

## Productive Sectors Development Joint-Programme for Somalia



*In the photo: Mr Mohamed Dhicis Abdi, owner of Dhicis Production Company, age 22. Mohamed is the youngest entrepreneur supported by the Somalia Enterprise Development Unit network hosted by the Somalia Chamber of Commerce and Industry in Mogadishu, Baidoa, Kismayo and Beledweyne. Mohamed has received enterprise development support from the Beledweyne EDU in the form of enterprise training, counselling, and access to concessional financing to start-up his first business dedicated to the production, packaging and commercializing Hiran Honey (Credits to UNIDO Somalia programme team and EDU Beledweyne team)*

### Key achievements during the reporting period

- Special Economic Development Zone Policy drafted and endorsed by cabinet (Feb. 25th 2021) leading to completion of an assessments covering SEZs prioritization & development.
- Assessment for the formulation of a Somalia Programme on Quality & Standards for Trade Facilitation & Development (QS4T) covering: Quality Infrastructure (QI) for accession to the WTO, Conformity Assessment Services and review of Trade Facilitation initiative linked to the requirement necessary to WTO accession (this entails capacity building of the National Trade Facilitation Committee - NTFC). This activity has been implemented in partnership with UNCTAD and FAO team linked to the ongoing efforts related to the National Fishery masterplan.
- One new Enterprise Development Unit (EDU) establish hosted by the Hiran Chamber of Commerce and Industry in Beledweyne and Somalia EDU network secretariat also been established and chaired by the EDU Mogadishu at the level of the Somali Chamber of Commerce and Industry
- Legislation for the re-establishment of the labour court in Somalia reviewed.
- A total of 200 female farmers were registered through FAO registration online tools , grouped into cooperatives and capacitated on modern agribusiness management.
- A durable solutions study was carried out in Kismayo, Baidoa, Beledweyne and Garowe and was successfully completed.

### Project data

MPTF Gateway ID	00123472
Geographical coverage	All regions
Project duration	August 18 2018 to February 28 <sup>th</sup> 2022
Total approved budget	US \$
Programme funding level	US\$1,957,976
Estimated delivery rate	90%
Participating UN entities	UNIDO, FAO & ILO
Implementing partners	n.a.
Project beneficiaries	Public and Private institutions involved in Productive Sectors Development
NDP pillar	NDP 9.3 Economic Development
UNCF Strategic Priority	UNSF Strategic Priority 3
SDG	SDG 1, SDG 2, SDG 4, SDG 5, SDG 8, SDG 9 and SDG 16
Gender Marker	2
Related UN projects within/outside the SJF portfolio	<ul style="list-style-type: none"> <li>• Agrotechnology Development for Economic Growth in South and Central Somalia (UNIDO)</li> <li>• Inclusive Local Economic Development of the fishery and livestock sectors in Somalia (FAO)</li> </ul>
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#### Report submitted by:

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## Section 1: Executive summary

### Brief introduction to the project

The Productive Sector Development Programme (PSDP) for Somalia is the UN Somalia flagship economic development joint-programme implemented by UNIDO, FAO and ILO in close partnership with the Ministry of Commerce and Industry, Ministry of Agriculture and Irrigation, Ministry of Fisheries and Marine Resources, the Ministry of Livestock, Forestry and Range, and Ministry of Labour and Social Affairs of the Federal Government of Somalia and the corresponding ministries at member states level where programme activities carry operations.

Productive sectors are essential components of inclusive and sustainable development. The PSDP is designed and structured to unlock the potential for the Somali economy to create jobs and expand economic opportunities, particularly for youth and women. The focused interventions of the PSDP aim to 1) strengthen the governance of public and private economic institutions to support productive sectors and Small and Medium Enterprise (SME) development; 2) address binding constraints to value chain development ; 3) support all Somalis in gaining access to economic development initiatives such as skills and entrepreneurship training programmes; and, 4) develop facilities, technology, resources, infrastructure, and opportunities for concessional financing across the productive sectors.

The PSDP team is composed by Participating United Nations Organizations (PUNOs), line ministries, government of Somalia agencies, private sector associations, trade unions representatives, at federal and member states level, to facilitate the process so that:

**Outcome 1** – Growth enabling strategic policies, plans and legislations are put in place;

**Outcome 2** – Somali public and private institutions can offer access to enhanced productive sectors development services and infrastructure; and,

**Outcome 3** – Somali productive cooperatives and SME have access to skill development initiatives, production facilities, technologies, and financing solutions.

The original programme document had been developed in early 2020 to help guide the implementation of a first round of activities between Sept. 2020 and Feb. 2022, referred to as Phase 1. During this ongoing programme (Phase 1), the PSDP team has been able to demonstrate a compelling need to further support Somalia productive sector development and the effectiveness of this joint programme approach. As a result, following a decision of the 3<sup>rd</sup> meeting of the Programme Steering Committee, held on July 7<sup>th</sup>, 2021, the PSDP team has been tasked to undertake an overall programme document revision which has resulted in the formulation of a revised PSDP programme document endorsed completed on January 2022.

### Situation update / Context of the reporting period

The reporting period of the project has seen major impact due to the covid -19 pandemic. Most of the productive sector entities were affected due to reduced economic growth. The financial sector was still reeling under the pressure of last year's stagnation which was further aggravated in the year 2021. The credit inflow, the most crucial for economic growth, was not forthcoming for the productive sector. This resulted in large scale un-employment and internal displacement. Primarily, the focus of the Govt. of Somalia and the development agency was on revival of the economy rather than growth. In addition, the country is passing through political turmoil, with uncertainty on the political equilibrium between the

various power-centers. This un-certainty impacted the strategic approach adopted by the partner UN agencies, which led to many initiatives not receiving the adequate support from the Ministries or delayed due to late approvals received.

### **Highlights of the project during the reporting period**

- Special Economic Development Zone Policy drafted and endorsed by cabinet (Feb. 25th 2021) leading to completion of an assessments covering SEZs prioritization & development.
- Assessment for the formulation of a Somalia Programme on Quality & Standards for Trade Facilitation & Development (QS4T) covering: Quality Infrastructure (QI) for accession to the WTO, Conformity Assessment Services and review of Trade Facilitation initiative linked to the requirement necessary to WTO accession (this entails capacity building of the National Trade Facilitation Committee - NTFC). This activity has been implemented in partnership with UNCTAD and FAO team linked to the ongoing efforts related to the National Fishery masterplan.
- One new Enterprise Development Unit (EDU) established hosted by the Hiran Chamber of Commerce and Industry in Beledweyne and Somalia EDU network secretariat also been established and chaired by the EDU Mogadishu at the level of the Somali Chamber of Commerce and Industry
- OSH national profile prepared and validated on 17th November 2021
- Legislation for the re-establishment of the labour court in Somalia reviewed.
- A total of 200 female farmers were registered through FAO registration online tools, grouped into cooperatives and capacitated on modern agribusiness management.
- A durable solutions study was carried out in Kismayo, Baidoa, Beledweyn and Garowe and was successfully completed.

