



**Federal Government of Somalia and United Nations Joint
Programme for Sustainable Charcoal Reduction and
Alternative Livelihoods (PROSCAL)
(Programme Initiation Phase)**



Joint Programme Document

Programme Title: UN Joint Programme for Sustainable Charcoal Reduction and Alternative Livelihoods (PROSCAL).

Joint Programme Outcome(s): PSG 4: Economic Foundations - Somali economy revitalized and expanded with a focus on livelihood enhancement, employment generation, and broad-based inclusive growth

Priority 3: Promote the sustainable development and management of natural resources by developing legal and regulatory frameworks and building capacity in key Natural Resources Management (NRM) institutions.

Expected Outputs(s): Regional Policy Framework for regulating charcoal production and trade agreed and under enforcement; Charcoal Reduction Fund established; Accelerated diffusion of energy efficient and renewable energy technologies underway; Captive plantation for sustainable reduction of charcoal established; LPG market established; diversification of income through increased crop and animal productivity and development of value added products in agriculture and livestock sectors.

Brief Description

This Joint Programme is in response to the UN Security Council resolution 2036 (2012) that seeks international cooperation to ban illegal exports of Charcoal from Somalia. The programme envisages a comprehensive response to support the Security Council resolution. The specific objectives of the programme are four : **1)** Support government in Somalia as well as countries in the Horn of Africa and the region to produce pertinent legal instruments and strengthen enforcement mechanisms at national, regional and local levels; **2)** Promote alternative sources of energy to reduce local charcoal consumption; **3)** Provide alternative livelihoods to the Charcoal Value Chain Beneficiaries (CVCBs) involved in the charcoal production and trade; and, **4)** Country wide reforestation and afforestation to regain the productive potential of the environmentally degraded lands.

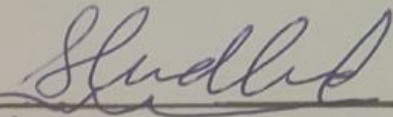

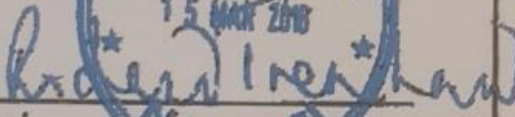

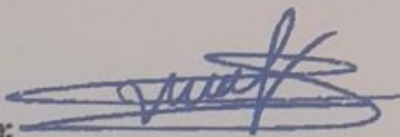
The joint programme will build on successful projects executed by UN agencies to support the ban and will use the UN joint programming modality to harmonize approaches, and maximize synergies. To this end, it will emphasize joint work plans, joint monitoring and evaluation of activities and offer a forum for policy dialogue between the governments and all partners on activities related to the ban of charcoal trade in the region. This Joint Programme will build on the proposed Programme Initiation Plan in this document, which will roll over into the Joint Programme once it is established.

Programme Duration: 9 months
 Fund Management Option(s):
 MPTF and a combination of parallel and pooled funds.
 Managing or Administrative Agent:
 UNDP
Executing Entity: DIM – UNDP, UNEP and FAO.
Proposed Implementing Agencies: Government (Federal and Regional), FAO, UNDP, UNEP, UNSOM, IGAD, IMO, NGOs and CBOs.

Sources of funded budget for Programme
 Initiation Phase: USD 689,840

- MPTF USD 584,000
- UNDP USD 105,840

Names and Signatures of National Counterparts and Participating UN Organizations

UN organizations	National Coordinating Ministry
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ACRONYMS

ABER	Area-based Early Recovery for Affected Communities
ACP	African, Caribbean and Pacific countries
AMISOM	African Union Mission in Somalia
BEFS	Bio-Energy and Food Security Approach
BRA	Benadir Regional Administration
CAP	Community Action Plan
CBO	Community-based organisations
CCAC	Climate and Clean Air Coalition
CDM	Kyoto Protocol's Clean Development Mechanism
CDM	Clean Development Mechanism
CERs	Certified Emission Reductions
CIC	Charcoal Importing Countries
CIF	Climate Investment Funds
CPD	Country Programme Document
CRF	Charcoal Reduction Fund
CVCBs	Charcoal Value Chain Beneficiaries
DFID	Department for International Development, UK
DIM	Direct Implementation Modality
E & E	Environmental and Energy
EGER	Employment Generation for Early Recovery
EU	European Union
EU-ETS	European Union Emission Trading System
FAO	UN Food and Agricultural Organisation
FCPF	Forest Carbon Partnership Facility
FFS	Farmer Field Schools
FGoS	Federal Government of Somalia
FIP	Forest Investment Programme
FLEGT	Forest Law Enforcement, Governance and Trade
GBEP	Global Bio-Energy Partnership
GCC	Gulf Countries Council
GCPF	Green Charcoal Production Facility
GDP	Gross Domestic Product
GEF	Global Environment Facility
GGWSSI	Green Great Wall for the Sahara and Sahel Initiative)
GIS	Geographical Information Systems
GPL	Government of Puntland
GROLS	Governance, Rule of Law and Security
GSL	Government of Somaliland
HDE	Human Development and Economic
HDI	Human Development Index
HDI	Human Development Index
IASC	Inter Agency Standing Committee
ICRAF	International Centre for Research in Forestry
ICTRC	International Charcoal Trade Regulatory Committee
IDPs	Internally Displaced Persons
IFES	Integrated Food-Energy Systems
IGAD	Inter-Governmental Authority on Development
IJA	Interim Jubaland Administration
ILRI	International Livestock Research Institute

IMO	International Maritime Organization
INGO	International NGO
ISF	Integrated Strategic Framework (2014-16), UN Somalia
ISWA	Interim South West Administration
IUCN	International Union for Conservation of Nature
JNA	Joint Needs Assessment
JPLG	Joint Programme on Local Governance
JPLG	Joint Programme on Local Governance
KWh	Kilo Watt-hours
LDC	Least Developed Country
LOA	Letter of Agreement
LPG	Liquefied Petroleum Gas
m/s	Meters per Second
MDGs	Millennium Development Goals
MEAs	Multilateral environmental agreements
MEs	Micro-Enterprises
MFA	Ministries of Foreign Affairs
MFP	Ministry of Finance and Planning
MINS	Ministry Interior and National Security
MIS	Market Information Systems
MOU	Memorandum of Understanding
MPI	Multi-dimensional Poverty Index
MRV	Measurement, Reporting and Verification
MTI	Ministry of Trade and Industrialization
MW	Mega-Watts
NASA	National Aeronautics and Space Administration
NCA	Norwegian Church Aid
NGO	Non-Governmental Organization
OIC	Organization of Islamic Countries
OPM	Office of the Prime Minister, Environment Directorate
PDCC	Policy Development Coordination Committee
PES	Payment for Ecosystems Services modality
PL	Puntland
PNTD	Participatory and Negotiated Territorial Development
PREP	Poverty Reduction and Environment Programme
PROSCAL	Programme for Sustainable Charcoal Reduction and Alternative Livelihoods
PSD	Private Sector Development
RCMRD	Regional Centre for Mapping of Resources for Development
RCMRD	Regional Centre for Mapping of Resources for Development
REDD	Reducing Emissions from Deforestation and Forest Degradation
RPOs	Regional Programme Officers
RS	Remote Sensing
SAFE	Safe Access to Firewood and Alternative Energy
SC	South Central
SCF	Strategic Climate Fund
SG	UN Secretary General (SG)
SIDP	Somali Institutional Development Programme
SL	Somaliland
SMEs	Small and Medium-Enterprises
SOREDA	Somaliland Renewable Energy Development Association
SRSO	Special Representative of the Secretary General of the United Nations

SWALIM	Somalia Water and Land Management Information System
SWHS	Solar Water Heater System
SWOT	Strengths Weakness Opportunities and Threats
TFG	Transitional Federal Government
TOR	Terms of Reference
UAE	United Arab Emirates
UK	United Kingdom
UNCT	United Nations Country Team
UNCTAD	United Nations Conference on Trade and Development
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFCCC	UN Framework Convention on Climate Change
UNHABITAT	UN Human Settlement Programme
UNIDO	United Nations Industrial Development Organization
UNSOM	UN Assistance Mission in Somalia
USA	United States of America
USAID	United States Agency for International Development
USD	United States Dollar
WFP	World Food Programme

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1 SITUATION ANALYSIS

Charcoal making and its export from Somalia have been in practice since pre-colonial times to meet local and regional energy requirements and provide livelihoods opportunities for Charcoal Value Chain Beneficiaries (CVCBs). However, the unscrupulous plunder of forest and range resources for charcoal production has been witnessed during the last two decades. The breakdown of state institutions in 1991, protracted conflict, weakening of traditional systems of decision-making, vague tenures or resource ownership, illegal imports of huge quantities of Somali charcoal by neighbouring countries of the region, absence of alternative sources of energy and limited livelihoods options for a large “warring & marginalised” population has led to unsustainable production, trade and use of charcoal. In recent years, charcoal became the most sought after commodity to fuel the war economy with militia groups generating revenue in excess of USD15 million per annum from illegal exports¹. As such, a multitude of complex issues surround the production of charcoal in Somalia leading to triple threats - in the forms of irreversible environmental degradation, perpetual conflicts and dependence on short-term income from an unsustainable livelihood option. Realisation of these multifaceted issues resulted in imposition of a ban on the import of Charcoal from Somalia by the UN Security Council² in February 2012.

Understanding the peculiar context of charcoal problems in Somalia is as important as coming up with a response strategy to address these problems. The major problems can be grouped into five main areas that broadly provide the basis to contextualise the enormity of charcoal challenges in Somalia. These are:

- i) *Environmental un-sustainability challenge;*
- ii) *Volatile political situation, insecurity, enforcement and institutional decay challenge;*
- iii) *Outstripping Regional demand challenge;*
- iv) *Rampant Poverty and lack of livelihoods challenge; and*
- v) *Skewed energy mix and outstripping local charcoal demand challenge.*

1.1 Environmental un-sustainability challenge

On land and offshore, Somalia possesses important and some unique natural resources within its varied bio-geographical zones³. At the same time, however, the country is not well-endowed with natural resources which means that particular care needs to be taken in their management. This, unfortunately, has not been the case and there is a dismal history of resource over-exploitation for personal or clan-based gains. The most rapid degradation has been of forest and range resources that provide the raw material production of charcoal in Somalia - extracted predominantly from slow growing dry deciduous bush land and thicket species of *Acacia* and *Commiphora*.

Degraded rangelands due to tree felling to meet the increasing charcoal demand are a common sight across Somalia. The north-east and north-west regions are impacted most due to steep

¹ “Report of the Monitoring Group on Somalia and Eritrea”, in response to UN Security Council Resolution 1916 (2012) SC/2011/433 – 18 July 2011.

² UN Security Council Resolution 2036 (2012).

³ UNEP: The State of the Environment in Somalia, 2005.

topography and occurrence of frequent flash floods leading to the formation of deep gullies. Land degradation is most advanced around the main ports, water holes and wells, where the diminished carrying capacity of the rangeland no longer supports the feeding requirements of the animal populations. As such, the capacity of denuded rangelands to sustain the pastoral economy is already under irreversible loss threatening the medium to long-term sustainability of pastoral systems. A recent study by Food Agriculture Organisation (FAO) / Somalia Water and Land Management Information System (SWALIM) for Puntland estimates the annual rate of *Acacia bussei* decline at about 5% in Puntland, and this rate seem also to be applicable across Somalia. According to a WSP report, the charcoal output of north-east Somalia in 1996 was estimated to be in the order of 4.8 million sacks [each weighing 25-30 kg]. Producing such a volume, required cutting approximately 2.1 million *Acacia bussei* trees. At an average density of 60 trees per hectare, this translates into a deforestation rate of 35 000 hectares of land per year⁴. Extrapolating the above figures for production of the 10 million sacks of charcoal produced in the South Somalia during 2011 [only export], means felling 4.375 million trees or clearing 72 916 hectares of land. Considering the above mentioned extent of *Acacia bussei* tree felling in Somalia and no re-plantation, this species was placed on the Red List of threatened species in 2009⁵ by the International Union for the Conservation of Nature (IUCN).

