS) from MPTF Office to Federal Government of Somalia effective 1 January 2017.

Financial Facility) as well as other projects have started utilizing the National Window financial support modality, testing financial flows between various governance levels and ultimately contributing to the establishment of a financially functional and accountable federal system.

The policy and conceptual framework for stabilization in Somalia has also significantly expanded since 2013/14. Firstly, at national level and as mentioned above, the *National Framework for Local Governance* or *Wadajir Framework* (WF) was officially launched by the President of Somalia on 19 March 2016 after extensive consultations led by the Federal Ministry of Interior and Federal Affairs (MoIFA) with national counterparts and relevant partners. The WF presents four separate but interconnected and complementary components – Social Reconciliation, Peace Dividends, Civic Engagement, Local Governance and a fifth cross-cutting component of Communication – as a framework to guide the process of building citizen-owned and supported inclusive local reconciliation and social cohesion efforts and related governance structures in the form of district councils in Somalia and hence contribute to achieving peace and security. It is broadly understood that the WF does not address the important sectors of security, rule of law, service delivery or economic recovery, yet the WF does incorporate the various aspects of the government's Stabilization Strategy, such as community social healing/reconciliation and support to peace committees. Furthermore, the WF does provide a sequence and additional steps for the establishment of functioning permanent local government councils and administrations. With the launch of the Framework effectively offering guiding principles and new perspectives of sustainability for ongoing stabilization efforts in the field of governance, including under this project, MoIFA and its partners have felt the need to update the Government Stabilization Strategy. While it is currently under discussion at the highest levels of Government, this revised policy is expected to move away from the military geared strategy that was predominant when it was first drafted in 2013/14. In doing so, the revised strategy will increasingly reflect the principles of engagement around community recovery and extension of state authority / accountability also adopted by the United Nations in Somalia (see below). In doing so it will address the recent establishment of the State authorities and launch of the WF, progress on the use of the National Window, revised policies and lessons learnt in relevant areas such as deployment and training of police. Given that the WF does not include programmes related to policing/rule of law and only limited socio-economic interventions, it does not represent a whole of Government approach and therefore the value of re-aligning the formal Government Strategy is to provide a capstone document to support coordination with other line ministries and stakeholders.

At the UN level, the integrated office of the RC/DSRSG has up-scaled its approach and capacity in terms of stabilization. The new Community Recovery and Extension of State Authority / Accountability (CRESTA/A) unit's approach looks at linking top down state-building with bottom up, community led recovery. As an approach, CRESTA/A represents a significant break in terms of the previous stabilization efforts, both in terms of the strategic narrative it articulates and the activities and operational aspects of the CRESTA/A unit's work. The principle supporting Somali owned and Somali led processes remains nevertheless central to the new approach.

The change is, first and foremost, in the context and intent: stabilization was based around supporting military operations led by AMISOM and Somali forces to assist the FGS and its member states in providing rapid deliverables around early recovery in

governance / peace dividends for the local population from the civilian side. As explained above, these military efforts have yielded fragile and reversible results while at the same time several Federal Member States have emerged in these areas, changing the relationship between Government (at different levels now) and the population in the districts. As a result, taking into account the changes in programmatic context (WF) and practical concerns over security, the new approach is not limited to a list of areas designated by the military but instead focusses on all areas under (nominal) control of the authorities. This is not to say military operations are disregarded, but that they represent one variable in a broader understanding of fragility and how fragility relates to community recovery and the state-building process. This in turn translates to a broad continuum and range of related programme interventions across a range of stakeholders. For the CRESTA/A unit, the main point of engagement with the FGS remains MoIFA and its state level counterparts. Aside from the Somali authorities and communities, AMISOM remains the largest actor in terms of influence and footprint in south central Somalia that CRESTA/A engages. Military operations in south central areas will continue to be a significant influence on the centre of gravity in terms of programme planning around community recovery and the continuum of programme interventions. The RC/DSRSG office acknowledges there is an expectation on CRESTA/A by key stakeholders to help support both effective policy engagement and coherence with AMISOM.