### **Summary of key achievements during the reporting period**

1. Special Economic Zones (SEZ) Strategy paper on the various possibilities that lies ahead for the Federal Government of Somalia to stimulate economic activities through establishments of Special Economic Zones has been prepared and is submitted to the Ministry of Commerce and Industry. The Policy was endorsed by cabinet on February 25th 2021. As key action of the government endorsed strategy MoCI and UNIDO kick-started a prefeasibility/opportunity study to enable MoCI to establish a national master plan for the development of SEZs in Somalia. In addition to the prefeasibility study, the assignment undertaken by UNIDO in partnership with Tripleline Consulting, is also covering, the preparation of a legal framework for the creation of SEZs. The draft report of the study has been submitted and the final report is expected by end of February 2022.
2. Based on current needs to comply with the World Trade Organization (WTO) accession requirement in the area of Quality Infrastructure and Standards, UNIDO and MoCI has worked together undertaking the following 3 assessments:
  - Quality Infrastructure (QI) for accession to the WTO: Somalia is preparing the documents to be submitted to the WTO for its accession (has already submitted its application and preliminary documents) – Completed in September 2021
  - Conformity Assessment Services: testing, calibration, inspection & certification services/systems & consumer protection – Completed in November 2021
  - Trade Facilitation: Complementary activity linked to WTO accession – this entails capacity building of the National Trade Facilitation Committee (NTFC) set up by Somalia to strengthen its officials in terms of trade negotiation and development (This activity will be done in partnership with UNCTAD and its experts) – started in November 2021 and due to complete in March 2022.
3. A total of 200 female farmers were registered on FAO's Open Data Kit (ODK) tool, organized into cooperatives and capacitated into cooperative governance management, Good Agricultural Practice (GAP) and modern agribusiness management.
4. A durable solutions study was carried out in Kismayo, Baidoa, Beledweyn and Garowe and was successfully completed. Triple Age Development Consultants completed study report and

presented to durable solutions working groups. Triple Age Development Consultants completed the donor presentation findings on 16 December 2021.

5. OSH national profile: summarized the existing occupational safety and health situation in the Somalia and identified amongst others matters the relevant legislation, infrastructure and resources. It has also identified strengths and weaknesses that can be addressed by a well-designed national programme on OSH. MOLSA, SCCI and FESTU have a better understanding of the approach towards a National OSH system.
6. Legislation for the re-establishment of the labour court in Somalia reviewed

## Section 2: Progress Report Results Matrix

<b>OBJECTIVE: To support inclusive and sustainable post-crisis productive sectors development across Somalia</b>			
<b>OUTCOME 1: Growth enabling strategic policies, plans and legislations put in place</b>			
<b>OUTPUT 1.1: Capacities of public and private productive sectors institutions are established to deliver on a sustainable and inclusive post-crisis economic agenda</b>			
INDICATOR	TARGET	PROGRESS ON OUTPUT INDICATOR	
		REPORTING PERIOD (YEAR)	CUMULATIVE
1.1.1 Review existing legislations required to stimulate economic activities and investment; e.g. Industrial zones (IZs), special economic/export zones (SEZs) and provide a revamped draft laws.	# of legislations reviewed/submitted	0	0
1.1.2 Development of OSH Policy & technical assistance to operationalized new OHS Policy	# of policy document developed	1	1
<b>OUTPUT 1.2: Comprehensive plans for the development of Somalia productive sectors infrastructure and stimulate investment have been conducted</b>			
1.2.1 Develop a National pre-feasibility study for industrial zones and special economic/export zones (SEZs)	# of reports developed	0	0
1.2.2 Develop of a National Fishery masterplan	# of reports developed	0	0
1.2.3 Conduct Durable solutions and rural mobility study for Somalia	# of reports developed	1	1
1.2.4 Assessment for the formulation of a Somalia Programme on Quality & Standards for Trade Facilitation & Development (QS4T)	# of reports developed	2	2
<b>OUTCOME 2: Somali public and private institutions have access to enhanced productive sectors development services and infrastructure</b>			
<b>OUTPUT 2.1: Proposal drafting of employment reach Economic Growth initiatives with MoCI, MoLSA, MoA and other relevant ministries institutions submitted for approval</b>			
2.1.1 Reinforce MoCI's advisory team and its technical capacities to effectively deliver on their inclusive and sustainable industrial development mandate, particularly focusing on delivering awareness trainings, conduct consultations and provide advisory support to MoCI and other FGS partners on youth and women participation in Somali productive sectors	# of Ministry's Advisor recruited # of economic growth initiatives taken/ revamped # of technical training programs developed for the economic growth initiatives	4 3 3 10	4 3 3 10

	# of ministerial staff trained		
2.1.2 Reinforce MoAI's advisory team and its technical capacities to effectively deliver on their development mandate.	# of Ministry's Advisor recruited	1	1
	# of economic growth initiatives taken/ revamped	1	1
	# of technical training programs developed for the economic growth initiatives	1	1
	# of ministerial staff trained	20	20
2.1.3 Reinforce MoFWR's advisory team and its technical capacities to effectively deliver on their development mandate.	# of Ministry's Advisor recruited	1	1
	# of economic growth initiatives taken/ revamped	0	0
	# of technical training programs developed for the economic growth initiatives	0	0
	# of ministerial staff trained	0	0
2.1.4 Reinforce MoLSA's advisory team and its technical capacities to effectively deliver on their development mandate.	# of Ministry's Advisor recruited	1	1
	# of technical training programs developed for the economic growth initiatives	2	2
	# of ministerial staff trained	3	3
2.1.5 Conduct 3 consultation seminars/workshop/trainings aimed at facilitating MoCI and SCCI Public-Private Dialogue initiative - (Activity implemented in collaboration with IFC)	# of PPD consultative events organized	3	3
	# of PPD roadmaps drafted and deployed	3	3
<b>OUTPUT 2.2</b>			
<b>Capacities of selected agricultural, Industrial and labor support institutions (i.e. VTCs, BDS, Sector associations/organizations, financial institutes/ MFIs etc.), involved in supporting productive sector in the country, are developed to provide services.</b>			
2.2.1 Deliver capacity building training, advisory and mentorship support to 15 representatives from the Somalia Chamber of Commerce & Industry senior management team on international best practices in private sector development organization, aimed at reinforcing SCCI organizational governance structure and delivery on mandate (Activity implemented in collaboration with IFC)	# of organizational road-map prepared	1	1
	# of capacity building programs held	1	1
	# of SCCI members trained	10	10
2.2.2 Deliver capacity building training, advisory and mentorship support to 15	# of EDU experts trained	8	15