The increasing loss of the natural resource base throughout Somalia is a key contributing factor in determining the severity of Humanitarian Crises— as evidenced during the most recent drought event to hit the region in 2010, the impacts of which are still in effect today. The centuries old coping strategies employed during periods of drought in the arid/semi-arid climate of Somalia are increasingly becoming impractical as resource depletion removes the natural resource assets which are heavily relied upon during drought events. The evergreen drought-tolerant indigenous vegetation species, that provides feedstock to the pastoralists during drought years, has been lost to the demands for charcoal. The resilience and coping mechanisms of communities and their livestock are currently reduced to a level where even a low-intensity drought cycle forces them to face huge losses and depend on external assistance. The shocks from such natural disasters are unprecedented and the 2010 drought provides the evidence of the severity and magnitude of such events when over 4 million Somalis (40% to 50% of total population) and millions of unaccounted for livestock population were impacted. With Somalia ranked at number 7 out of 233 countries and regions in global ranking⁶ to the impacts of the climate change - the losses due to such recurring shocks will only increase in the future unless determined efforts are made to enhance the coping capacities of the large vulnerable population.

1.2 Volatile political situation, insecurity, enforcement and institutional decay challenge

Across the territory of Somalia, a variety of political, militia, clan-based and administrative entities seek to govern. Despite some fourteen attempts made by the international community to sponsor national peace processes, none of the governments that emerged have succeeded in establishing an authority or broad legitimacy among Somalis. At present, Somalia comprises three Federal States [Interim South West Administration (ISWA), Interim Jubaland Administration (IJA),

⁴Somalia Report, 2011. Charcoal Trade Stripping Somalia of Trees. www.somaliareport.com.

⁵<http://threatenedplants.myspecies.info/sites/threatenedplants.myspecies.info/files/Acacia%20bussei.pdf>

⁶ Center for Global Development; 2011-12 Rankings of the impacts of Climate Change.

Galmudug Administration (GI)] under the control of the Federal Government of Somalia (FGS), one emerging state from Hiiraan and Middle Shabelle, the semi-autonomous Somali State of Puntland; and, Somaliland, which unilaterally declared itself an independent republic in 1991. While interlinked ethnically and economically, each of these regions has evolved differently with varying levels of stability, development and governance. Large areas of all the regions are ungoverned by formal structures and institutions. Two decades of political instability coupled with protracted infighting has resulted in widespread insecurity. The political instability, statelessness and insecurity has led the local population to turn towards extractive use (or abuse) of natural resources to meet their basic needs, such as charcoal and fuel wood for energy and to earn livelihoods from the illegal export of charcoal.

The political instability also impacts the ownership and sustainable use of natural endowments. In Somali society, pastoral lands have always been deemed a common good – range land is claimed by clans and not individuals so land conflicts in the pastoral setting are usually matters of power struggles between two clans. In cases where one clan gains an upper hand, neighbouring clans can be pushed out of prime range land and lose access to their own water wells and other valuable natural resources. The civil war and state collapse accelerated the struggle for land, replacing title deeds (and traditional mechanisms of land allocations) with the use of semi-automatic weapons as an instrument of choice for appropriating land from weaker groups. For example, land grabbing in the 1990s did not involve militia taking up land-based livelihoods themselves, which is seen as a low-status occupation, but instead involved laying claim to harvests⁷. This practice is also evident in the production and trade of charcoal. The influential traders and militia groups do not engage in the charcoal production process, but instead act as intermediaries in the charcoal “Supply and Demand” chain in order to extort income. The hard labour, local selling and distribution are carried out by the poorer members of society who are considered to be of low status in Somali society. For a bag (25-30kg) of charcoal that sells at USD 12 in the Middle East, only USD 1-2 is paid to the labourer producing the charcoal, while the balance is shared by the traders, militia groups and transporters. Similarly, only USD 2 to 3 is shared between the producer and vendor (generally women) for a bag of charcoal that is sold at USD 8 in the local markets of Somalia.

A prohibition was passed in 1969 preventing the export of charcoal and firewood. The prohibition remained loosely implemented and after the onset of civil war, export oriented charcoal production multiplied and has expanded rapidly ever since. The Horn of Africa Relief and Development Organization (Horn Relief) launched a successful campaign to salvage old-growth forests of acacia trees in the North Eastern part of Somalia. The organization trained groups to educate the public on the permanent damage created by the production of charcoal. In 1999, Horn Relief coordinated a peace march in Puntland to put an end to the so-called "charcoal wars." Consequently, in 2000 the Puntland Government prohibited the exportation of charcoal. The Puntland government has since enforced the ban, which has reportedly led to an 80% reduction in charcoal exports from Puntland. However, charcoal production subsequently shifted entirely to South and Central regions of the country. The ban was also imposed by the government in Mogadishu for South and Central regions in 2000, but without any enforcement. In 2010, the Transitional Federal Government (TFG) of Somalia re-imposed the ban considering charcoal trade as a main source of income for the extreme groups and cause of environmental destruction.

In the absence of an effective government, many traditional forms of natural resource management and enforcement mechanisms have been abandoned or are currently ignored. In many instances,

⁷ UNDP Human Development Report, Somalia, 1998.

this results in the unsustainable exploitation and loss of natural resources, and exacerbates existing socio-economic and political tensions – this is evident for example in the areas surrounding Kismayo⁸, a hub of charcoal production, where rapid deforestation occurred. In addition institutional capacities are extremely weak, with governing institutions operating without any policy or legal instruments for sound environmental management. Subsequently there is a need for a comprehensive assessment of institutional capacities, including all traditional and new legal instruments concerned with the management of natural resources. This will enable to accurately determine the degree of support required to build institutional capacity.

1.3 The challenge of outstripping Regional demand

Charcoal production in Somalia has been in existence for centuries, and it has been a widely accepted practice to export charcoal from Somalia to countries of Arabian Peninsula. Between 1991 and 2000, around 90 000 tonnes of total charcoal production was exported to the Gulf Countries per annum, which increased to 250 000 tonnes in 2011⁹. One of the main factors for the increase in charcoal trade was the result of replacement of lost income from the ban on livestock exports from Somalia to Saudi Arabia. The livestock export ban was imposed in 2000 after the outbreak of rift valley fever resulting in poor animal health. Since livestock exports is the mainstay in Somalia's economy - and also as a source of employment, income, foreign exchange, government revenue, and food imports - the ban on livestock prompted households to turn to wood-cutting and charcoal-making to generate income, which accelerated the deforestation. Notably, the livestock ban also resulted in leaving millions of extra un-exported animals on the rangeland, which coupled with frequent droughts [2000, 2008 and 2010], compounded the degradation process. Saudi Arabia lifted the ban on Somali livestock imports in 2009, and livestock exports resumed, with 4.2 million livestock heads exported in 2010. Unfortunately exports fell again in 2011 due to drought, putting Somali pastoralists under renewed livelihood stress¹⁰.

Until recently the Al-Shabaab group had been safeguarding a well-established supply and demand chain of charcoal trade from Somalia to Gulf Countries in return of “rent” from those using the ports controlled by the group. Charcoal had been termed as “black gold” by the extremist group representing revenues in excess of USD 15 million a year¹¹. Somali owned and operated companies, engaged and protected by Al-Shabaab, interfaced with the authorities and markets in the Gulf Countries. The owners of these companies are described as ideological affiliates of Al-Shabaab, who prefer to collaborate with partners who share their ideological orientation. There are also unfounded reports that charcoal from other neighbouring countries were routed to Al-Shabaab controlled ports and labelled as Somali charcoal.

The charcoal trade is also closely linked with the importation of sugar and other commodities to Al-Shabaab controlled areas. Many vessels offload commodities at Kismayo before loading vessel with charcoal for their return journey. According to the UN Sanctions Monitoring Group, estimates of the total volume of sugar imports in southern Somalia were between 20 000 and 40 000 tonnes

⁸ Getting the stock piles of charcoal exported out of Somalia from Kismayo has emerged as a major issue after Kenyan/AMISOM forces recovered the port city from Shabaab group in August 2012. The President of Federal Somalia has re-emphasised the need for effective ban on Charcoal Exports from Kismayo.

⁹ <http://news.bbc.co.uk/2/hi/8345370.stm>

¹⁰ http://www.somaliareport.com/index.php/post/370/Livestock_Exports_Drop_Dramatically_in_2011. Due to drought some 4.5 million livestock heads died in Somaliland during 2011, inflicting a loss of USD 64 million to farmers-
http://sabahionline.com/en_GB/articles/hoa/articles/features/2012/08/24/feature-02

¹¹ The estimates are from the UN monitoring group report to the Security Council (S/2011/433). These are conservative estimates.

per year, most of which is imported from the port of Kismayo and smuggled overland to neighbouring countries, particularly Kenya. Import taxes on this trade generated revenue in the range of USD 400 000 and 800 000 per year for Al-Shabaab. Other commodities imported using charcoal vessels include milk powder, vegetable oil, wheat flour (as well as some high value goods such as electronics and vehicles).

The recent advances of the African Union Mission in Somalia (AMISOM), Kenyan, Ethiopian and Somali forces and recovery of areas from the Shabaab group has changed the trade dynamics around charcoal. Backed by the UN Security Council ban, there are already media reports that millions of tonnes of charcoal cargo is lying at the ports or jetties. The port town of Kismayo is reported to have stacked up approximately 4 million charcoal bags (approximately 100 000 tonnes). The newly sworn in President is under immense pressure to side with the businesses behind the charcoal trade, lift the ban on charcoal exports [set by the UN Security Council] and clear the stacked up quantities. This move has been resisted so far and perhaps is an evidence of the fact that the new government in Mogadishu sees it as a window of opportunity to end to the illegal charcoal exports to other countries. For the international community, it is important to support the efforts of the new government through capacity building for enforcement, regional cooperation and securing support from Gulf Countries Council (GCC) to establish alternate businesses to absorb the CVCBs who have been exploited in their efforts to keep up with market demands.

1.4 Rampant Poverty and lack of livelihoods challenge

One third of Somalia's population¹² lives in extreme poverty and the average life expectancy is 47 years. UNHCR estimates that 1.38 million people are displaced and in need of emergency support. One fifth of the population is internally displaced and 2.4 million people are in need of emergency support. Women, youth and children suffer the effects of poverty and conflict disproportionately. One in 10 Somali women is at risk of dying during her reproductive years, 1 young male out of every 5 will be killed by the age of 29, and 1 in 10 children die before their fifth birthday. Somalia ranks 99 out of 104 countries considered in the Multi-dimensional Poverty Index (MPI)- 81.2% people are multi-dimensionally poor. Among Arab states, Somalia has the highest MPI value (51%), followed by Comoros (41%) and Mauritania (35%)¹³. Somalia has one of the lowest Human Development Index (HDI) in the world. Lack of national Government, civil war, frequent droughts and epidemics of diseases are the root causes of widespread poverty.

These figures point towards the gross under-development in Somalia with highly unfavourable living conditions and an overall lack of opportunities to achieve sustainable livelihoods for the major segment of the population. Low development indices also reflect the vulnerability of the population (particularly youth and women) to exploitation by a handful of influential groups and individuals. People are forced to turn towards extremist activities or unsustainable livelihoods options, such as charcoal production, to survive. It is estimated that some 41 000 persons¹⁴ are engaged in the charcoal value chain. Almost all charcoal retail is undertaken by women [earning less than one dollar per day], with some women financing charcoal production in order to

¹² Exact population figures for Somalia are not known. Some sources put the extrapolated figures at 8 million and other at 10 million.

¹³ UNDP Human Development Report, 2010.

¹⁴ FAO estimates 300 person days of employment / terrajoule of charcoal, which comes to some 8.3 million person days of employment or employment of 41 400 people [at 200 days of employment/person].

supplement their income. The situation indicates the forced adoption of charcoal as a means of a livelihood strategy in the absence of alternate opportunities.