Based on these factors, three interconnected areas of engagement have been identified for the CRESTA/A unit's work; (i) *Coordination role*, (ii) *Analytical role*, and (iii) *Catalytic role*. Underpinning these three areas is the intent to promote the use of evidence based policy approach to support and inform decision making and shape programme interventions. In doing so CRESTA/A seeks to link both upstream policy coordination with community based efforts to extend the role and accountability of the state by promoting convergence in programmes to sustain progress made to date. In doing so, the overarching goal remains to support Somalis to develop social compact between citizens and their Government.

b) Rationale for and impact of this project revision:

The objective of the current project revision is twofold. Firstly, it provides increased clarity and accountability in the logical framework of the project with improved outcomes, outputs and targets, which will greatly facilitate the monitoring and reporting of the project's impact. The revision also addresses adjustments in the management of the project made necessary by the alternative administrative arrangements put in place to accommodate the issues faced in the setting-up of the National Window (see footnote above). In doing so, the intent is to promote both the principle of Somali ownership and utilize the experience and capacity gained during the initial phase of the project to enhance its overall management. Thereby moving beyond what was originally deemed appropriate during the start-up of the project to more closely match the original project concept.

Secondly, and most importantly, this revision aims to factor in the important changes in context, as described above, as well as some of the lessons learnt since the inception of the project and thereby maintain, but also increase, project relevance and impact. Issues with access and security, but also the emergence of new federal governance structures at

sub-national level, underline the need for a more clustered and sustainable approach geographically. With the further development of new, specific programmatic/conceptual frameworks for action as well as the increased number of actors active or ready to play a role in the newly liberated areas, the necessity grows for more focused, effective and catalytic interventions by the project to continue to be a central piece in stabilization efforts in Somalia. The current revision proposes to do this by creating direct linkages and aligning the project with the WF and some of its components on the one hand and the CRESTA/A approach on the other.

Concretely, this means that the project will focus on creating and supporting local district governance structures in areas of South Central Somalia recently liberated in line with the WF and the PBF Daldhis. This will entail that, in 2017, the project targets 14 of the 26 priority districts that have been identified by MOIFA and FMS MOIs. Creating and/or strengthening community-representative bodies in the government priority district areas, through a participative process and training that is in line with, the WF component 1. Creating and supporting district council formation conferences by using the existing project funding for district conference to be utilized for the pre-formation of district councils (in line with WF component 4) (originally these conferences were to transition the Caretaker Administrations to Interim Administrations). Increasing the capacity of the different levels of government in managing and coordinating stabilization effort, in particular in terms of reconciliation. The use of the National Window modality for the provision of running costs to districts will remain and be extended, with an increased role for the new State-level of governance (i.e.: the FMS), to continue contributing to building government reach, legitimacy and accountability and to establishing a financially functional and accountable federal system. Related to this, given the importance of maintaining continuity of support to fragile districts until such time when their administrations can be considered as legitimate and stable district authorities – mainly after a process of participative and representative (s)election – more flexibility will be introduced in the duration of running costs support to districts⁷. Indeed, one of the lessons learnt so far from the initial implementation of the project and the observation of the evolving situation on the ground is that the process of building legitimate district councils after the initial nomination of a caretaker administration cannot fit neatly into a fixed timeline with time-bound benchmarks. Rather, the progress of local authorities on the path to fully-fledged district councils should be measured in terms of their mandate and degree of legitimacy vis-à-vis their population. Hence, the project will continue to support existing and new interim administrations in South Central Somalia until other actors, either national or international, can take over support in view of the fully-fledged status of district authorities. This increase in duration and number of districts receiving running cost support will be moderated by the lowering of monthly allocations to districts based on the experience to date regarding adequate levels of funds needed for the running of district administrations (see activity description in section II a) below).

In addition, due to the lack of control over police deployment which requires greater operational, material and financial support beyond this project's capacity and reach, all support to police deployment and training will be removed from project activities in efforts to rationalize spending and impact. Similarly, support to the Ministry of Public Works will be discontinued under this no-cost extension; also noting that the objectives

⁷ As a reminder, a decision had already been taken by the Project Board in January 2015 and approved by PBSO to extend district administrations' running cost support from an initial 3 months up to 8 months.

of the initial support are considered reached. However, coordination with these actors, and in particular with the sectors of security and rule of law, will be ensured by MoIFA and the CRESTA/A unit under their coordination role. In this regard, it is in fact important to highlight that the project is meant to bring catalytic support to stabilization efforts in Somalia but in no way is meant to take responsibility and implement activities in all areas related to stabilization. This is also the reason why the project will continue to support building the capacity of the Government in terms of promoting reconciliation at community level, but reduce the amount of financial and operational support for the implementation of community-based reconciliation and trauma-healing activities. In this regard, it reduces the risk of duplication of effort with other stakeholders, given other important international actors such as the European Union and the US State Department are already supporting these efforts.