MSMEs development and investment promotion experts embedded within the 4th Enterprise Development Unit (EDU) within Somalia Chamber of Commerce & Industry network			
2.2.3 Technical assistance for the re-establishment of the National Labour Court	# of expert trained	1	1
<b>OUTCOME 3</b>			
<b>Somali productive cooperatives and MSMEs access skilled development initiatives, production facilities and technologies</b>			
<b>OUTPUT 3.1</b>			
<b>Women and men farmers, women-led cooperatives and women and men-led MSMEs in targeted value chains have received technical assistance aimed at boosting productivity while becoming more knowledgeable of environmentally sound business practices.</b>			
3.1.1 Deliver capacity building support to at least 1 MSMEs/cooperative or private sector association on value chain integration on production competitiveness, developed through adoption of good production and business practices	# of Common Infrastructure development	0	0
3.1.2 Deliver capacity building to women group in prioritized agriculture and fishery value chains	# of women majority cooperative formed and operationalized in the priority sector	150 (fisheries component only)	150
	# of women benefiting from leadership and business management training	200 (agro sector only)	300
<b>OUTPUT 3.2</b>			
<b>Farmers and fishermen, cooperatives and MSMEs are provided access to entrepreneurship development tools, finance and productive technology.</b>			
3.2.1 Rolling out gender sensitive business support services and coaching to existing and newly created women owned MSMEs starts ups in priority value chains	# women owned MSMEs supported	45	51

## Section 3: Narrative reporting on results

### Progress towards outcomes

*Macro Level: Special Economic Zones development (covering activity 1.1.1 and 1.2.1)*

Special Economic Zones (SEZ) Strategy paper on the various possibilities that lies ahead for the Federal Government of Somalia to stimulate economic activities through establishments of Special Economic Zones has been prepared and is submitted to the Ministry of Commerce and Industry. The Policy was endorsed by cabinet on February 25<sup>th</sup> 2021. As key action of the government endorsed strategy MoCI and UNIDO kick-started a prefeasibility/opportunity study to enable MOCI to establish a national master plan for the development of SEZs in Somalia. In addition to the prefeasibility study, the assignment undertaken by UNIDO in partnership with Tripleline Consulting, is also covering, the preparation of a legal framework for the creation of SEZs. The draft report of the study has been submitted and the final report is expected by end of February 2022.

UNIDO simultaneously conducted a study in collaboration with University of Rome “Tor Vergatta” to understand the parameters affecting the decision on location of SEZ from various stake-holders perspective. The report presents interesting insights which can complement the pre-feasibility study.

#### **Progress towards completion of the activity: 90%**

*Macro Level: Assessment for the formulation of a Somalia Programme on Quality & Standards for Trade Facilitation & Development (QS4T) – activity revised and endorsed during the PSC held on July 8th 2018 (covering activity 1.2.4 – in substitution of 1.1.2 and 2.2.3 ad per decision of the PSC held on July 8<sup>th</sup> 2021)*

As part of the Somalia Productive Sectors Development Programme UNIDO is expected to support the Federal Government of Somalia Ministry of Commerce and industry (FGS-MoCI) to:

1. Establishment of a coherent, priority-based quality infrastructure vision/policy for the development of Quality Infrastructure and conformity assessment services through a public private sector consultation;
2. Identify specific high value adding individual development proposals for selective areas with highest impact on vulnerable populations and on export earnings. These individual proposals would allow for local capacity-building, as well as for the development of larger-scale investment proposals for submission to further donor cooperation; and
3. Kick-start the formulation of a draft legislation on Somalia Certification of Origin

Objective of this UNIDO support is to define areas of intervention for MoCI to be further prioritized based on current needs to comply with the World Trade Organization (WTO) accession requirement in Quality Infrastructure and Standards.

Since July 2021, as part of this intervention UNIDO and MoCI worked together undertaking the following assessments:

- Quality Infrastructure (QI) for accession to the WTO: Somalia is preparing the documents to be submitted to the WTO for its accession (has already submitted its application and preliminary documents) – **Completed in September 2021**
- Conformity Assessment Services: testing, calibration, inspection & certification services/systems & consumer protection – **Completed in November 2021**
- Trade Facilitation: Complementary activity following WTO accession – this entails capacity building of the National Trade Facilitation Committee (NTFC) set up by Somalia to strengthen its officials in terms of trade negotiation and development. (This activity will be done in partnership with UNCTAD and its experts). – **Ongoing and to be completed by March 2022**

#### **Progress towards completion of the activity: 90%**

*Meso Level: advisory support to Minister of Commerce & Industry (MoCI) (covering activity 2.1.1)*

MoCI advisory team of 4 advisors have been recruited and placed by UNIDO to support the Minister of Commerce & Industry (MoCI). The placement of the advisors is expected to increase the effectiveness of MoCI in providing services to the Somali private sector as well as strengthen the Ministry's capacities for formulating policies and directives.

The following 4 advisors have been recruited and assigned to support specific tasks within the ministry of commerce and industry in the course of 2021:

- FGS – MoCI Principal Advisor to the Minister (15 months)
- FGS – MoCI Technical Advisor to Special Economic Zones development (15 months)
- FGS – MoCI Technical Advisor on Quality Infrastructure and Standards (6 months)
- FGS – MoCI Technical Advisor on Women Economic Empowerment (6 months)

**Progress towards completion of the activity: 100%**

*Meso Level: Advisory support to the Somali Chamber of Commerce and Industry (SCCI) and the establishment of the Somalia Enterprise Development Units Network secretariat (covering activity 2.1.5 and 2.2.1)*

The capacity building component for SCCI has started with preliminary organizational assessment exercise completed. Based on the findings, a roadmap for interventions is being prepared where areas of support and capacity building inputs are designed. Accordingly, capacity building activities will commence in the coming months.

As a result of the technical assistance to SCCI, efforts to further incorporate the Somali Somalia Enterprise Development Units Network have been made with the establishment of a secretariat of the network hosted by the Somali Chamber of Commerce Headquarters in Mogadishu. The EDU network secretariat is in the process to be equipped with a website [www.edusomalia.org](http://www.edusomalia.org) expected to be published online by the end of March, 2022.