Charcoal Value Chain Beneficiaries (CVCBs) include: producers, labourers, input suppliers, loaders, truck owners, truck drivers, small transporters, creditors, whole-sellers, retailers, exporters, importers, vessels owners, labourers on vessels, stove makers, stove retailers, tool retailers, scrap metal collectors and traders, clan leaders, Government officials, and consumers in Somalia as well as importing countries. The analysis of data collected during the programme formulation indicates that in this chain of beneficiaries, an average 5 persons (mainly young men) burn two trees in about 7 days [2 days for cutting the logs and setting the kiln, 3 days for the kiln to operate and 2 days for packing] and at the end get 5 sacks [each weighing 25 kg] of charcoal. Each sack sells at USD 4 at the production site, which means an income of USD 20 for 5 people for 7 days of work- meaning an income of 50 cents per person per day (assuming that they are fully engaged for 30 days a month in this job). This income is 50% less than the income poverty line set by the World Bank (USD 1 per day). The charcoal collectors (mini truck owners) have to visit several kilns in the area, as the business is spread over the entire range due to the sparse population of trees, to make a full mini-truck load containing about 30 sacks. The transportation charges from kiln to nearby charcoal collection point on the road are USD 1 per sack, which means that truck drivers earn a maximum of USD 30 per truck load. Out of this, the owner has to pay for the cost of fuel (USD 1 per litre), maintenance of the vehicle, charges for the loader and driver. The charcoal that ends up in the local market, main urban areas, is sold by women retailers. These women retailers are at the mercy of whole-sellers who bring charcoal from the rural areas to urban centres and pay only USD 1 per 25 kg of charcoal to the women retailers.

Interviews with the representative beneficiaries (producers, small transporters, loaders and retailers) revealed they enter into the charcoal business due to a lack of alternative livelihood opportunities and not as a matter of choice. People do not engage in charcoal production willingly as it is a stigmatized income-generating activity which few would admit to engaging in. Rather, charcoal production is a ‘last resort’, environmentally destructive coping strategy. The cycle of poverty facilitates increased exposure and uptake of *Khat* chewing, joining militia groups and engaging in other social evils. Overcoming these challenges requires providing alternative income-generation opportunities to the “links” in the value chain that comprise subsistence workers or sellers. In parallel, enforcement, awareness and capacity development should be targeted towards the influential “links” in the value chain, such as traders, whole sellers etc., to effectively curtail charcoal production.

1.5 Skewed energy mix and outstripping local charcoal demand challenge

Somalia has untapped reserves of numerous natural resources, including uranium, iron ore, tin, gypsum, bauxite, copper, salt and natural gas. Due to its proximity to the oil-rich Gulf Arab states, the country is also believed to contain substantial unexploited reserves of oil. A survey of North-East Africa by the World Bank and UN, ranked Somalia second to Sudan as the top prospective producer of oil. An oil group listed in Sydney, Range Resources, anticipates that the Puntland region has the potential to produce between 5 to 10 billion barrels of oil. As estimated in 2011, Somalia has 5.66 billion cubic meters of natural gas¹⁵. Multi-national companies are excited

¹⁵ www.indexmundi.com

about the prospect of finding petroleum and other natural resources in the country. However, any developments in this sector may not be easy to achieve given the possibilities of eruption of conflicts among Somalis for the control of resources.

Despite being resource rich, Somalia's energy sector is grossly underdeveloped. Biomass resources currently provide over 95% of Somalia's primary energy source for households. The rural and nomadic communities rely on firewood whereas the urban and higher income population rely on charcoal. Over 95% of the charcoal stoves used in Somaliland are inefficient with thermal efficiencies in the range of 18-22%¹⁶. Charcoal is used as a cooking fuel by 38.8% of the households and 59.8% of people still rely on firewood as a cooking fuel¹⁷. However in urban areas 73.9% of people use charcoal as a cooking fuel whereas only 21.2% of rural and nomadic population use charcoal as a cooking fuel¹⁸. Kerosene and Liquefied Petroleum Gas (LPG)¹⁹ are also being used by rich upper middle class households for cooking at a limited scale, with kerosene primarily used by rural and nomadic households as an alternative for firewood. Since 2005, out of the total charcoal production 80% is exported to neighbouring and Middle Eastern countries²⁰.

Apart from its biomass resources, Somalia also has good solar and wind energy potential. The solar energy resources range from 5 to 7 Kilo Watt-hours (kWh)/m²/day with over 310 sunny days in a year²¹. However, the use of solar energy is limited with only a small numbers of solar photovoltaic and solar thermal systems. Somalia is also characterized by strong wind regimes suitable for wind energy conversion. The annual average wind speed range from 1.5 to 11.4 Meters per Second (m/s)²². Generally wind regimes with speeds above 5 m/s annual average are considered to be highly attractive, particularly along coastal areas, for utilization of wind energy. The hydropower potential in Somalia is estimated to be around 100-120 Mega- Watt (MW)²³.

The current charcoal value chain employs production practices that are highly energy inefficient. Consequently there is scope for improvements to make the charcoal value chain more sustainable at the local level. The charcoal production from woody biomass is typically through pit kilns or surface mount kilns,²⁴ both of which are energy inefficient, with 10% and 20% charcoal conversion efficiency. These kilns could be substituted by improved charcoal production systems which have conversion efficiencies in the range of 35% to 40%. There could also be savings in charcoal handling and transportation to avoid crumbling and pulverization²⁵.

Analysis of available energy sources, current reliance on biomass and the feasibility for renewable energy interventions, reveals that there is a huge opportunity to diversify energy sources and use and deliver efficiency gains in energy use through reducing reliance on charcoal and firewood and introducing alternative sources of energy such as wind, solar, LPG, biogas, hydro and high efficiency thermal generation and distribution systems.

¹⁶ Ministry of Pastoral Development and Environment, Somaliland and Candlelight for Health, Education and Environment, 2004, Impact of Charcoal Production on Environment and the Socio Economy of Pastoral Communities in Somaliland.

¹⁷ AFREPREN/FWD, 2007, Establishment of an Energy Sector Database for Somalia, UNDP Somalia;

¹⁸ AFREPREN/FWD, 2007, Establishment of an Energy Sector Database for Somalia, UNDP Somalia

¹⁹ Mixture of Propane – C₃H₈ and Butane – C₄H₁₀ used for cooking and transportation applications

²⁰ UN and WB, 2006, Somali Joint Needs Assessment: Productive Sectors and Environmental Cluster Report;

²¹ Based on remote-sensed energy meteorological data from NASA's Langley Research Centre;

²² Based on remote-sensed energy meteorological data from NASA's Langley Research Centre

²³ International Renewable Energy Agency (IRENA), 2012, Renewable Energy Country Profile: Somalia

²⁴ United Nations Environment Programme (UNEP), 2005, The State of the Environment in Somalia: A Desk Study;

²⁵ Kitui Evans, Undated, Sustainable Charcoal Production and Use: A Systems Approach

1.6 Conclusion

The five challenges covered in the situational analysis are the major impediments to effective enforcement of the ban on charcoal trade and production in Somalia. The diagnosis of earlier attempts to enforce a ban suggest that these were partial and did not consider all elements surrounding the unsustainable charcoal trade and production. These attempts exclusively focused on issuing legal instruments banning the trade and production with absolutely no provisions to holistically support the enforcement mechanisms, particularly, in a crisis context prevailing in Somalia. This consequently resulted in an increase in illegal exports of charcoal from Somalia that has become a **regional issue** with major part of the trade volumes ending up in neighbouring countries accessible by sea and land routes. Furthermore, the livelihood of CVCBs was not taken into account, nor were alternative sources of energy provided for the poor communities, particularly women in urban and rural areas who are using charcoal for cooking. There are obvious lessons from the failures of the past, which require a move away from a fragmented approach of imposing bans, to an integrated approach that addresses the root causes of charcoal production at national and regional levels.

Given the complexity of the challenges, it is imperative that the government in Somalia (Federal and Regional), the UN and other key stakeholders and partner, reach swift agreement on a comprehensive set of interventions that are strategic and mutually supportive for reducing charcoal production while promoting improved livelihoods opportunities and natural resource management. A proposed set of interventions are put forward under the Programme Strategy section of this document. These interventions intend to comprehensively address the challenges outlined above and implement interventions that achieve the objectives of the first phase (2015-17) of the programme.

2 OBJECTIVES OF THE JOINT PROGRAMME

The overall goal of the programme [hereafter referred as PROSCAL] is to promote energy security and more resilient livelihoods through a gradual reduction of unsustainable charcoal production, trade and use. The programme has four major objectives, namely:

- To mobilize key stakeholders in the region and build institutional capacity among government entities across Somalia for the effective monitoring and enforcement of the charcoal trade ban, the development of an enabling policy environment for energy security and natural resources management;
- To support the development of alternative energy resources; and,
- To facilitate – for stakeholders in the charcoal value chain – transition towards livelihood options that are sustainable, reliable and more profitable than charcoal production.
- To start reforestation and afforestation throughout the country for the rehabilitation of degraded lands.

The interventions planned under the programme would trigger local economic opportunities, and thus reduce poverty, halt environmental degradation, improve energy security, enhance climate and livelihood resilience, promote social equity amongst vulnerable groups (youth, Internally Displaced Persons [IDPs] and women), diversify energy sources, reduce conflict, and promote peace and development.

3 ALIGNMENT WITH NATIONAL PRIORITIES AND INTERNATIONAL COMMITMENTS

The Charcoal Programme is in line with the New Deal processes culminating in the Somali Compact, which puts sustainable development of natural resources at the forefront of the agenda for revitalizing the economy while protecting the environment. The Compact aims to foster confidence between people, communities, the state and international partners through: transparency; risk sharing; use and strengthening of country systems; strengthening government capacity; and timely and predictable aid.

The plan assumes that promoting the sustainable development and management of natural resources – e.g. developing legal and regulatory frameworks and building capacity in key Natural Resources

Management (NRM) institutions – will significantly contribute to establishing peace and maintaining stability. More specifically, the proposed programme will contribute to following target:

Joint Programme Outcome(s): PSG 4: Economic Foundations - Somali economy revitalized and expanded with a focus on livelihood enhancement, employment generation, and broad-based inclusive growth

Priority 3: Promote the sustainable development and management of natural resources by developing legal and regulatory frameworks and building capacity in key Natural Resources Management (NRM) institutions.

PROSCAL is in response to the strong commitment of the Federal Government of Somalia to address the issues of charcoal with the objectives of stopping the environmental degradation and cutting down the revenues generated by the extremists from trade in charcoal. The TFG, the predecessor to the current government, wrote to the UN Security Council in 2011 seeking support of the international community to help Somalia in banning trade of charcoal from its soils. UN Security Council passed resolution 2036 (2012) that requires the international community to ban trade in charcoal from Somalia.

The complexity around the charcoal issue has many dimensions and implementing solutions to address the charcoal problems surrounding charcoal will contribute to the multiple priority areas set by the government. For instance the enforcement of ban will have direct links with supremacy of law, livelihoods and energy component will be contributing to economic recovery and environmental protection under service delivery. PROSCAL, therefore, is a strategic intervention that encompasses many different dimensions critical for taking Somalia on path of sustainable development and peace building. In addition, PROSCAL will establish clear linkages with a number of multilateral environmental agreements (MEAs) that Somalia has ratified as part of its commitment to address environmental issues.

4 PROGRAMME STRATEGY

The Joint Programme formulation has benefited from a broad consultative process that involved all key stakeholders, including, government institutions in Somalia, heads of diplomatic missions, multi/bi-lateral donors, communities, civil society organizations, private sector, UN agencies, research and academia. The benefit of the wide and extensive consultations is that the resultant strategy/approach responds to multi-faceted challenges linked to unsustainable production and use of charcoal in Somalia.