In addition, the project will link with the Government's WF by supporting the development of government actors' capacity – in particular MoIFA – in the implementation of activities which are explicitly part of its Social Healing, Peace Dividends and Civic Dialogues components – and of the Government Stabilization Strategy as noted above – while also contributing to its Local Governance component. The project will also fit explicitly into the CRESTA/A approach advocating for improved convergence and sequencing of programme activities. Indeed, by providing support to district administrations in recovered/fragile areas using a national window financial modality, the project is at the core of the approach in supporting efforts that merge the community recovery side (bottom up approaches) with the state authority / accountability side (more top down approaches).

II. Objectives of PBF support and proposed implementation

a) New Project outcomes, theory of change, activities, targets and sequencing:

As explained above in Section I b), one of the objectives of the current revision is to provide increased clarity and accountability in the logical framework of the project through improved outcomes, outputs and targets. Therefore, all the outcomes and outputs presented below are revised/new. However, in essence, the logic in the implementation strategy of the project remains unchanged with two main components. The first one equates in practice to the "Programme Enabler" or "National Component" of the original project proposal and translates now, under the updated project logical framework, into the first of the 2 new outcomes. The second component equates to the "Empowerment and Local Governance" or "UNDP Component" and is reflected in the second of the new outcomes.

It is noted that the component on "Revival of State-Citizen Social Contract through Peace Dividends" of the original project proposal is not reflected into a new outcome. This is because activities under this component are to be funded outside the project by other international donors and for this reason, the project cannot be held accountable for its achievement nor include it in a logframe meant for monitoring. However, the spirit of this component remains within the project as the community-based and representative bodies it seeks to establish in target districts will be used by international partners, such as

USAID's TIS+, for the implementation of their peace dividends programmes thanks to appropriate MoIFA and CRESTA/A coordination efforts⁸.

Below is the list of new Outcomes and Outputs of the project with a summary description of the activities they entail. The updated logframe further provides for targets and indicators related to each Output.

- Outcome 1: Federal, State and District-level administrations have capacity to oversee, coordinate and implement stabilization activities.

This outcome is focused on enabling the capacity by government authorities to manage and coordinate stabilization efforts. Support is entailed through the use of national funding streams, thereby strengthening accountability and legitimacy of government authorities. In effect, the outcome corresponds to the "National Window" or Component.

- Output 1.1: A coordinated and functional Stabilization team is in place at Federal and district levels

This output provides for the establishment of technical capacity at the Federal Government and district levels to undertake the planned stabilization activities through recruitment and training of staff as well as operational/logistical support.

- Output 1.2: Financial procedures for the flow of funds between the various levels of governments are implemented and allow for financial support to caretaker district administrations.

This output provides support for the oversight and accountability of transfer financial support to administration at district level (provision of running cost for district councils). Thus an external fiduciary agent will be maintained to assess the implementation of the financial management procedures developed by the Ministry of Finance

- Output 1.3: Coordination mechanisms for stabilization efforts are established with relevant stakeholders at national, state and district level

This output provides for the establishment of the coordination mechanism to undertake the support for the planned meeting and communication to ensure the relations and a defined set of roles and functions on issues pertaining to stabilization.

- Outcome 2: An enabling environment conducive to social cohesion, trust, civic participation and development led by the community is established in accessible districts.
- Output 2.1: Community representative District Peace and Stability Committees (DPSCs) are established and strengthened

⁸ In fact, project reporting will include information in this sense, in particular under Output Indicator 2.1.2 "“# of coordination meetings between DPSCs and peace dividend providers”".

This support provides for the establishment of the capacity building of DPSCs at district level to undertake their role as a framework for stabilizing districts through reconciliation, community meeting and training activities

- Output 2.2: Civic dialogue and consultations are held to ensure community participation in the formation of new district governing structures

This output provides support for the public awareness activities of the community on formation of district local councils through community dialogue session, district wide reconciling conferences, printed material, and radio web-based publicity/arts based publicity, (e.g., drama song art)

- Output 2.3: Interim district administration capable of addressing the community needs and enhancing citizen engagement through social contract by delivering reconciliation for all are established

This output provides for formation of local district council through provision of support to the (pre)conference for formation of district council (originally these conferences were aimed at transitioning the Caretaker Administrations to Interim Administrations), training for district administration, recompilation, public awareness

- Output 3: Project effectively managed

This last output was introduced to better reflect the management costs and implications for UNDP in oversight and manage some of the project activities, including those related to the UNDP contracting of a Third Party Monitor/Fiduciary Agent for the monitoring of funds and Governments' use of the National Window.