**Progress towards completion of the activity: 90%**

*Meso and Micro Level: establishment of the Enterprise Development Units in Beletweyne (covering activity 2.2.2 and 3.2.1)*

An Enterprise Development Unit (EDU) is established in Beletweyne within the Hiran Chamber of Commerce. The EDU is designed to provide entrepreneurial training and business counselling to local business community with priority for women entrepreneurs. Series of capacity building inputs were provided during the project period to create local teams of trainers and business counsellors. A ToT (Training of Trainers) on entrepreneurship was conducted in November 2020 where 7 local experts were trained, which in turn has provided Entrepreneurship Trainings. Further, online training of trainers was conducted in the month of June 21, where four participants were trained. This was followed by an online training of business counsellors in the month of September 2021 was held where 4 participants graduated. Subsequently, the EDU team of trainers conducted 5 nos. of Training of entrepreneurs where 108 participants including 51 female entrepreneurs graduated from. The team of counsellors provided business counselling services to 59 entrepreneurs where 42 Business Plans prepared.

The business development service support and the credit availability has led to enterprises who are beneficiaries of EDU services to expand and create new jobs. It has been estimated that 455,369 \$ investment generated, and 45 jobs created during the project period.

EDU Beletweyne have developed a database of women led-SME in the Hirshabele state, which can be used to identify entrepreneurs who have the potential to be supported through various economic development initiatives implemented by UNIDO PSDP in subsequent phases of intervention.

**Progress towards completion of the activity: 100%++**

*Micro Level: establishment of a common facility for the sesame value chain. (covering activity 3.1.1)*

The initiative for intervention on Value chain productivity enhancement has reached an advanced stage. After number of rounds of consultation, the sesame value chain was identified as the potential area of intervention. The producer level assessment has been completed in Hirshabele state and based on the findings, the proposed intervention has been planned, where a common infrastructure is being proposed where the sesame producers can use the facility to

hull as well as store some of their produce. A private sector company has been shortlisted to be the machine supplier for the production hub and a Sesame farmers' cooperative has been identified to partner with the private sector company. An MoU between the private sector and the cooperative is finalized and signed. The procurement process for construction of the Common Facility Centre (CFC) has been completed, and a local contractor has given the contract for rehabilitation of the establishment where the CFC will be located. The CFC is expected to start operations in the month of March 2022.

**Progress towards completion of the activity: 75%**

*Macro level: Somalia policy environment enhanced to created decent employment opportunities (covering activity 1.1.3)*

The review of the legislation for the re-establishment of the labour court in Somalia commenced on October 2021 with the engagement of a local consultant to work closely with Ministry of Labour and Social Affairs (MOLSA), Federation of Somalia Trade Union (FESTU), and Somalia Chamber of Commerce and Industry (SCCI) and other stakeholders to revise the existing legislation for the re-establishment of the labour courts. The exercise involves a desk study review of documents and existing legislation on the labour courts, discussions with key stakeholders including the tripartite constituents and analyzed of the existing enabling factors and challenges for the re-establishment of the labour courts.

A draft report of the review was submitted to MOLSA, FESTU and SCCI for their inputs and also shared with Ministry of Justice Federal Government of Somalia for further comments, ACTRAV and ACTEMP (ILO departments representing the interest of workers and employers respectively) for their comment and inputs. The final draft has been submitted to MOLSA and a validation workshop planned in February 2022

On the OSH policy, a team was set up made of representation from MOLSA, SCCI and FESTU as the monitoring group for the development of the OSH policy. They were charged with the responsibility of monitoring the process and reviewing and validating document. The team was capacitated for the assignment through a 2-day workshop held 06<sup>th</sup> and 7<sup>th</sup> of July 2021 and in collaboration of MOLSA a local consultant was appointed to carry out an OSH national profile study. The consultant with support of the monitoring group and other stakeholder completed the national profile assignment. The profile study summarizes the existing occupational safety and health situation in the Somalia and identifies amongst others matters the relevant legislation, infrastructure, and resources. It has also identified strengths and weaknesses that can be addressed by a well-designed national programme on OSH. MOLSA, SCCI and FESTU have a better understanding of the approach towards a National OSH system. The national OSH profile was validated through a workshop held on 17 November 2021. The validated document has been submitted to MOLSA and arrangement are being made to have it printed. In the local language.

**Progress towards completion of the activity is 75%**

*Meso Level – Reinforce MOLSA technical capacity to effectively deliver on its mandate (Activity 2.1.4)*

Reinforcement of the technical capacity of MOLSA for the project commenced with an agreement between MOLSA and ILO to a technical office as a MOLSA's focal person charged with the responsibility to coordinate with ILO's subject matter specialist on project activity

The ILO consulted with MOLSA and agree on the following technical training programme;

1. Systematic approach towards the development of OSH policies / OSH national programs – The training took place on 06<sup>th</sup> and 7<sup>th</sup> of July 2021 and covered among others, rationale for investing in OSH, systematic approach, principles and steps of approach. Spheres of action of national policy, functions and responsibilities. Arrangement are being made with the ITCILO centre in Turin to provide further training to the social partners.
2. Role of the social partners in the development of the productive sectors the project engaged a local external collaborative consultant to analyses the existing enabling factors and challenges for the for each of the social partners to administer, operate and facilitate the productive sector growth and organized one week workshop on 12<sup>th</sup> to 15<sup>th</sup> of December, on building the capacity of the tripartite constituent, (MOLSA, FESTU and SCCI).

The workshop brought tripartite committee together to discuss and elaborate different potential roles of each the social partners, the team from MOLSA identified points including the following regarding roles on productive sector development and emphasized that the ministry develops labour policies and standards, coordinates with social partners and advocacies at regional and state level.

The workshop focused on advocacy and risk analysis in the workplace, ensuring the availability of first aids at the workplace, safety garments and the rights of the workers including working hours, maternity pay leave, sick leave, annual leave in adherence to international labour standards information sharing, ensuring adherence to policies, networking and ensuring a decent work for all.

**Progress towards completion this activity is 90%**

*Macro Level: Output 1.2.2 Development of a National Fishery Masterplan*

Progress in early 2021 was steady as private and public sectors (alongside the Ministry and FAO teams) developed an outline framework for the document and agrees that a participatory process allowing effective opportunities for stakeholders to engage with the process is ideal. An annotated contents list was presented by the Federal Government of Somalia's Ministry of Fisheries and Marine Resources (MoFMR) to the Productive Sectors Development Programme (PSDP) Technical Working Group (TWG) in May 2021. This annotated list provided guidance on the expected Strategic Outcomes of the plan and identified key chapters to be covered in the plan. Furthermore, the outline Content List identified five (5) Concept Notes to be prepared alongside the plan as a practical and fundable component.