The programme aims to successfully engage with the government in Somalia, governments of countries in the region, local communities, UN agencies, private sector and other key stakeholders to account for both the demand and supply side of charcoal value chain. The following principles have emerged as essentials for implementation of the programme:

- Strong focus on capacity building across the region to implement a mutually adopted charcoal reduction agreement;
- Setting up an institutional and policy platform with regional governments in Somalia and providing capacity support to the government institutions and local communities for monitoring, enforcement and negotiations;
- Conflict sensitive implementation that considers the needs of vulnerable groups (women, youth and IDPs) engaged in the charcoal value chain and the vested interests of charcoal traders;
- Coordination with existing actors and establishing new partnerships based on comparative advantage;
- Securing a high level of engagement and ownership by national and international partners; and,

- Demonstrating best practices to introduce alternative livelihoods with value addition in other exportable products and technology diffusion for the promotion of alternative sources of energy to improve energy security.

A critical factor for the success of the programme is the establishment of partnerships throughout the implementation period. The objective of bringing sustainable use of charcoal will not be achieved in this phase of programme, but the momentum built through partnership formation will facilitate the effective enforcement of the Security Council Ban, sharing of best practices, technology diffusion, and transition to alternative sources of livelihoods over a longer timeframe.

In specific terms, all the proposed actions for the achievement of the main objectives are grouped into 3 programme components, i.e., capacity building and regional cooperation; development of alternative energy sources; and alternative livelihoods for the CVCBs. This implementation document particularly focuses on component one on ‘Capacity building and Regional Cooperation’.

4.1 Component 1: Capacity Building and Regional Cooperation

The seven outputs of Component 1 are clustered into four categories:

- i. Development of legal framework and capacity of state institutions to enforce ban;
- ii. Regional cooperation to curb trade and promote other Somali exportable products;
- iii. Social mobilization and community development; and
- iv. Establishment of Charcoal Reduction Fund to support alternative energy and livelihood activities on a sustainable basis. Salient features of each are described as follows:

Development of Legal Framework and Capacity Building to Enforce Ban

4.1.1 Regional Charcoal Policy Framework, Legally Binding Instrument and Rules of Business for Reducing Charcoal Production

There are reports that the movement of charcoal is cross border with consignments exchanged between Somalia, Kenya and Ethiopia. Therefore, it is anticipated that restricting charcoal in Somalia will only shift the charcoal problem to other areas unless a coordinated regional effort is made to curb the charcoal movement. Kenya and Tanzania have already undertaken policy actions to regulate charcoal production. Similar actions need to be taken by Somalia and Ethiopia. It is proposed that UNEP, UNSOM and IGAD take the role for coming up with the regional instrument that serves as a legal binding for the regional countries on charcoal movement and trade. The legally binding instrument will help to regulate charcoal production and its inter-country movement. Likewise, Gulf Countries Council (GCC) needs to develop a policy framework and guidelines for banning import of charcoal from Somalia. PROSCAL will provide experts to interact with UNSOM, IGAD and GCC to develop such policy frameworks. These legal and policy

frameworks will also allow INTERPOL and International Maritime (Organisation) IMO to monitor ports, movements of charcoal in deep seas and take appropriate actions against charcoal importers and shipping lines engaged in this business.

As indicated in the situational analysis, the Somali state institutions are extremely weak and there is no mechanism to control charcoal production and trade²⁶. Previous bans have never worked as these were not designed holistically and local communities were not provided any alternative solution for energy and livelihoods. The concerned Federal and Regional Environment Ministries will be provided support of legal experts to formulate rules and regulations to regulate production of charcoal as per carrying capacity of the rangeland. These laws will be enacted by the parliament of Somali Republic and by the council of ministers in Puntland and Somaliland. Such laws will be in accordance with *Xeer*, and will cover the establishment of Charcoal Licensing Offices, allow making of charcoal from invasive *Prosopis juliflora* or other fast growing tree / shrub species, mandatory record keeping at sites and intra-district movement of charcoal, establishment of volunteer task forces for reporting charcoal production and its movement, reflect the needs of vulnerable groups (youth, IDPs and women) and permanent ban on export of charcoal from Somalia. The laws will provide disincentives for charcoal production and promote alternatives [these can be in the form of, charcoal production license fee, increased wages fixed by the Government for charcoal workers, charcoal tax at intra-district check points, forest re-plantation charges, heavy fines for illegal production and trade]. The law will also include incentives for charcoal monitoring, such as financial incentives and security for the members of Charcoal Monitoring Task Forces; and grants / tax exemptions for switching over to alternative energy options [for example, duty free import of solar and wind energy equipment, minimal taxes on LPG and its equipment, security to the private sector to invest and transfer profits to its home country, provision of security to LPG infrastructure, etc.].

An aggressive awareness campaign will be launched to sensitize the government functionaries and communities about the *Xeer* and formal laws to manage charcoal production and use. Besides drafting laws, the PROSCAL will also provide resources to advance the approval process from the newly formed parliament of Somali Republic. It will also provide support for the establishment of model District Charcoal Licensing Offices and their operations. As per need, the programme will provide resources and collaborate with other on-going programme for strengthening forest, police, customs and port authorities to restrict charcoal trade. The on-going programme teams of Access to Justice, Joint Programme on Local Governance and Community Police will be engaged for the effective enforcement and institutional capacity building.

4.1.2 Monitoring of Charcoal Production and Movement in Somalia.

The available information on charcoal production and export is limited and lacks continuity to establish trends over a period of time. The data is also scattered in various reports. It is important that the information regarding export of charcoal from various Somali ports be regularly obtained from police and customs records and other sources. With the pulling out of Al-Shabaab from all the main ports, a systematic system of reporting will help to monitor the illegal exports and impose penalties.

To monitor the impact of charcoal production on the natural vegetation, the existing Remote Sensing / Geographical Information System in various institutions will be reviewed and engaged

²⁶ Ministries of Environment in Puntland and Somaliland informed to the Project Formulation Mission in July 2012, that there are only 2-3 officers and vehicles in the Ministries and there is no Forest Guard in place to monitor rangeland / forests.

in the satellite monitoring of charcoal production sites. Through high-resolution images, it is possible to count the number of *Acacia bussei* trees per unit area and to identify and count charcoal burning sites. The PROSCAL strategy proposes to monitor tree felling and production of charcoal by two means: i) field observations made through community activists / clan chiefs, and ii) satellite monitoring. PROSCAL team will regularly analyse satellite imagery of the representative areas and report on changes occurring in vegetation cover and take stock of *Acacia bussei* tree densities. The internal production and movement of charcoal (intra-district) will be monitored through the local governments in the districts and regions, and Community Based Organization (CBOs) which will be formed under this programme, and regular field surveys and assessments. Capacities of the various state institutions will be assessed and these will be strengthened as needed. PROSCAL will also support hiring of Forest Guards, who will work closely with the CBOs and local government setup to stop illegal tree felling and collection of revenues at various check points.

4.1.3 Support to the development of enabling policies on Energy, Forestry and Natural Resources Management

The national level policies for the management of forest or rangeland resources and overcoming the energy deficit in Somalia are either non-existent or are outdated. Most of the policy instruments were framed prior to the breakdown of State institutions. These policies have no relevance to the current political and development situation in Somalia. The institutional support that is needed for coming up with the policy regimes and implement policy recommendations is non-existent. Therefore, it is important to include development of key policies within the PROSCAL framework that can establish the foundations for protecting the existing natural resource base and in some cases reversing the trend of unsustainable use of natural resources. PROSCAL will support the formulation of national policies for Sustainable Forest Management and Energy. Key national and regional institutions will be engaged to come up with the policy recommendations. The process will be inclusive that looks into the needs of stakeholders and engages those stakeholders in all phases of policy development. PROSCAL will also provide capacities to the relevant institutions for taking these policies into action.

The coordination of policy development within all relevant sectors will be ensured through the establishment of a Policy Development Coordination Committee (PDCC). Technical training of specialized units with relevant line ministries and training of government staff in drafting and revising policies will allow up-to-date sector policy frameworks to be developed in line with national priorities. In addition, workshops with relevant stakeholders will be held in order to identify key problem areas, prioritizations, solutions and action plans which can support the development of enabling policies.

Regional Cooperation to Curb Trade and Promote Somali Exports

At present the UN Monitoring Group of the UN Security Council is the only office which collects and disseminates information about charcoal trade to the UN Security Council. Likewise, the Federal Government is fully informed about the UN Security Council resolution on charcoal. However, regional cooperation on the subject, to take appropriate actions at the regional level by the concerned countries is lacking as there is no forum to discuss the issue and take necessary actions.

4.1.4 International Charcoal Trade Regulatory Committee at the Regional Level

UN Resident Coordinator Office in Somalia will take the lead in this regard, and call a meeting of the Ambassadors of regional countries. The objective will be to form an 'International Charcoal Trade Regulatory Committee (ICTRC)', which will include representation of Charcoal Importing Countries (CIC), neighbouring countries of Somalia, Special Representative of the Secretary General of the United Nations (SRSG), IGAD, IMO, members of UN Country Team, and UN Resident Coordinator. The terms of reference for the ICTRC will be drafted and agreed upon by all. ICTRC will serve as a forum to provide necessary contact information about charcoal trade actors in respective countries, facilitate issuance of necessary information to the customs and law enforcement agencies in importing countries to curb charcoal trade, facilitate information dissemination to the relevant stakeholders in importing countries, update actions to be taken to curb trade and report progress to UN Security Council.

UNEP, with the support of UNSOM, FAO and UNDP, will take lead to mobilize UN offices and governments in the regional countries to collect data on import of charcoal and other related information in their countries. Further, the importing countries would also be sensitized to prepare strategies to fulfil the need of charcoal by following sustainable approaches.

Besides the charcoal trade ban, ICTRC would also facilitate negotiations among countries to accord preference to Somali agro and livestock-based products for import in their countries and concurrently mobilize funds for the development of agriculture and livestock value chain, as per Good Agricultural Practices (GAP), and scaling up of the PROSCAL activities, such as LPG expansion. As explained in the earlier section, from these negotiations, a regional Charcoal Trade Policy Framework will be developed which will be adopted by all the countries for implementation. IGAD will be engaged during implementation of the programme to develop such a policy framework. The ICTRC will also organize a 'Regional Conference on Charcoal Trade and Degradation of Environment and Livelihoods in Somalia' to highlight the issue and mobilize political, legal and financial support for the programme. The timing of this conference could be during the second year of PROSCAL implementation. Special sensitization workshops will be organized for the stakeholders in their home countries, Nairobi or UAE. In such workshops Somali diaspora, donors and businesses interested in investments in energy, sustainable livelihoods and other sectors in Somalia would also be invited.

As a last resort, the ICTRC may recommend actions to mobilize any appropriate security agency such as IMO, INTERPOL and AMISOM to enforce its recommendations. ICTRC may also consider inviting GCC / Organisation of Islamic Countries (OIC) Representative to participate in its meetings to seek their political / financial assistance. The charcoal programme management team will provide all the necessary technical support to ICTRC.

A communications strategy to facilitate regional cooperation will be developed. Awareness material and short-videos on the subject will be prepared and regularly shared with the concerned Government missions based in Nairobi, and customs, port authorities in CIC, etc., major importers of charcoal and their carriers. This will also require collection of updated information about the exporters, importers and shipping lines engaged in charcoal business which will be gathered by a consultant deployed by the PROSCAL.

Social Mobilization and Community Development

One of the major reasons of the failure of previous bans imposed by the Somali Governments is because of lack of involvement of local communities. The community support will be achieved through the following interventions:

4.1.5 Increased awareness about the impacts of charcoal on environment and livelihoods

In order to ensure that measures to enforce the ban on charcoal exports, to curb unsustainable production of charcoal and to promote alternative livelihoods awareness-raising and advocacy activities will be carried out. In addition to the regional communications strategy mentioned in 5.1.4, a national awareness campaign targeting government entities will be launched since government ministries, departments, agencies and local government will eventually take the lead in enforcing the ban and cooperating with local communities on reducing the unsustainable production of charcoal.

Awareness-raising materials in all relevant languages – both in printed and video formats – will be distributed to concerned governments along with information about charcoal exporters, importers and shipping line carriers. Furthermore, a programme website will be developed alongside the launching of an Internet-based advocacy campaign. In support of the above activities, two sensitization workshops will be held each year during the implementation of the programme.