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

With the project strategy and approach basically unchanged, the Theory of Change remains valid. Through linkages and close collaboration with the authorities in charge of the WF, this project is expected to contribute to the Theory of Change laid out by the WF: "Rebuilding cohesion amongst communities, while instituting a governance mechanism trusted and desired by the population, and rebuilding a private sector that benefits all versus a select few is not something that can be accomplished in a few months. These are long-term processes. What is well known is that new efforts cannot mimic top down approaches used during past periods which proved unsuccessful. As the new FGS and the FMS / IRAs, AMISOM and bi-lateral fighters continue to gain ground and open physical space, an opportunity to 'get it right' – across all of southern and central Somalia – exists today. But to achieve this means working from the bottom up to

create a system that breaks down societal cleavages and reconstitutes the notion of working for the common good". (WF, p. 40)

b) Revised Budget:

The attached updated version of annex C provides detailed description of budget changes for each activity as well as amounts already expensed.

Table 1 below indicates the distribution of project budget per Output including the additional \$ 273,058 funding provided by UNDP TRAC to cover certain project management costs

Table 1: Indicative Project Activity Revised Budget

Output number	Output name	Output budget by RUNO
Outcome 1: Federal, State and District-level administrations oversee, coordinate and implement stabilization activities		
Output 1.1	A coordinated Stabilization team is functional at Federal and district levels	MoIFA: \$144,909 UNDP: \$158,679
Output 1.2	Financial procedures for the flow of funds between the various levels of governments are implemented and allow for financial support to caretaker district administrations	MoIFA: \$577,177
Output 1.3	Coordination mechanisms for stabilization efforts are established with relevant stakeholders at national, state and district level National, state and district level stakeholders coordinating stabilization efforts	MoIFA: UNDP:
Outcome 2: An enabling environment conducive to social cohesion, trust, civic participation and development led by the community is established in accessible districts		

Output 2.1	Community representative District Peace and Stability Committees (DPSCs) are established and strengthened	MolFA: \$ 62,528
Output 2.2	Civic dialogue and consultations are held to ensure community participation in the formation of new district governing structures	MolFA: \$ 300,434
Output 2.3	District administration capable of addressing the community needs and enhancing citizen engagement through social contract by delivering reconciliation for all are established	MolFA: \$ 367,451 UNDP: \$ 161,639
Output 3	Project effectively managed	UNDP: \$ 1318658
Total		\$ 4,396,478

The next table provides information on the changes to the project budget per category and per component ("National" and "UNDP"). It must be noted that the amounts only refer to PBF funding and do not take into account additional funding provided by UNDP TRAC and PPP.

Table 2: Project budget by UN categories by RUNO

1. Staff and other personnel	\$894,600	\$118,700	\$1,013,300	\$151,008	\$175,913	\$326,921	\$1,045,608	\$294,613	\$1,340,221
2. Supplies, commodities, and materials	\$842,900	\$82,500	\$925,400	\$425,539	(\$175,913)	\$249,625	\$1,268,439	(\$93,413)	\$1,175,025
3. Equipment, vehicles, and furniture (including depreciation)	\$0	\$50,000	\$50,000	\$0	\$0	\$0	\$0	\$50,000	\$50,000
4. Contractual services	\$0	\$593,087	\$593,087	\$1,231,065	(\$870,000)	\$361,065	\$1,231,065	(\$276,913)	\$954,152
5. Travel	\$150,000		\$150,000	\$71,348		\$71,348	\$221,348	\$0	\$221,348
6. Transfers and grants to counterparts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7. General operating and other direct costs	\$0	\$25,713	\$25,713	\$87,205	\$0	\$87,205	\$87,205	\$25,713	\$112,918
Sub-Total Project Costs	\$1,887,500	\$870,000	\$2,757,500	\$1,966,164	(\$870,000)	\$1,096,164	\$3,853,664	\$0	\$3,853,664
8. Indirect Support Costs	\$0	\$0	\$0	\$269,756	\$0	\$269,756	\$269,756	\$0	\$269,756
TOTAL	\$1,887,500	\$870,000	\$2,757,500	\$2,235,920	(\$870,000)	\$1,365,920	\$4,123,420	\$0	\$4,123,420