In collaboration with the donor partner, La Federazione Nazionale delle Imprese di Pesca (FEDERPESCA) was identified as a key partner to work alongside the Somalia and a LoA was agreed and signed between FAO and FEDERPESCA. Informal consultations, data collection and analysis supporting the FMP were initiated upon signing of the LoA led by the technical team from FEDERPESCA aiming to lead into one or two consultation workshops to be held in Somalia. Unfortunately efforts to hold these meetings in Somalia in November and again in December failed due to either COVID-19 cases within the technical team or travel restrictions preventing movement and requiring individuals to self-isolate. At the end of the reporting period, the workshops were scheduled for January and February 2022 during the missions of the FEDERPESCA team to the country.

Noting the priority of this area of work, the project provided Technical Assistance to support the Federal Government of Somalia (FGS) to chart a way forward – a Road Map – for the entry of Somali fishery products into the European Markets.

To ensure compliance with the sanitary requirements of export markets, the Federal and Member State Authorities of Somalia will need to develop an integrated system of official controls, comprising inspections, approvals, sampling, and certification. The Consultant fully investigated the current situation with regard to the readiness of Somalia to meet the requirements set out in law for export of fish end fishery products to the EU and made specific and costed recommendations developed and proposed to the Government of Somalia. This "Road Map" sets out the prioritized steps to be taken in each of the above areas and will be incorporated into the Fisheries Master Plan.

**Progress towards completion of the activity: 30%**

*Meso level: Output 2.1.2 Advisory support to MoA to support its organizational structure and develop its capacities to administer, operate/set up units within its ambit to promote and facilitate productive sector growth*

During the reporting period, the recruitment and the arrival of a full time senior advisor to Ministry of Agriculture and Irrigation (MoAI), Federal Government (FG) for the PSDP programme led to greater engagement from the MoAI staff committing more time to PSDP and strengthening their collaboration with PUNO's as well as the Federal Member States (FMS) through attendance/organization of various working groups/meetings Thematic Working Groups (TWG)/Project Steering Committees (PSC) within the PSDP framework.

The senior advisor mentioned above has also helped to move FAO towards closing out all planned Phase I interventions. The advisor has actively participated for all related PSDP related implementations. He also technically contributed to the stakeholder consultations and the development of programme Phase II priority activities as well as the finalization of the programme revision process. MoAI's capacity at the Federal Government of Somalia (FGS) level as well as the FMS level has benefitted from increased levels of communication helped by familiar focal persons that have remained unchanged and consistent. This has led to smoother operations with improved admin/finance procedures in place allowing for the transparent utilization of earmarked budgets lines despite issues with delays.

**Progress towards completion of the activity: 100%**

*Meso level: Output 2.1.3 Advisory support to MoFMR to support its organizational structure and develop its capacities to administer, operate/set up units within its ambit to promote and facilitate productive sector growth*

The long term advisor to the Minister of the Ministry of Fisheries and Marine Resources (MoFMR) was recruited through the Committed to Good (CTG) modality and was onboarded in early 2021. The advisor is leading consultations with Somali institutions (at Federal and State *levels*) for the operations of the Fisheries Master Plan and taking an active role in all other aspects of project implementation. The advisor is a regular participant in the monthly TWG meetings and supports the reporting process. The Advisor is able to ensure that the work on the FMP particularly is fully incorporated in the Federal Ministry process and leads the interactions with the FMS. No specific training interventions have been completed with skills transfer being informal and on-the-job.

**Progress towards completion of the activity: 90%**

*Micro-level: Output 3.1.2 Economic empowerment of women in Agriculture and fishery value chain.*

Under the FAO's agricultural activities, FAO supported 200 female farmers from Janale and Bufoow Bacad Villages, Marko Districts on practical field training and modern agribusiness related concepts. During the reporting period, the 200 Female farmers formed six (6) cooperatives. The same females, through their cooperatives, were trained in cooperative governance, good agricultural practices (GAP), integrated production and pest management (IPPM), post-harvest management and modern agribusiness including value addition and marketing. With the acquired knowledge and skills, the committee members have been able to change the perception of the cooperative members from dependency to self-reliance and commercially oriented entities. More significantly, the cooperatives are in a better position to use the infrastructure in place efficiently to enhance access to markets and better economic opportunities for their products by streamlining market linkages. From early November 2021 to the first week of January 2022, 40 female representatives from cooperatives were further trained on cooperatives governance, asset management and small business planning under the target district. This enabled them to build their management skills using assets at their disposal to enhance efficiency and effectiveness of use. At the same, the Cooperative members gained skills on best practices of business planning. Since then, there has been a change of mind set of the female cooperatives from dependency to self-reliance which was triggered by the cooperative members who attended the training. Through this, the trained cooperative members further cascaded skills learnt to the rest of the members in order to achieve an increase in good quality production for better markets. On the fisheries side, the South West State Ministry of Fisheries and Marine Resources (MFMR) is the technical implementing partner for this component, with support from the FAO Fisheries Team with supervision from the Federal Ministry of Fisheries and Marine Resources (MFMR). Through the use of the LoU as a tool for implementation, the project team ensures that the Ministry adopts their rightful role in project implementation but that the project may provide technical and financial assistance to ensure the tasks are carried out fully and in line with expectations. Technical needs for members of women's fisheries or related groups in the coastal towns of Jazira and Merca were assessed and community meetings were held with over 80 participants as part of a process carried out by the Ministry. The Ministry also sensitized local authorities with the aim of facilitating the projects' outreach and activity implementation in the mentioned districts. Sections of the meetings were broadcast on South West radio and TV stations to improve transparency in the process and raise awareness.

**Progress towards completion of the activity: 90%**

**Number of beneficiaries and feedback from beneficiaries**

	<b>UNIDO</b>	<b>ILO</b>	<b>FAO</b>
Number of firms with economic gains (additional sales, savings)	48	-	6
# of institutions established or strengthened	5	3	10
# of actors participating in enhanced collaboration settings (clusters, networks)	4	1	7
Number of actors gaining skills on UN knowledge areas	183	-	350
Number of strategies and policy documents drafted / prepared	5	1	1
Number of capacity building activities provided	5	1	3

## Section 4: Project implementation

### COVID 19 Response

UNIDO Somalia prepared a COVID-19 response strategy paper, in May/June 2020 and updated in December 2020. The policy documents outline the impact on the country's, economy, supply chains, effects on employment and highlight strategic areas of response in line with UN Country Cooperation Framework.