4.1.6 Capacity-building of Communities and Local Government Institutions operational in Charcoal Production Districts for enforcement

Establishing the social capital to address the issues of charcoal at the local level is pivotal for the sustainability of PROSCAL. Currently, the development of community-based organisations (CBOs) and their involvement to self-regulate, self-implement and self-monitor charcoal-related issues is not practiced. Local and international NGOs are engaged with local communities but to a very limited scale largely for providing humanitarian support. The PROSCAL staff [both male and female Social Organizers either on PROSCAL pay-roll or contracted NGO staff] will visit the representative demonstration areas and prioritize those villages or urban settlements in which charcoal production and its sale / consumption is substantially high. In focused group meetings, the objectives of the programme, particularly, the negative effects of charcoal production and its trade, and the alternate options in energy and livelihood sectors will be explained, and the households will be organized in the form of CBOs [separate for males, females or joint- depending upon the cultural norms of a community], each comprising of 15 to 20 households. The CBOs will also have representation of minority groups and IDPs depending on the local situation. Each CBO will select its leaders through consensus and its monthly meetings will be held and proceedings recorded. Prior to forming new CBOs, the information on any of the existing CBOs in the area will be collected. In areas with existing CBOs, these CBOs will be sensitised around issues of charcoal and engaged in the implementation of PROSCAL activities.

PROSCAL will impart training to the elected leaders and activists in leadership development, book keeping, conflict resolution, and development of village / rangeland / settlement plans, sustainable natural resource management, and alternate energy and livelihood options that could be available in the area. Training can be conducted or supplemented using FAOs Farmer Field School approach which will allow farmers to adopt innovative practices through learning-by-doing and sharing

knowledge with other farmers as well as providing a forum for farmers to debate new observations, experiences and information from outside the community²⁷.

FAO has expertise on facilitating Participatory and Negotiated Territorial Development (PNTD), a phased approach in which asymmetrical power relations, unequal access to resources and the conflicting interests of a plurality of actors are addressed in order to improve trust among actors, strengthen social cohesion and to ensure that development interventions are economically viable, socially just and culturally appropriate. Using this approach when strengthening or forming CBOs will ensure the inclusion of the most vulnerable households, reduce conflict and increase sustainability²⁸.

The CBOs forum will be used for the development of village / settlement / pasture plans, identification of relevant PROSCAL interventions specific to the area, provision of start-up grants, resolution of conflicts, and assessment of the PROSCAL achievements. The start-up grants [100% grants] will be provided in CBOs meetings to ensure transparency. Funds will be dispersed on instalment basis, depending upon the progress achieved by the beneficiaries households. The CBOs will also be responsible for the collection of levy on charcoal produced [proposed one dollar per sack initially and then increased incrementally]. The funds collected from this levy will be pooled with the Charcoal Reduction Fund (CRF) [see next section]. PROSCAL staff will also participate in the CBO meetings to guide the development process.

UN Joint Programme on Local Governance (JPLG) support good governance, and the effective and efficient management in regional and district councils, increase public investment in basic services, and strengthen civic awareness and participation in local decision-making and development. The objective is to strengthen the district level organizational structure and the communities to collectively address the issues for better service delivery. With PROSCALs focus on engaging district organisation (government and non-government) to implement local level activities for sustainable use of natural resources, PROSCAL staff / contracted NGOs will interface with JPLG to identify existing local structures and sensitize them on the importance of dealing with natural resources-related issues at the district level. Meetings will be organised with the activists who could champion an effective role for addressing the issues surrounding charcoal at the local district level. New organisations will be formed with representations from the CBOs in areas outside the coverage of JPLG. In a meeting of the leaders of all CBOs in a given district, the office bearers of community organisations will be elected and training provided to them in leadership management, book keeping and development of district development plans. Bi-monthly meetings of the local organisations will be organized with the technical support of the PROSCAL staff. PROSCAL will cover the travel expenditure of its members to the venue of meeting. The PROSCAL will also provide initial seed funds for the local organisations operation.

The purpose of local level actions is to sensitize and bring a behavioural change to minimize conflict and promote peace, regulate charcoal production [allowed only for local consumption] in the district, take appropriate measures to discourage charcoal import / export in the district, plan development at the district level and facilitate promotion of alternative livelihoods and energy options [through CBOs] as envisaged in this document. The local government/communities will also serve as a bridge between the local communities, Government and donors to exchange information, mobilize resources and promote development agenda at the district level.

²⁷ http://www.fao.org/ag/ca/CA-Publications/Farmer_Field_School_Approach.pdf

²⁸ http://www.fao.org/sd/dim_pe2/docs/pe2_050402d1_en.pdf

The communities with support of police/local administration will also enforce heavy levy on the movement of charcoal in/out of district. The rates of proposed taxes will be agreed through consensus between the members of community. Fifty percent of the collected amount will be transferred to the Government exchequer on monthly basis and the remaining 50% will be pooled in Charcoal Reduction Fund (details in subsequent section) and used to cover the cost of enforcement, operational expenditures, and provision of start-up grants to the members of CBOs. PROSCAL will cover the initial cost of setting up and operation [for one year] of FM Radio Station in a district which will serve as a medium of communication and awareness raising. Thereafter, the cost will be borne through fetching advertisements or from CRF.

Establishment of Charcoal Reduction Fund for Setting of Pilot Projects

4.1.7 Charcoal Reduction Fund established at the National Level

The purpose of Charcoal Reduction Fund (CRF), as the name explains, is to provide start-up grants to the poor segment of the society to initiate small businesses which are strategic in nature and aim at the reduction of charcoal production / consumption and generate enough income for descent living. The start-up grants are the first level of financial support that can be utilised by the marginalised workers and women vendors on immediate basis. Such businesses are identified under the following sections on energy and livelihoods. The beneficiaries' analysis indicates that in the charcoal value chain hundreds and thousands of workers are engaged, e.g., producers, loaders, transporters, whole-sellers, retailers, etc. With the reduction of charcoal trade, it is anticipated that a large number of workers will lose their jobs. Except for whole-sellers and transporters, all the other persons engaged in charcoal business are very poor. The retailers are often poor women, making USD 1-2 per day to meet their daily family expenditures. Two thirds of total start-up grants will be allocated for women involved in the Charcoal Value Chain to adopt other livelihoods options. Therefore, it is imperative that seed fund is provided to them for establishing alternate and improved livelihoods. Further, the CRF will also provide financing on cost-sharing basis for the purchase of LPG, biogas and solar equipment to promote infusion at a rapid rate.

Second level of financial support under the CRF will provide substantial amount of funds for the establishment of Micro-Enterprises (MEs) and Small and Medium-Enterprises (SMEs). Establishment of SMEs will be on cost sharing basis and an initial fund of one million dollar is envisaged for this purpose. In the absence of networks of banks in the Somalia, national or international NGOs of good repute will be contracted to act as a facilitator between the CBOs and the programme to manage the CRF. The contracted NGO will explain in detail to the CBOs, the kind of MEs and SMEs which could be established with the assistance from CRF, and will also assess the capacity of CBOs to successfully operate that business. In a meeting of CBOs, its member household will identify the kind of activity that can be undertaken- the precondition is that it leads to the reduction of charcoal production or use. Through a resolution, the CBO will advise the PROSCAL to provide funds to a particular member. Preference will be given to women entrepreneurs and unemployed youth. The contracted NGO will verify the household's position, ensure its interest, examine the resolution and recommend the PROSCAL to release funds. The funds will be provided to the beneficiary member in the CBO meeting. The CBO and contracted NGO will be responsible to ensure that the funds are used for the purpose. The PROSCAL staff will verify the utilization of funds.

However, for establishing SMEs, grants starting from USD 10 000 to USD 30 000 will be possible but to access this facility a proper business plan will be prepared by the concerned member with the help of contracted NGO or experts hired under PROSCAL. The concerned CBO will recommend the release of grant to local organisations, which in its following meeting will endorse the release of funds. The contracted NGO will arrange release of funds from the project, which will be given to the requesting member in the following CBO meeting. The SME grant will be interest free but refundable in 24 equal instalments. Another pre-condition for accessing the SME grant is that each business set up under this programme should provide jobs to at least 5 persons. Interest free loans of higher amounts on the basis of cost sharing would be considered by the programme under special circumstances, provided the target foreseen is clearly focused to reduce charcoal consumption and business will generate considerable job opportunities for others and contribute in overall economic development.

To access financing from CRF, the contribution of the proponent of the proposal will be 50%. Likewise, the CRF will also provide matching grant of 50% to the households / businesses to purchase any solar equipment so as to promote diffusion of these at a rapid rate. The proponents of the proposals could use their own savings, tap their diaspora or approach Salam Bank to provide the required share of 50%. The programme will work with Salam Bank to facilitate financing to its beneficiaries. The modalities of CRF will be further worked on to establish detailed criteria, governing structures of the fund and financial controls during the first quarter of the PROSCAL implementation.

Since in Somalia culture, loaning on interest is considered as *haram* [religiously un-pure], the communities will not accept to pay interest on loans, which leads to the risk of reduction of the value of CRF overtime. Smaller start-up grants (maximum USD 5 000) are for the poorest segment of the society and are non-refundable. The higher loans are refundable and the returned amount will be awarded to the other potential SMEs, thus CRF will be a kind of revolving fund. Further, CRF would also receive proceeds of tax collections at the district entry / exit points as explained above. To further avert the risk of devaluation of CRF, it is proposed that donors provide a substantial amount of funds as an endowment for each district at the beginning of the project. The anticipated unspent amount of the endowment could be invested by the programme in high interest schemes to earn some income to grow CRF. The CRF will also accrue funds received from carbon credits as explained in Section on Sustainable Livelihoods.

4.2 Start-up Actions and Immediate Interventions

Keeping in view the urgency of the subject to check charcoal trade and implement national actions to reduce local demand of charcoal, the activities mentioned in the Results and Resource Framework (Annex A) are Programme Initiation activities mainly focused on the capacity development of national counterpart ministry, awareness raising, drafting of national and regional policies documents and mobilising national and international stakeholders to support the programme objectives. These activities will set the foundations and absorb into the full scale implementation of Joint Programme while utilising the current level of available funding. Main outputs and associated activities for the Programme Initiation Phase are as follows:

Outputs during Programme Initiation Phase	Activities
MOLFR supported to coordinate and implement inter-ministerial actions for Reducing Charcoal Production, Trade and Use	<ul style="list-style-type: none"> ✓ National expertise to coordinate and implement inter-ministerial actions housed in the ministry ✓ Procurement for MOLFR in Mogadishu (Office equipment and furniture) ✓ Coordination meetings and workshops ✓ First meeting of the ICTRC
Draft National and Regional Policy for Reducing Charcoal Production, Trade and Use	<ul style="list-style-type: none"> ✓ Collate national and international information on similar policies ✓ Establish national committee with secretariat support to develop the national and regional policy ✓ Draft national and regional policy with action plan
National and International Stakeholders Mobilised to Support the Programme Objectives	<ul style="list-style-type: none"> ✓ International Conference for building alliances to curb unsustainable charcoal trade, production and use in Somalia ✓ Awareness raising workshops in main cities and towns ✓ Develop Programme Brochure, website as part of anti-charcoal campaign started ✓ Resources mobilization for the full-scale joint programme
Programme Management	<ul style="list-style-type: none"> ✓ Recruit programme management staff before the end of programme initiation phase ✓ Detailed work plan prepared, approved and aligned with available budget for the full-scale

4.3 Communication Strategy

The PROSCAL has to communicate with a number of stakeholders for implementation of the programme activities and communication of results, therefore, a communication strategy is built in the programme design. The salient features of communication strategy are the preparation of awareness and advocacy material for various groups [local communities, Somali Government dignitaries, donors, Governments of CIC, etc.] in Somali, English and Arabic languages. Besides printed matter, short video documentaries will also be prepared on the issues and communities at work to show the adaptation of alternatives. Both print and electronic media are very limited in Somalia, whereas radio is still listened regularly and widely, therefore, the PROSCAL will develop radio programs in Somali language for broadcasting through radio stations. The programme also proposes to establish its own FM Radio Station in the PROSCAL districts [in collaboration with diaspora or private sector] to relay the awareness and other educational programs regularly. These days mobile phones are being used by most of the Somalis, thus they could listen to the FM radio programs on their mobile sets regularly without any additional cost. The telecommunication companies would also be contacted to play their role and transmission of short-text messages and traditional Somali poetry and *Xeer* principles for natural resource management. Besides communicating programme activities, radio station and telecomm services could serve as a mean of entertainment and thus can easily cover its operational cost from advertisements.