- c) **Capacity of any new RUNO(s) and implementing partners:**

III. Management and coordination

- a) **Project management:** *This section outlines any changes to the project management and coordination system and the rationale for it.*

While under the original proposal, project activities under the responsibility of UNDP Somalia were meant to be managed and implemented by the teams of two projects under its portfolio, namely the Community Security Project and the Local Governance Project, the UNDP Country Office was required to establish a dedicated team in order to manage and guide the implementation of the national window funds given the temporary arrangements agreed with MoIFA and PBSO. A return to the “fully-fledged” national window modality is agreed but the need for a UNDP team to provide guidance in implementation and quality insurance will remain, justifying its upholding during the length of the project.

- b) **Risk management:** *This section outlines any new risks, their likelihood and risk management strategies. Please reflect these in the table below. Please include any new Do No Harm issues in selecting specific target groups and geographic areas.*

c) **Risk management:** This section outlines any new risks, their likelihood and risk management strategies. Please reflect these in the table below. Please include any new Do No Harm issues in selecting specific target groups and geographic areas.

Table 3 – Risk management matrix

Stabilization Project - Risk Analysis					
Risk	Risk Analysis	Likelihood (*)	Impact/ Consequences (**)	Risk rating	Mitigating Strategy
"Enabler" FGS Budget Support Component					
Political risks (Contextual)	Elections, state formations, and the establishment of a new government in Mogadishu, may lead to increased political uncertainty. With the recent creation of Federal Member States, coordination between FGS and this level might be problematic	Possible (3)	Moderate (3) Implications for the project - Slow delivery of the programs - additional demands from new administrations (FGS, FMS and District) may slow the pace of project delivery. - increased cost for project implementation due the engagement of different levels of government	Risk rating (9) High	The project will closely coordinate with the FGS (MOIFA) and FM States (MOIs) on their agreed joint meetings to ensure the engagement of the all level and the management of stabilization efforts The project will also communicate with the project partners and other joint programme and coordinate the mitigation efforts.
Misappropriation of funds		Activities and payments might be difficult to control especially in the newly recovered	High		As in the Last year the project will engage third party monitor/fiduciary to implement and monitor and scrutinize the project funds on behalf of UN agencies.

		areas. (Medium).			UNDP Project Staffs will work closely and support MOIFA at EGS level in management of project financial flow and as well as will support Third Party Monitor/Fiduciary Agent to assess whether and to what extent project funds have been administered according to the criteria agreed to by the donor and the recipient in line with the UN Peacebuilding Fund Support Office (PBSO).
Operational risks (Category: Operational)	There is a possibility that government officials not have enough capacity experience in their mandate to deployment and training and well as basic functionality in district (equipment, buildings, transport, etc.).	Unlikely (2)	Moderate (3) Delay of sending quarterly narrative reports - Insufficient provision of financial supporting - Poorly managed to PBSO agreed financial procedures	Risk rating (6) Medium	The project is providing capacity building development activities to all duty bearers at federal and district level and are leading the stabilization and governance structure in the district to contribute to the project's goal and to enhance operational and technical capacity of the duty bearers. (How will the project contribute to strengthen basic functionality???? Perhaps you may need to mention specific capacity building activities that are relevant to the project.
Unclear or untraceable expenditure (Operational)	Explain the environment and the circumstances this may happen, and why (i.e. lack of internal controls, lack of the systems, and the capacity)	Likely (4)	Moderate (3)	Risk rating 12 (high)	Share standardized voucher form and provide budget The project will provide training on the financial management, templates, monitoring activities, spot checkered)
UNDP Component					
Security risk (Contextual)	Restricted of access to targeted areas remains an issue with certain districts circled and blockaded by Al-Shabaab and/or under direct threat	Likely (4)	Major (4) Implications on the project - Slow delivery of the programs	High (16) High	The project closely coordinates with UN Department of Safety and Security (UNDSS) and its counterparts and partners, where