UNIDO Somalia in collaboration with World Bank and IFC have conducted countrywide survey on impact of Covid-19 on the SMEs in the country. The report shared with the Federal Govt. of Somalia presented the various pressure points and the areas of difficulties that the SMEs have experienced due to this global pandemic. 3 rounds of survey were conducted in Sept 2020, May 2021, and Dec. 2021.

### Key constraints and challenges and associated corrective actions

Despite challenges with COVID-19 UNIDO activities progressed steadily. However, change of Ministers at the line Ministries caused minor delays in the implementation of activities but recently activities have been accelerated.

Due to existing security challenges in the project area, in which there remains active conflict between Al-Shabaab and national security, the MoAIs both at the FGS and South West State have encountered delays to complete the required field extension services and training. This led hampered the ability to submit the required reports to release the instalments. However, the project requested a six (6) month No Cost Extension to allow the FAO's line ministries to complete the pending activities, prepare and submit the reports and release payments.

### Risk management

Type of risk	Description of risk	Mitigating measures
External	Deterioration of security situation and increased tensions	Close coordination with local stakeholders, UNDSS and donors regarding developments in the security situation Working closely with local administrations in all project planning and implementation Selection of regions where access is likely to remain open and the security situation stable
External	Reluctance of the donor community to fund the PSDP	Continuous engagement with the donor community, flexibility in the funding modality and flexibility in tailoring the PSDP to align with donors technical requirements
External	Change in Government Priorities	The PSDP targets longstanding challenges that are known and common priorities for the government, donors and international community, which was also consulted with key partners.
External	Significant change in government officials	PUNOs will ensure that government offices involved in the programme adopt PSDP programme as government frameworks and that the vision of PSDP is underpinned in government policies. This has been ensured through alignment with existing government (UNDP 2020- 2024) and UNCF 2021- 2025. This way, objectives of PSDP are enshrined in government documents as priorities and can therefore be advocated as such even with a change in government/ key leadership positions.
External	Delays in implementation of government reforms	The PSDP includes focused activities, which can be implemented immediately, however will support/be supported by the wider sectoral and business environment reforms when implemented.
External	Cultural resistance towards gender equality and a gender-based approach	Adopt a participatory approach towards implementation and ensure continuous engagement with beneficiaries Back up arguments with empirical evidence on gender disparities and the importance of equitable access to opportunities
Internal	Challenges in coordination between the implementing agencies and contributing donors	The governance structure of the PSDP is set up to overcome this challenge through joint UN, donor and government strategic oversight supported by joint project management team led by the UNIDO' office
Internal	Challenges in acquiring baseline data	Availability of data is an issue in Somalia, the PSDP through its phase 2 aims to target this challenges through targeted assessments and reviews to generate required data affecting implementation of key activities

Internal	Duplication of efforts with other humanitarian/ development agencies	The UN agencies, donors and government involved in the implementation and management of the programme will share responsibility to share information on the programme activities and explore opportunities for synergies and scale up of activities with their counterparts and implementing partners working in relevant fields
Internal	Insufficient involvement / commitment of key stakeholders	The PSDP will follow a participatory approach coordinating from the onset with relevant government and local counterparts and beneficiaries to ensure strong partnerships throughout the implementation phase
Internal	Absorptive capacities of Public and Private sector assigned experts/Staff selected to receive programme supported capacity building assistance	Programme Team would work with public and private institutions to guide the selection of experts and staff that will be included in capacity building activities that may have an implication on the quality of work to be delivered to productive sectors players after the assistance is provided. JD with min. prerequisite for the trainees to be nominated for programme supported technical assistance initiative will be shared, in advance with programme counterparts and the selection of the trainees will be executed based on evaluation scorecards jointly agreed.
External	Resistance from Somali productive sector to channel investments towards more productive business ventures, by mainly focusing on quick-for-financial-return trading business ideas	Focus intervention on segment of value chains to be supported by the programme that could proof concept of the factual business opportunity and value in pursuing a productive activities instead of a trading business. Work with public sector entities stakeholder of the programme to find wait to further ease the start-up of industrial enterprises. Work on the success stories and promote their experience as entrepreneurs and job creators.
External	Deteriorating of the humanitarian situation that significantly affects development work (resource diversion to humanitarian response, and/ or change in development landscape)	This risk is likely to be realized due to continued deterioration of the humanitarian situation due to failed rains and prolonged drought-like conditions. PUNOS will work closely with other stakeholders and other UN agencies to fundraise and ensure humanitarian caseload is manageable. They will also work with the government to ensure that support of development objectives is sustained throughout as the solution to recurring humanitarian crises.

### Learning impact

As a result of the capacity injection components implemented by the 3 PUNOs, a more articulated UN-system wide policy of recruitment of government experts and advisors is been clear to be necessary. This must be harmonized across development partners and government.

Effective coordination with development partners working with the Pillar meeting coordinated with the office of the prime minister has proved the ability of the programme to be coordinate with all development partners active around productive sectors development.

### Coordination with other UN entities including UNSOM/UNSOS within and outside the SJF portfolio

UNIDO has been able to articulate a partnership with UNDP and UNCTAD for the implementation of some of the activities. In Dec. 2021 UNDP communicated the intention to fund a UNIDO intervention within the productive sector development programme through a UN2UN transfer agreement.  
UNCTAD and UNIDO also worked together for the implementation of the trade facilitation assessment (ongoing). A spinoff project implemented by UNIDO has been designed and donor funding commitment identified. The new UNIDO project will be implemented with UNCTAD and coordinated within the framework of the Productive Sector Development Programme coordination mechanism.

### Role of the UN Somalia Joint Fund

During the reporting period UNIDO, as leading coordinating agency of the PSDP, has actively engaged with the UNSJF particularly in addressing some critical funding delay from earmarked and approved funding. As of Feb. 2022, a \$ 2 m. contribution earmarked to the fund for the PSDP has yet to be transferred for implementation. Some PSDP planned and committed activities has stopped as of Jan. 2022 to due funding delay ( 7 months delay).

### Synergies with other funds (UN and non-UN) working on similar issues

Through the joint-programme of PSDP, UNIDO (lead agency), FAO and ILO are leveraging their core areas of expertise and experience in Somalia to support an enabling environment for suitable development of Somali productive sectors through formulation and execution of growth enabling strategic policies, building capacities of institutions and enhance skills and production capacities of the project beneficiaries. In addition, UNIDO collaborated with UNDP under Midinimo II project to launch a credit facility to provide credit to MSMEs in the province of Beletweyne.