Communication is very important in order to mobilize the Somali diaspora. For this purpose an expert will be engaged to collect data about the influential diaspora and charcoal importers and exporters, various NGOs engaged in mobilization of funds for Somalia, Somali think tanks, clan chiefs, women and youth groups, etc. Special awareness and fund mobilization events with dignitaries and celebrities, and sports events will be organized in major diaspora countries to encourage them to take a proactive part in the development of their country. In major diaspora countries, arrangements will be made with local FM radio stations to relay programs on charcoal trade issues and overall development in Somalia to attract the attention of Somali diaspora. Influential clan chiefs will be particularly mobilized to dialogue with Somali charcoal exporters and importers to abandon charcoal trade which is in the best interest of their country.

For the donors and officials of the CIC, special briefing sessions will be organized to keep them abreast of PROSCAL activities and progress. PROSCAL will also organize six-monthly meetings of the ICTRC, and an international conference on charcoal trade during the second year of the PROSCAL to mobilize wider support for the program. IGAD, GCC and UNSOM will always be kept in the loop to keep them informed about the problems encountered and successes achieved.

4.4 Resource Mobilization

Breaking the vicious cycle of charcoal production and trade requires considerable investments in community development, awareness raising, provision of alternative livelihoods and energy options, building the capacity of law enforcement agencies and creating an enabling regional cooperation. Knowing the fact that only the ban and enforcement will not work, PROSCAL has to target hundred and thousands of people engaged in charcoal value chain and the energy consumers which requires a lot of efforts and finances. Therefore, the PROSCAL will adopt a comprehensive resource mobilization strategy to invoke the interest of all major development agencies, diaspora and private sector.

5 BENEFICIARIES

The analysis of charcoal value chain indicates that several thousands of persons are engaged in charcoal business- almost 8.3 million days of employment is earned through charcoal. The beneficiaries include: producers, labourers, input suppliers, loaders, truck owners, truck drivers, small transporters, creditors, whole-sellers, retailers, exporters, importers, vessels owners, labourers on vessels, stove makers, stove retailers, tool retailers, scrap metal collectors and traders, clan leaders, Government officials, and consumers in Somalia as well as importing countries.

The PROSCAL proposes a win-win situation for all the beneficiaries engaged in charcoal value chain as the fundamental purpose of the project is to bring a behavioural change in the society to provide a decent living to all, which is sustainable and respectable. The charcoal producers and retailers make less than one dollar per day from this business. As there is no other job opportunity, the people have adopted this profession. At the end when they see themselves in constant poverty forever, they adopt negative social behaviour and become addict to *Khat* to overcome their frustration.

PROSCAL aims to provide alternative income generation opportunities to all those who are engaged in the value chain. PROSCAL has planned several initiatives for the rehabilitation of rangelands, watersheds, livestock and dairy development, afforestation, water harvesting and conservation sectors, skill development, provision of start up grants for the establishment of MSEs and SMEs, local governance and community development and cash for work programs. These interventions are specifically targeted for those who are involved in the charcoal value chain. One of the pre-conditions for accessing facility from PROSCAL [skill development training, start-up grant, grants for MEs and SMEs, etc.] is that the former occupation of the beneficiary was engagement in charcoal production, transport or sale. The alternative energy options, such as manufacturing and sale of fuel-efficient charcoal / wood stoves, solar appliances [manufactured locally to create jobs], and provision of LPG and kerosene on large scale will create job opportunities for whole-sellers, retailers, loaders, transporters, etc. Thus the charcoal businesses will turn into clean energy and green livelihood businesses. The charcoal consumers in Somalia will have clean energy which has no side-effects on health and is readily available.

The Government institutions, NGOs and clan-chiefs would also be benefited in terms of their education, capacity building and enhanced image in the society. Above all the biodiversity in the rangelands would be conserved [e.g., bees and important pollinators die / flee from the area due to extensive smoke generated from kiln leading to poor crop / fruit / seed production of cross pollinated species], and natural vegetation restored which would in turn fetch more precipitation and serve as carbon sink. The biggest beneficiaries of PROSCAL will be the *Acacia bussei*, the population of which will be restored in the programme area.

The exporters, importers, labour working at the port and vessels owners will automatically shift to other kind of products, such as agro-based products, LPG, kerosene, etc. The consumers in *CIC* may face a price hike for the time being which will ultimately balance out as the importers find any other country as a source of charcoal and the consumers shift on electricity or natural gas which is abundant over there.

As the PROSCAL is scaled up, it is anticipated that it will result in reducing clan fights on holding charcoal areas. The major economic opportunity in the country resulting from PROSCAL interventions will lead to peace and stability.

6 MANAGEMENT AND COORDINATION

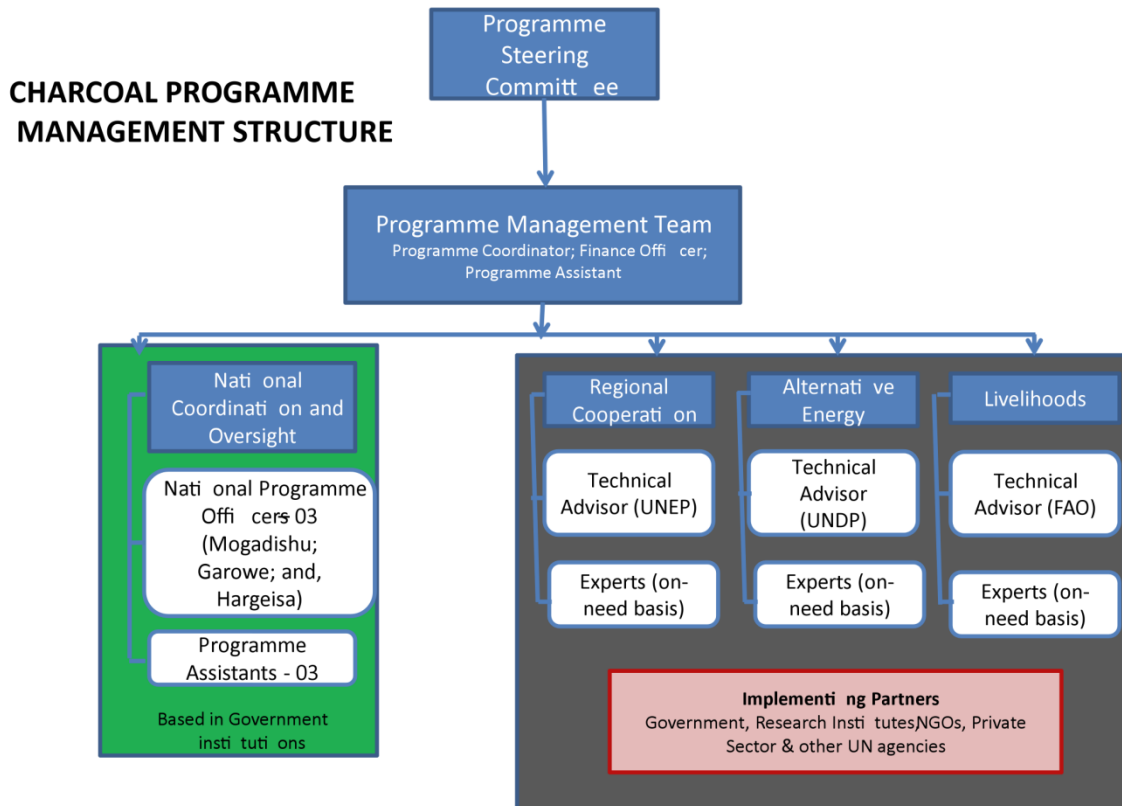
The Joint Programme will offer a coherent and a single framework for the coordination of all activities related to the promotion of sustainable use of charcoal in Somalia. It will emphasize joint work plans, joint monitoring and evaluation of activities and offer a forum for policy dialogue between the Government and all partners on charcoal related issues. The fiduciary arrangement as well as the joint reporting and M&E arrangements will provide flexibility in the management of the programme and drastically reduce the transaction costs while the joint reporting and joint monitoring will simplify the implementation of programme activities. In order to ensure ownership and leadership of national stakeholders all coordination and management structures will be co-chaired by key national institutions. For the overall programme the main focal institution for the UN will be the Ministry of Livestock, Forest and Range, Federal Government of Somalia.

At the operational level, the proposed programme will require strong management and coordination system. The implementing partners and UN agencies will work closely with government to achieve the desired programme results under each component. UNDP will act as the administrative agent for the UN MPTF to receive the funds from the donors and channel these funds to government implementing partners and UN participating agencies under pass through mechanisms in line with the programme work plans and procedures for inputs mobilisation for the UN assisted initiatives. The option of parallel financing outside the UN MPTF will also be open in cases where the participating agencies receive funds directly from donors to undertake activities specific to the programme. Furthermore, there will be additional supervision support and coordination needs at both national and district levels which have to be met for the programme to be successful. This will be done through structures supported by UN agencies, including the UN-JPLG programme. To ensure coherence and accountability in the management and coordination of the Joint Programme, following structures will be established:

6.1 Programme Management Team

The programme will be implemented under Direct Implementation Modality (DIM). The programme team will seek guidance for its implementation from the Programme Steering Committee. The Programme Management Team (PMT) will comprise of Programme Coordinator; Finance Officer; Senior Technical Advisors for the three components of the programme; and, three national officers. The Senior Technical Advisors will be appointed and hosted by the lead UN agencies (UNEP, FAO and UNDP) and Programme Coordinator and Finance Officer will be based in UNDP offices in Mogadishu. All the key positions for the programme will be nominated/recruited jointly by the Ministry of Livestock, Forest and Range and UN participating agencies. National officers will work closely with government focal ministry for day-to-day coordination and providing technical support to the government for the oversight of the programme implementation. The PMT will be responsible for preparing the JP consolidated annual and quarterly work plan, M&E plans with indicators that will be used by the Government and UN agencies to monitor progress. Performance will be reviewed semi-annually against the work plan

targets. The PMT will serve as the Secretariat for the Programme Steering Committee. The Programme Management Structure is represented in the Figure 1 below.



Further, for undertaking special studies and finding solutions to specific problems / geographical areas, technical assistance of specialized UN Agencies will be sought for which an allocation has been made in the budget. Gender balance will be kept in the selection of the PMT staff. The TORs for the PMT members are in Annex D.

6.2 Programme Steering Committee (PSC)

Programme Steering Committee will be established to provide strategic guidance on policy issues related to the implementation of the JP. It will be chaired by the Minister of Livestock, Forest and Range and may be co-chaired by UN Resident Coordinator.

The Steering committee will make all the strategic, policy and political decisions related to PROSCAL. The steering committee will perform the following tasks:

- Review and approve the Joint Program Document and annual work plans.
- Reviews and approves progress reports budget revisions/reallocations, and evaluation reports, notes audit reports, and if needed initiates investigations.
- Endorsement of plans and budgets

- Sets allocation criteria, allocates resources based on priorities
- Provide directives for cross institutional actions that are necessary for the attainment of the objectives of the programme nationally, with regional governments and the CIC of the gulf
- Advocacy to secure support and additional funding
- Discuss High Level policy issues related to the implementation of the Programme
- Provide overall strategic guidance and oversight to the Programme
- Reviews implementation progress and address problems.
- Ensure that the Joint Programme is fully linked to national priorities, policies and coordinated with Government interventions.