	<p>As in the last year the project remained with negotiation with competent UN authorities the provision of UN/AMISOM facilitated air transport to areas where no public transport is available but minimum security conditions exist to allow for such transport.</p>		<p>- increased cost of the programs due to additional resources required to upgrade offices (MOSS) and accommodations (MORSS), armoured vehicles, re-scheduling activities, organizing high level activities out of the country etc. therefore less funds allocated to programmatic activities</p> <p>- risk of sub-standard quality of data and project implementation on the ground</p>	<p>possible, in teams to implement and monitor activities.</p> <p>The project will use other safe locations to conduct project activities (whenever possible) and will plan the activities well in advance in order to ensure timely and proper security measures to be undertaken. Please see below</p> <p>While we can have little influence at this contextual level, there are measure as that can be under the control of the UN/WB or Government at the programme and operations level to mitigate the risk and continue implementation of programs and projects. Such measures include:</p> <ol style="list-style-type: none"> 1. Closely coordinate the activities with the Security, UNPOL, AMISOM and government counterparts at different levels, as well as other partners; (UN/WB respectively - programs and projects, monitoring missions etc.) 2. Whenever possible, in some instances activities, meetings, workshops take place within the secured locations, or out of the country (high level activities); (program operations) 3. Outsourced monitoring of activities - third party monitoring; 4. GPS monitoring of the activities 5. Security cost embedded in the project/program budget development to ensure sufficient funds are allocated to support security related support, which enable continuity of the programs and projects.
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					6. Recruitment of security advisers (Support to Electoral Process) for national security electoral operational planning and execution (program level) 7. More engagement with CSOs; (programs and projects) 8. More funds allocated through the national systems (NFS) - transferring greater implementation responsibilities to Somali partners (UN)
Project delay due to political dispute among the communities (Operational)	Situation analysis to be provided	Likely (4)	Moderate (3)	Risk rating (12) High	Rushed conclusion of results will negatively affect the peace in long run. It is better to limit the funding and give time for local process to mature. (what mitigation measures shall the project undertake in order to reduce the residual risk? – i.e. monitoring the activities, additional support required to implement the activities in order to ensure the implementation of the activities within the duration of the project etc.)
Exclusion of some marginal groups (Operational)	To be explained why this may happen considering gender, physically challenged and minorities)	Possibly (3)	Major (4) this will have inter communal conflict if some the marginal groups left	Risk Rating (12) High	Extensive local assessment and intervention What mitigation measures does the project foresee to be undertaken in order to include the marginal groups to benefit from the project???
UNSCOM Component					
local communities fail to embrace caretaker administrators (operational)	Situation analysis to be described here	Possibly (3)	Major (4) This will have a financial and time impact on the	Risk rating (12) High)	What specific mitigation measures the project will require in addition to financial resources

			project as more time and resource for community consultation and reconciliation will be required		
Misappropriation of funds (operational)	In the Somalia context this risk This risk is assessed as High (Risk Score of [16]) and trajectory remains steady. While it is assessed that the likelihood of diversion occurring is Likely, at this stage, there is no evidence suggesting that funds are being diverted. That said, all identified drivers of such fiduciary risks (see monitoring plan) remain extant and increased disbursements have the potential to provide incentives for diversionary activities. Implementation of some preventive measures may offset reputational or partner management (organization/ stakeholder/donor) risk	Possible (3)	Major (4) •Failure to meet project/fund objectives (Funds do not meet intended beneficiaries) •Potential Reputational risks to Fund Administrators in potential mismanagement of public funds, donors for failing to monitor, and government for failing to implement transparent measures and systems. •Potential donor backlash for failure to implement preventive measures.	Risk rating (12) High	All expenditure will be closely scrutinized in the High Level Partnership Forum •Continued development towards building government capacity with regards to financial management procedures, but seek innovative short and medium term solutions to maintain transparency and limit vulnerability. • Information sharing between fund recipients and fund administrators in recording of fraud cases and other indicators •Continued monitoring and project reporting including remote monitoring supported by harmonized TPM approaches • Increased messaging and training in due diligence and fraud reporting across the aid community in Somalia, including government Information sharing between fund recipients of best practices in fraud detection/reporting and enhanced due diligence procedures • Sustained / Tailored risk management technical assistance to IPs (UN agencies, NGOs)
Delays in establishing systems	Situation analysis that may cause the risk – what are the risk	Possible (3)	Major (4) This will have time	Risk rating (12) High	Alternative mechanisms will be required for CA and IA to access funds for local

for funds flow to regions/district levels (strategic)	sources?		impact on the implementation and intended use of National window will not be effective		administrations What alternative mechanisms – explain.