### Partnerships

Strong partnerships with the private sector and academia have been forged to date in the implementation process: the partnership with FEDERPESCA (an Association of fishing companies in Italy) ensures that the concerns for the private sector in the future development of the sector as set out in the Master plan are fully addressed; and with the Marine and Fisheries Institute of City University we continue to support and benefit from the contacts and communication with students on Fisheries courses.

### Monitoring and oversight activities

Monitoring activity	Date	Description	Comments & Recommendations
Stakeholder review consultation	January 18 <sup>th</sup> 2021	Programme Steering Committee n.2	Review and approval of Jan-June 2021 Workplan
Stakeholder review consultation	July 8 <sup>th</sup> 2021	Programme Steering Committee n.3	Review and approval of July-Dec 2021 Workplan & edorsment of plan to undertake programme review and expansion
Stakeholder review consultation	Each 1 <sup>st</sup> Thursday of each month	Technical Working Group	Review programme towards achievement of the programme
Stakeholder review consultation	6 meeting (out of 8) during 2021	Pillar 3 partners meeting	PSDP was able to deliver 6 focused presentation about specific PSDP activities at Pillar 3 meetings chaired by the Office of the Prime Minister
Stakeholder review consultation	September 9 <sup>th</sup> 2021	SEZ donor partners meeting	First engagement with Development partners on the Pre-feasibility study for the Special Economic development zone.

### Communication activities

Respective PUNO and Line ministries have been proactive in offering broad visibility to the various activities implemented by the PSDP. It is worth to mention that a dedicated presentation on programme result was delivered during the aid coordination pillar 3 meeting on economic development and regular updates have been offered during numerous donors and partners meeting since programme inception.

FAO used banners and brochures for project publicity and donor visibility during project consultation meetings and field trainings.

A PSDP team logo has also been created and utilized for all official communication and material produced by the programme team.



On July 14<sup>th</sup> 2021, with the support of the IO/RCO PUNO organized an official launch event of the Productive Sectors Development Joint Programme. The event was broadcasted live via WebEx, and chaired by H.E. Hon. Khalif, Minister of Commerce and Industry, H.E. Amb Alberto Vecchi, Ambassador of Italy to Somalia and H.E. Adam Abdelmoula, DSRSG/RG. To promote the event and the programme, UNIDO worked with UNSOM communication team for the production of a free of cost video about the programme, and a number of communication materials, that has been broadcasted and reposted during the event, and the hours following to that event.

There was good coverage on social media, with ~3k people reach and reacting to the social media posts and article posted across different platforms during the day of the event.

#### **Noteworthy News coverage**

<https://sonna.so/en/italy-contributes-us2-million-for-job-opportunities-promote-governance-and-economic-growth-in-somalia>

#### **Sonna twitter post**

<https://twitter.com/SONNALIVE/status/1415755145623781377>

<https://hornobserver.com/articles/1168/Italy-contributes-addition-US2-Million-to-boost-Economic-growth-in-Somalia>

#### **FSG Minister of Commerce and Industry Hon. Khalif Omar (Twitter account)**

[https://twitter.com/Hon\\_Khalif/status/1415374567716102153](https://twitter.com/Hon_Khalif/status/1415374567716102153)

#### **FGS - MOCI Facebook page**

Video-<https://fb.watch/v/38Sd8xyfj/> 2.4 k views

Post <https://www.facebook.com/1696697203903350/posts/2945315555708169/?d=n>

#### **FGS - MOCI twitter**

<https://twitter.com/mocisom/status/1415607046553145347?s=24>

<https://twitter.com/mocisom/status/1415336436157538310?s=24>

#### **Italy in Somalia Twitter**

<https://twitter.com/ItalyinSomalia/status/1415713477377810432/retweets>

#### **Retweeted MOCI post**

<https://twitter.com/mocisom/status/1415773245865959430> on the SONNA.SO

#### **UNIDO Somalia twitter coverage (Video)**

<https://twitter.com/UNIDOSomalia/status/1416220092619231233>

<https://twitter.com/UNIDOSomalia/status/1415443026378383361>

Vimeo Video- <https://twitter.com/UNIDOSomalia/status/1416206149775466498>

Press release post- <https://twitter.com/UNIDOSomalia/status/1414928619428843522>

#### **UNSOM Coverage**

Twitter- UNSOM retweeted the DSRSG tweet. **The story was featured on the main UNSOM website,**

Website: <https://unsom.unmissions.org/government-italy-contributes-additional-us2-million-psdp-boost-job-creation-access-economic>

#### **UN coverage, Adam Abdelmoula DSRSG twitter account**

[https://twitter.com/adam\\_abdelmoula/status/1415297671787655174](https://twitter.com/adam_abdelmoula/status/1415297671787655174)

The story on the event is also featuring on the main menu of the UNCT

website: <https://somalia.un.org/en/136474-government-italy-contributes-additional-us2-million-psdp-boost-job-creation-access-economic>

## Section 5: Project management

Number of project steering committee meetings held:	2
Number of UN staff (international/national) funded by the project:	UNIDO 1int/2nat. ILO 1int/1nat. FAO 1int/3nat
Number of government personnel funded by the project? What are their functions and where do they work?	UNIDO: 4 (reduced to 2 in September 2021) ILO: 1 FAO: 1
How has the project ensured the visibility of SJF donors during the reporting period?	Partially. More specific engagement shall be undertaken.
Projected funding needs for next year	Min. 6 m. of which \$2.6 identified

## Section 6: Cross-cutting issues

### Gender equality and women empowerment

The programme included a gender sensitiveness component which rolls out business support services and coaching to existing and newly created MSMEs prioritizing women and youth start-ups in priority value chains. Thus far, UNIDO has recruited Women Economic Empowerment advisor to support gender issues at the Ministry of Commerce and Industry of FGS. Furthermore, though the established of EDU in Beledweyne, support to businesses owned by women has commenced, delivering enterprises development training to 51 women led potential/existing companies. In addition, EDU Beletweyne has prepared a women owned business database in the region, which will help identify potential women beneficiaries under economic activities. As a result, this will update their skills and knowledge in regards to business subjects in turn allow for successful start-ups or expansions. The aim is to create jobs, improve business operations and increase performance in terms of sales, outreach, customer's attraction, etc.

The focus on women in the fisheries component has been very well received in the fishing communities of SW state and will go some way to both demonstrate and improve the critical role that women play in the fisheries value chain. Moreover, with the planned training to be carried out in 2022 the interventions will certainly empower the individuals concerned, provide hope and opportunities for a better future in fisheries.