The Minister of Livestock, Forest and Range and UN Resident Coordinator will co-Chair the PSC. Initial membership of PSC will include: UNEP Regional Director (Regional office for Africa); Representative from the Office of the Prime Minister; Ministry of Energy and Water; Ministry of Agriculture, Ministry of Planning and International Cooperation; UNDP Country Director; FAO Representative/Officer-In-Charge; Representatives of relevant donors; other UN participating agencies and partner NGOs. The PSC co-Chairs will co-opt members from other organisations on need basis. The co-Chairs will also notify any technical committees on the recommendation of PMT to overcome issues of technical nature during the course of implementation. Programme Coordinator will act as the ex-officio member secretary of the PSC. Exact composition of the PSC will be determined during the inception workshop.

The PSC will meet quarterly and will report to the SDRF through PSG4 SWG on Natural Resource Management. The agenda and supporting documents will be circulated one weeks in advance of the meeting. The regular agenda items will include: presentations on PROSCAL work plan, progress achieved, problems encountered and situation of charcoal trade and actions taken by the stakeholders to curb the illegal trade. The Federal and Regional Governments will report the actions taken to curb the charcoal export and law enforcement. Any bottlenecks in programme implementation faced by the government, partner NGOs or programme management team will be discussed and resolved under the directives of the PSC.

6.3 Role of UN agencies

The activities to be under taken using the UN MPTF funding available with UN agencies will be clearly highlighted in the annual and quarterly work plans of PROSCAL to avoid duplicating the funds allocations for the same activities. The lead coordination UN agencies and government counterparts for each component will decide on the priority needs of the programme. Preparation of draft work plans and budgets will be the responsibility of the Programme Coordinator. All the implementing partners (government institutions, NGOs, UN agencies) engaged in the programme implementation will submit quarterly progress report to the Programme Coordinator. The main role of UN agencies under the joint programme will be as follow:

- Programmatic management of aspects for which each agency is responsible
- Produce six-monthly technical and financial monitoring reports to the PMT

- Contracting and management of implementers in consultation with the government counterparts
- Contracting, management and supervision of consultants in consultation with the government counterparts

6.4 Fund Management Arrangements

The UN MPTF programme document template states that the Joint Programme for Sustainable Charcoal Reduction and Alternative Livelihoods will follow the fund management modality according to the UNDG Guidelines on UN Joint Programming. The UNDP MPTF Office, serving as the Administrative Agent of the Somalia UN MPTF, as set out in the Memorandum of Understanding (MOU) for Somalia UN MPTF will perform the following functions:

- Receive contributions from donors that wish to provide financial support to the Programme;
- Administer such funds received, in accordance with this MOU;
- Subject to availability of funds, disburse such funds to each of the Participating UN Organizations in accordance with instructions from the governing body (Programme Steering Committee) taking into account the budget set out in the Programme Document, as amended in writing from time to time by the Programme Steering Committee;
- Consolidate financial reports, based on submissions provided to the Administrative Agent by each Participating UN Organization (PUNO), and provide these to each donor that has contributed to the Programme Account, to the Programme Steering Committee, PUNOs, and the SDRF Steering Committee;
- Provide final reporting, including notification that the Programme has been operationally completed;
- Disburse funds to any PUNO for any additional costs of the task that the Programme Steering Committee may decide to allocate in accordance with Programme Document.

Each Participating UN Organization assumes complete programmatic and financial accountability for the funds disbursed to it by the Administrative Agent and can decide on the execution process with its partners and counterparts following the organization's own regulations. PUNOs will establish a separate ledger account for the recipient and administration of the funds disbursed to them by the Administrative Agent. PUNOs are entitled to deduct only their indirect costs (7%) on contributions received.

The Joint Programme may provide funding flexibility for un-earmarked funding outside the UN MPTF from non-traditional donors required to deliver on the program target results. Any information about parallel financing received and used to undertake the activities of Joint Programme will be shared by the participating UN agencies as part of the progress reports on the work plan.

The overall responsibility of administering the fund will be with UNDP in the role of admin agent. UNDP will also be responsible, through the Programme Management Team, for preparing common consolidated work plans and budgets, specifically for timely disbursement of funds and supplies, and for coordinating technical inputs from all the participating UN agencies and

implementing partners. UNDP will be accountable for the submission of technical and financial reports to the joint programme coordination mechanism, government and donors.

6.5 Reporting

Each participating UN organization will prepare reports in accordance with its financial regulations and rules and operational policy guidance. Reports will be shared with the PMT. To the extent possible, reporting formats will be harmonized.

The PMT shall prepare consolidated narrative progress and financial reports consisting of the reports submitted by participating UN agencies and implementing partners, and shall provide these consolidated reports to Program Steering Committee, donors that contribute to the joint programme account, in accordance with the Memorandum of Understanding (MOU) for Somalia UN MPTF timetable established in the Letter of Agreement signed with the donor.

Notwithstanding the above, administrative, monitoring and reporting functions will include, inter alia, submission of regular quarterly substantive/technical reports; financial monitoring and reporting; and annual evaluation and reporting of results, including results against outcome indicators articulated in the Joint Programme document.

6.6 Monitoring & Evaluation and Audit

Monitoring & Evaluation: The programme will be reviewed twice a year. A consolidated M&E framework will be prepared by the PMT at the commencement of JP implementation. All signatories to the joint programme document, including the government, UN agencies, donors and CSO Groups will participate in monitoring and contribute to the Annual Review.

Audit: Consistent with current practice, audits of the joint programme will be conducted in accordance with the respective UN organizations' requirements. The audits conducted by UNDP's internal and/or external auditors will be considered acceptable to donors contributing to the pool.

6.7 UN and other Agency Coordination and Implementation

As explained in Section 5.4, the services of specialized UN Agencies will be solicited during the programme implementation. The PROSCAL will prepare a detailed proposal of the technical experts required in the area of agriculture, rangeland, watershed and water management and value chain development of agriculture, livestock and dairy products, support for the development of private sector and trade of agro-based products from Somalia to other countries.

One of the requirements of the programme is to monitor charcoal burning, felling of Acacia trees and their re-growth (if any) more frequently, e.g., on six-monthly or yearly basis. Such information is important for the programme to monitor its geographical area and presence of *Acacia bussei* trees in it. It is foreseen that SWALIM (FAO Somalia) will be responsible for the RS/GIS activities. The Regional Centre for Mapping of Resources for Development (RCMRD) based in Nairobi has also available expertise for monitoring land degradation through RS/GIS techniques and its services could also be sought for the purpose. Likewise, services of International Centre for Research in Agro-Forestry (ICRAF) and International Livestock Research Institute (ILRI)

could also be capitalized by engaging their experts in undertaking studies and programme implementation where necessary.

UNEP is one of the major players in environmental monitoring, particularly in negotiations at various forums. The charcoal trade / regional cooperation component will be implemented by UNEP. The programme will also benefit from UNEP expertise for the development of regional charcoal policy framework and its approval / adoption by the regional Government. Likewise, IMO / AMISOM, at the request of the government, will be engaged to monitor and halt trade at the Somali seaports and in deep sea.

GCC will also be approached to influence its members to stop import of charcoal from Somalia, and mobilize its members support for scaling up programme activities.

6.8 NGO / CBO Implementation

Somalia based NGOs and International Non-Governmental Organisations (INGOs) having credible operation in Somalia will be engaged to facilitate the identification of high problem areas, interested communities, their sensitization, awareness, training and other activities as envisaged in PROSCAL. These NGOs will be responsible for the implementation of pilot projects. As the implementation starts, NGOs will be invited to submit their credentials for assessment of their capacity and interest. An open and transparent mechanism will be followed for selection, which includes advertisement in the local media as well as internet. Thereafter, the selected NGOs will be requested to submit formal technical and financial proposals to undertake the given tasks and work awarded to the best. The NGOs will work closely with the PROSCAL Field Teams, Clan Chiefs and would encourage CBOs / clans to self-implement the projects under NGOs supervision so that their capacity is also built.

6.9 Government Implementation

The Government institutions are envisaged to play a significant role to implement the activities, particularly planned under the first component. The concerned Government Ministries and Institutes will update or prepare new policies for environment and natural resource management, curb charcoal trade and promote private sector development. Thereafter, the policies will be converted into rules of business which will be approved by the concerned highest authority. The Programme's Legal / Policy Expert will play a key role to help the Government Ministries to develop policies and rules of business. The ministries of environment, agriculture, livestock, and women development will play a key role in PROSCAL implementation.

Thereafter, the role of Police, Law and Justice Departments and Port Authorities comes in, to enforce the laws. UNDP through its Governance Programme is providing substantial assistance for building the Police, Law and Justice Departments. Likewise, FGS may need further support, in the form of increased intelligence in the area to monitor charcoal movement or monitoring of sea near Somali ports, etc., to enforce rules to halt charcoal export. The Programme Team will make an assessment of the situation and prepare a separate proposal to mobilize, UNSOM, IMO, AMISOM or any other agency as deemed fit by the Security Council and the Government.

7 IMPLEMENTATION CHALLENGES DUE TO REGIONALISATION

The biggest implementation challenge in Somalia is to offset regional imbalances that are bound to happen due to different regional and federal states and governments.. In light of the significant differences in context and institutional capacities across Somalia, the PROSCAL will pursue a regionally differentiated approach to programming in Jubaland, South West, Galmudug, Benadir,, Puntland and Somaliland. This will mean implementing the programme differently in each region and ensuring that the interventions are specifically tailored to meet the needs of each region, and that these interventions are appropriate and relevant to the community needs. Regional strategies and implementation modalities will be detailed in annual work plans. These strategies will be reviewed and updated on an annual basis, taking into account the changing political dynamics. In each region the activities will be implemented by various UN Agencies, local communities and the Government institutions in collaboration with partner NGOs, selected after their rigorous capacity assessments. Awareness raising, capacity building of the relevant institutions to monitor charcoal production and trade, and enforcement of ban will be across all the regions.

8 RISKS

The proposed programme is of high importance to conserve the ecosystems of Somalia. PROSCAL is also of high importance to provide adequate support to ensure that the recommendations of the Security Council are complied with and the people of Somalia enjoy better livelihood and alternate energy options. SWOT analysis clearly indicates that the proposed programme has strengths [UNSC resolution which prohibits international trade of charcoal from Somalia; appreciable donor support as indicated by the Nairobi based donors; and UNDP, UNEP and FAO financial and technical support], and offers several opportunities to capitalize on the support of FGS and Regional States and Administrations, vibrant private sector, effective NGOs network which could be used to implement activities; possibilities of export of livestock, dairy, agriculture and fisheries products; and possibilities of promoting solar and wind energy. The main weaknesses such as no effective Government control in Somalia and clan disagreements / fighting on the control over natural resources; and threats such as overall deteriorating security situation, involvement of clans in charcoal trade, frequent drought, and high initial costs of various renewable energy options. Thus a number of risks are foreseen which could hamper the implementation of activities. The risks and mitigation measures to be taken into account are as follows:

- I. **Deteriorated security situation in Somalia:** Security could be a threat to the programme performance, however, as Government is becoming effective and its control over more areas is expanding, it is anticipated that the risk level will be reduced. However, all the programme activities will be implemented by the local communities, clan chiefs and local NGOs, in consultation with the concerned Government institutions and under the security protocols established by the UN. The Field Teams in the 3 regions will comprise of national professionals who could freely move in the programme area. International staff will be placed on need basis and thus not very much exposed to any security risk. UNDSS and Special Protection Units are fully operational to address the security issues.
- II. **Lack of interest of clans in reduced charcoal production due to anticipated monetary loss:** This is not a risk in general, as the clans may be losing income from one side due to reduced charcoal production / trade but will be making financial gains because of other business development. Further, awareness and social pressures from other communities to adopt modern means of income generation and energy, rather than performing activities which are not respected in the community, will contribute to avert the risk.
- III. **Involvement of politically influential clans in charcoal export:** There could be some politically influential clans engaged in charcoal trade and they may not be cooperative. However, as the export ban is supported by the highest officials of the Regional Governments and UNSOM / SRSG, possibilities are that such exporters will abandon charcoal trade voluntarily and adopt some other export business. Further, as there will be no or reduced demand from importing countries, the risk will be nullified.
- IV. **Lack of Government capacity to enforce the charcoal ban:** The existing capacity of Government is extremely low to effectively enforce the trade ban on charcoal. The programme aims to develop its capacity to formulate laws to curb charcoal trade, sensitize the custom, and law enforcement authorities about the issue and provide operational funds for the purpose. Further, the programme may recommend Government to call the support of Security Council to enforce illegal trade, if it does not stop.