Risk Category: Contextual, Strategic, Operational

Likelihood: Rare (1), Unlikely (2), Possibly (3), likely (4) and Very Likely (5)

Consequences: Insignificant (1), Minor (2), Moderate (3), Major (4), Extreme (5)

See attached annex: UNDP Format M&E Plan.

d) Administrative arrangements:(This section uses standard wording – please do not remove)

The UNDP MPTF Office serves as the Administrative Agent (AA) of the PBF and is responsible for the receipt of donor contributions, the transfer of funds to Recipient UN Organizations, the consolidation of narrative and financial reports and the submission of these to the PBSO and the PBF donors. As the Administrative Agent of the PBF, MPTF Office transfers funds to RUNOS on the basis of the signed Memorandum of Understanding between each RUNO and the MPTF Office.

AA Functions

On behalf of the Participating Organizations, and in accordance with the UNDG-approved “Protocol on the Administrative Agent for Multi Donor Trust Funds and Joint Programmes, and One UN funds” (2008), the MPTF Office as the AA of the PBF will:

- Disburse funds to each of the RUNO in accordance with instructions from the PBSO. The AA will normally make each disbursement within three (3) to five (5) business days after having received instructions from the PBSO along with the relevant Submission form and Project document signed by all participants concerned;
- Consolidate narrative reports and financial statements (Annual and Final), based on submissions provided to the AA by RUNOS and provide the PBF consolidated progress reports to the donors and the PBSO;
- Proceed with the operational and financial closure of the project in the MPTF Office system once the completion is notified by the RUNO (accompanied by the final narrative report, the final certified financial statement and the balance refund);
- Disburse funds to any RUNO for any costs extension that the PBSO may decide in accordance with the PBF rules & regulations.

Accountability, transparency and reporting of the Recipient United Nations Organizations

Recipient United Nations Organizations will assume full programmatic and financial accountability for the funds disbursed to them by the Administrative Agent. Such funds will be administered by each RUNO in accordance with its own regulations, rules, directives and procedures.

Each RUNO shall establish a separate ledger account for the receipt and administration of the funds disbursed to it by the Administrative Agent from the PBF account. This separate ledger account shall be administered by each RUNO in accordance with its own regulations, rules, directives and procedures, including those relating to interest. The separate ledger account shall be subject exclusively to the internal and external auditing procedures laid down in the financial regulations, rules, directives and procedures applicable to the RUNO.

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

- Bi-annual progress reports to be provide no later than 15 July;

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

Ownership of Equipment, Supplies and Other Property

Ownership of equipment, supplies and other property financed from the PBF shall vest in the RUNO undertaking the activities. Matters relating to the transfer of ownership by the RUNO shall be determined in accordance with its own applicable policies and procedures.

Public Disclosure

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

IRF Revised Results Framework							
Country name: Somalia							
Project Effective Dates: 01 January 2016 – 31 December 2017							
PBF Focus Area: Somalia (Jubbaland State, South West State, Galmudug State, HirShabelle State)							
IRF Theory of Change:							
Outcomes	Outputs	Indicators	Progress to date	Year 1	Year 2	Milestones	
Original Outcome 1: Federal, State and District-level administrations have capacity to oversee, coordinate and implement stabilization activities Revised Outcome 1: Federal, State and District-level administrations oversee, coordinate and implement stabilization activities		Outcome Indicator 1 a Existence of a National Window for the flow of funds between the various levels of government (Y/N) Baseline: N Target: Y					
		Outcome Indicator 1 b Value (in \$) of resources channeled through the national window. Baseline: \$0 Target: \$100,000					
		Outcome Indicator 1c Baseline: Target:					
	Original Output 1.1 A coordinated and functional Stabilization team is in place at Federal and district levels.	Output Indicator 1.1.1 # of Staff at district and federal level in place to support stabilization. Baseline: Target: 1 staff per district and 5 at Federal level					
	Revised Output 1.1 A coordinated Stabilization team is functional at Federal and district levels	Output Indicator 1.1.2 Frequency of activity reports by staff working on stabilization Baseline: 0					

[illegible]