- V. **Lack of interest of charcoal importing countries:** This risk is of low intensity as after the approval of the Security Council resolution, the CIC are taking more interest in the issue and are even willing to provide finances for development in Somalia. They are already providing substantial amount of financing for humanitarian aid. Lifting of the ban on livestock import from Somalia by Saudi Arabia is a good gesture to support the Somali economy. Increased income opportunities due to the lifting of ban are likely to divert the charcoal producers to their traditional livestock industry. Availability of other means of energy is not an issue in the CICs. However, for smaller amounts of charcoal needs for *shisha*, the charcoal could be produced locally or imported from elsewhere.
- VI. **Climate change may affect the livelihoods critically:** Keeping in view the intensity of previous droughts, it is perceived that climate change may affect the survival of livestock and humans in future. It is predicted that Somalia will be among the few countries which will face water shortages by 2025. The PROSCAL will support the activities in water harvesting and conservation and efficient use of water for agriculture, and make communities resilient to the effects of climate change. PROSCAL also intends to diversify the income sources of poor communities, rather than sticking only to the traditional pastoral activities which are highly vulnerable to drought. Such initiatives by PROSCAL will serve as models to prepare communities for minimizing climate change effects.
- VII. **Donor fatigue to provide further financial assistance:** Donors are providing assistance to Somalia for the last two decades on humanitarian grounds and some are fully engaged as of now. There is likely possibility that some donors may have already committed their funds for other activities. However, regular sensitization and need to comply the Security Council resolution would motivate the donors to address the charcoal issues on priority. The PROSCAL also aims to mobilize Somali diaspora to invest in business development to help promote technologies to reduce charcoal consumption.

9 BUDGET

The total allocation for the programme initiation phase is USD 684,000. Additional funds will be mobilised during the initiation phase to ensure that the objectives of the full-scale Joint Programme are achieved. The total funding required for the full-scale programme is USD 23.6 million. Programme initiation activities will be absorbed into the full-scale document as soon as the additional commitments from the donors are realised. As such, programme initiation phase may end before its implementation period of nine months. Resource mobilisation and the scope of activities for the full-scale programme will be presented to Programme Steering Committee for approval.

Annex 1: Results and Resources Framework – Programme Initiation Phase (January to September 2016)

JP/Project title: Joint Programme for Sustainable Reduction of Charcoal and Alternative Livelihoods (PROSCAL)					
Fund Outcome to which the JP/project will contribute:	<p><i>To take from the Somalia UN MPTF Results Framework / Somalia Compact Result Framework</i></p> <p>PSG 4: Economic Foundations - Somali economy revitalized and expanded with a focus on livelihood enhancement, employment generation, and broad-based inclusive growth</p> <p>Priority 3: Promote the sustainable development and management of natural resources by developing legal and regulatory frameworks and building capacity in key Natural Resources Management (NRM) institutions.</p>				
Fund Outcome indicators:	Geographic areas	Baseline data	Final targets	Means of verification	Responsible organization
<i>Include only the effect/outcome indicators of the Fund to which the JP/project will contribute. To take from the Somalia UN MPTF Results Framework / Somalia Compact Result Framework</i>					
Output 1	MOLFR supported to coordinate and implement inter-ministerial actions for Reducing Charcoal Production, Trade and Use				
Immediate results indicators	Geographic areas	Baseline data	Final targets	Means of verification	Responsible organization
Office of the focal point for charcoal programme in the Ministry of Livestock, Forest and Range (MOLFRD) strengthened	Federal level	Limited and dispersed capacities in the MOLFR	Adequately resourced unit established in the MOLFR	Progress Reports	MOLFR, UNDP
Number of briefings, workshops, coordination meetings held by the MOLFRD	Federal level	No capacity development or	At least 3 briefing,	Progress reports from MOLFR	MOLFR, UNDP, UNEP and FAO

		coordination activities carried out so far	coordination meetings or workshops held in six months		
First meeting of the International Charcoal Trade Regulatory Committee	Federal level	No high-level forum exists to focus on charcoal issues and take policy level decisions	At least two meetings of ICTRC held	Agenda and minutes of the meeting	MOLFR, UNEP, UNDP and FAO
Output 2	Draft National and Regional Policy for Reducing Charcoal Production, Trade and Use				
Immediate results indicators	Geographic areas	Baseline data	Final targets	Means of verification	Responsible organization
Draft National and Regional Policy Document	Federal level	No National or Regional Policy Exist to reduce charcoal production, trade and use	Draft policy document available with the federal government	Draft policy document	MOLFR, UNEP, UNDP and FAO
Output 3	National and International Stakeholders Mobilised to Support the Programme Objectives				
Immediate results indicators	Geographic areas	Baseline data	Final targets	Means of verification	Responsible organization
International conference on Somalia Charcoal Reduction Programme held	Federal level	No alliances or partnerships exist to support implementation of the Joint Programme	At least 2 strategic alliances formed to support Somalia in addressing the charcoal issues	Conference report	MOLFR, UNEP, UNDP and FAO

Awareness raising workshops held in main towns and cities of Somalia	Federal and Regional level	Low level of understanding on the possible actions to address charcoal issues	At least five workshops held in main cities/towns	Awareness material; workshop reports	MOLFR, UNEP, UNDP and FAO
Programme Brochure, website and anti-charcoal campaign started	Federal and Regional level	Masses are unaware of the Federal Government and UN Joint Efforts to curb charcoal trade and use	Print and electronic media engaged for mass awareness	Programme Brochure, website and awareness campaign strategy note	MOLFR, UNDP, UNEP and FAO
Funds mobilised from potential donors and development partners for the full-scale joint programme	Federal level	Available funds are not sufficient to implement the Joint Programme in its entirety	Donors support confirmed to meet the total Programme budget	Funds earmarked from donors to MPTF and letters of commitment	MOLFR, UNDP, UNEP and FAO
Output 4	Programme Management				
Immediate results indicators	Geographic areas	Baseline data	Final targets	Means of verification	Responsible organization
Programme Management Staff recruited before the end of programme initiation phase	Federal level	Full time programme management staff is not in place	Programme management staff on-board	Programme management selection report	MOLFR, UNDP, UNEP and FAO
Complete detailed work plan for the full-scale programme	Federal level	Work plan with expected budget	Work plan aligned with the available budget	Detailed work plan	MOLFR, UNDP, UNEP and FAO

Annex 2: Work Plan and Budget

Work plan of: **Joint Programme for Sustainable Reduction of Charcoal and Alternative Livelihoods**

Duration of the JP/Project: **Nine months**

		Specific Objectives of the Fund:												
Expected products of the JP/project	Key activities	Calendar (by activity)								Geographic area	Responsible Participating Organization	Planned budget		Amount
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			Funding Source	Budget Description	
		Output 1												
MOLFR supported to coordinate and implement inter-ministerial actions for Reducing Charcoal Production, Trade and Use	Activity 1.1 National expertise to coordinate and implement inter-ministerial actions housed in the ministry	X	X	X						Federal level	MOLFR and UNDP	MPTF	71300: National Consultants	50,000
													71600:Travel	15,000
													72100:Contractra ctual Services companies	65,000
	Activity 1.2	X								Federal level	MOLFR and UNDP	MPTF	72200: Equipment & Furniture	50,000

	Procurement for MOLFR in Mogadishu: - Office equipment and furniture													
	Activity 1.3 Coordination meetings and workshops	X	X	X					Federal level	MOLFR, UNDP, UNEP, FAO	MPTF	75700: Trainings, Workshops & Conference	17,330	
	Activity 1.4 First meeting of the ICTRC		X						Federal level	MOLFR, UNDP, UNEP, FAO	MPTF	75700: Trainings, Workshops & Conference	10,000	
											MPTF	71500: GMS@7%	14,513	
SUB TOTAL													221,843	
		Output 2												
Draft National and Regional Policy for	Activity 2.1 Collate national and international		X						Federal level	MOLFR, UNDP, UNEP, FAO			-	

Reducing Charcoal Production, Trade and Use	information on similar policies													
	Activity 2.2 Establish national committee with secretariat support to develop the national and regional policy		X	X						Federal level	MOLFR, UNDP, UNEP, FAO			-
	Activity 2.3 Draft national and regional policy with action plan		X	X						Federal level	MOLFR, UNDP, UNEP, FAO	UNDP	71300: National Consultants 71200: International Consultants	15,000 65,000
SUB TOTAL														80,000
		Output 3												
National and International Stakeholders Mobilised to Support the Programme Objectives	Activity 3.1 International Conference for building alliances to curb unsustainable charcoal trade,		X							Federal level, Regional Governments	MOLFR, UNEP, UNDP, FAO, UNSOM	MPTF	72100:Contractra ctual Services companies	170,000

	production and use in Somalia													
	Activity 3.2 Awareness raising workshops in main cities and towns		X	X						Federal and state level	MOLFR, UNDP, UNEP, FAO	MPTF	Travel 72100:Contractra ctaul Services companies	10,000 47,000
	Activity 3.3 Develop Programme Brochure, website as part of anti-charcoal campaign started	X	X							Federal level	MOLFR, UNDP, UNEP, FAO	MPTF	71300: National Consultants	10,000
	Activity 3.4 Resources mobilization for the full-scale joint programme	X	X	X						Federal level	MOLFR, UNDP, UNEP, FAO	MPTF	71600: Travel	20,000
												MPTF	71500: GMS@7%	17,990
SUB TOTAL														274,990
		Output 4												

Programme Management	Activity 4.1 Recruit programme management staff before the end of programme initiation phase		X	X						Federal and state level	MOLFR, UNDP, UNEP, FAO	MPTF	71400: Contractual Services Individuals	4,163
												UNDP	71400: Contractual Services Individuals	5,837
	Activity 4.2 Detailed work plan prepared, approved and aligned with available budget			X						Federal and state level	MOLFR, UNDP, UNEP, FAO			-
												MPTF	73100: Premises and Facilities	16,397.26
												MPTF	74500: Security equipment and support	11,712.33
												MPTF	74500: M&E and Oversight	23,424.65
												MPTF	74500: Communications support	4,684.93
												MPTF	74500: Finance, HR, Procurement,	

												ICT and other Office Support	21,082.19
												MPTF 75100: GMS@7%	5,703
												UNDP 73100:Premises and Facilities	3,004.29
												UNDP 74500:Security equipment and support	2,145.92
												UNDP 74500: M&E and Oversight	4,291.85
												UNDP 74500:Communic ations support	858.37
												UNDP 74500:Finance, HR, Procurement, ICT and other Office Support	3,862.66
Sub-Total													107,167
TOTAL													684,000
Administrative Agent cost												5,840	
Total planned budget												689,840*	

*. USD 584,000 from MPTF and USD 105,840 from UNDP Core Resources

Annex 2b: Budget by Participating UN Organization, using UNDG Budget Categories

SOMALIA UN MPTF PROJECT BUDGET*			
CATEGORIES	UNDP	[name of PUNO]	[name of PUNO]
1. Staff and other personnel costs	60,000		
2. Supplies, Commodities, Materials	-		
3. Equipment, Vehicles and Furniture including Depreciation	50,000		
4. Contractual Services	309,330		
5. Travel	45,000		
6. Transfers and Grants to Counterparts	-		
7. General Operating and Other Direct Costs	77,301		
Sub-Total Project Costs	545,794		
Indirect Support Costs **	38,206		
TOTAL	584,000		

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

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