Proportion of gender specific outputs in the project	Total number of project outputs	Total number of gender specific outputs
	17	3
Proportion of project staff with responsibility for gender issues	Total number of staff	Total number of staff with responsibility for gender issues
	2	2 - UNIDO

### Humanitarian-development-peace nexus

The PSDP through UNIDO's Enterprise Development Unit (EDU) in Beletweyne has provided business trainings and advisory services to more than 100 enterprises and potential entrepreneurs which has resulted in expansion/establishment of 48 enterprises creating/maintaining jobs for 88 individuals. This has contributed towards economic development in the region, which has provided employment opportunities for youths, and thereby wean them away from secessionist activities.

### Environment and climate security

The objective of this project is *to support private and public sectors create opportunities and jobs particularly among youth and women*. As per PUNOs Environmental and Social Safeguards Policies and Procedures (ESSPP), the Environmental and Social screening template has been completed and this project has been categorized as "C". Although no further specific environmental and/or social assessment is required for category C projects, environmental and social aspects will be duly considered in all the trainings and capacity building activities. As part of JP activity related to the develop a national pre-feasibility study for industrial zones and special economic/export zones

or the national fishery masterplan, the Environmental and Social Management Plan (ESMP) will be developed and made part of the analysis. It is expected that the ESMP would review main issues related to the foreseeable infrastructure investment as well as the impact resulting from the economic development activities triggered by the development of industrial zones/economic zones and their respective value chains over environmental and social safeguards.

### Project sustainability

In order to create a sustainable business service delivery model through EDU network, the project has developed local team of experts trained on UNIDO methodology on enterprise management trainings and business counselling. This team of experts is back stopped and supported by UNIDO local coordinator stationed in Beledweyne and who in turn is guided by national and international team.

An organizational assessment was conducted on Somali Chamber of Commerce & Industry (SCCI) to understand the capacity building requirements as per the perspective of the project deliverable needs. The training programs will be initiated in the year of 2022.

#	Target group		Dates	Number of participants			Title of the training	Location of the training	Training provider
	Ministry, District or UN staff	Others		M	F	Total			
1	UNIDO/Hiran Chamber of Commerce		Sep - 2021	2	2	4	Online Training of Counsellors (ToC)- EDU Beledweyne	Beledweyne	UNIDO/EDU experts
2		Potential entrepreneurs & MSMEs	16-24 Feb 2021	14	6	20	Training of Entrepreneurs (ToE) -1	Beledweyne	EDU experts
3		Potential entrepreneurs & MSMEs	25 May – 2 June 2021	11	9	20	Training of Entrepreneurs (ToE)-2	Beledweyne	EDU experts
4		Potential entrepreneurs & MSMEs	4-12 July 2021	9	16	25	Training of Entrepreneurs (ToE)- 3	Beledweyne	EDU experts
5		Potential entrepreneurs & MSMEs	28 Nov- 6 Dec 2021	7	14	21	Training of Entrepreneurs (ToE)-4	Beledweyne	EDU experts
6		Potential entrepreneurs & MSMEs	11-19 Dec 2021	15	7	22	Training of Entrepreneurs (ToE)-5	Beledweyne	EDU experts
<b>Total number of participants</b>				<b>58</b>	<b>54</b>	<b>112</b>			

## Section 7: Looking ahead: Focus on the future

Since its commencement (August 2020), the PSDP has been providing assistance to the Federal Government of Somalia and the Somali private sector in addressing priority economic development initiatives to spearhead investments in the country's productive sectors to generate enough economic growth to create and sustain jobs and economic opportunities (SMEs, businesses, etc. ...). This has been particularly critical when shocks such as the global COVID-19 pandemic hit, impacting the country's already extremely fragile economic system.

The objective set by the PSDP is to directly assist public and private institutions to transform the Somali economic ecosystem, making its domestic market, jobs, and livelihoods more resilient to internal and external shocks, facilitating business production continuity, while reducing Somalia's cyclical dependency on emergency humanitarian assistance. In the medium-long term, this shall help Somalia building its own path toward stabilization, effective recovery, and prosperity. In the short term, PSDP address priority needs of Somalia economy to endure side effects of a global COVID-19 financial and economic crisis.

In this period, the support to the PSDP has become of crucial importance considering the implications of COVID-19 in Somalia in terms of socio-economic development.

Some of the activities funded under Phase 1 have been refocused to prioritize local value chain development with a view to boost the local production of goods in higher demand due to the pandemic, in addition to the impact of shocks which has led to decreased local production and an increased reliance on exports. Building on the gains fo this first phase, additional support to the PSDP in a second phase can rapidly translate into accelerated and immediate

economic transformation capable of helping to reduce critical production inefficiencies, whilst addressing production competitiveness issues and volume capacities. Rapid capital injection into MSME lending facilities - such as the credit facility operated by UNIDO - can boost the local production of essential goods while protecting livelihoods and facilitating MSMEs survival. For example, by prioritizing value chains requiring lower capital and low-tech investments based on easily deployable technology requiring more human capital i.e. job creation.

To deliver on its full potential, the PSDP requires stronger support by Somalia's development partners. Today, the PSDP has the actual potential to accelerate the process of developing Somalia productive sectors and de facto an economic system able to withstand (and not lose) all the remarkable and complex achievements accomplished by Somalia in the recent years, particularly set to protect the most vulnerable like IDPs, youth and women.

Priority activities that require critical follow-up support from development partners in the period 2022-25 are the following (selection).

At macro level:

- Location specific masterplan for the development (min. 3) Special Economic Zones
- Provide support to government institutions towards the harmonization of policies, plans and legislation on quality and standards for trade facilitation
- Support the Fisheries law and Fishing Inspection and Quality Assurance (FIQA) regulations amendment, translation and approval, and support implementation of follow-up activities.
- Support development of policies and strategies across specific productive sector value chains (Livestock Marketing and Export strategy, and National Animal Production and Genetic Improvement Policy)

At meso level:

- Technical assistance and advisory support to FGS and FMS line ministries designed to strengthen institutions catering to the needs of the private sector and workers such as the quality standards and infrastructure (SOBS and SARIS), accreditation and conformity departments, Chamber of Commerce and Industry (SCCI), Trade unions (FESTU), etc.
- Technical assistance to sectoral associations in establishing production centres/ common facility centres for producers of different agro-value chain. This would include instances where productive efficiencies of farmers increased through creation/ leveraging existing production facilities such as cleaning/grading/packaging of sesame seeds/ lemon/ bananas. In addition, interventions through introduction of chilling facilities or cold chain for transportation in the milk value chain. public, private partnership (PPP) will be promoted.
- Support investment and technical assistance for the diversification of Somali economy in the in the information and communications technology ("digital economy") and renewable energy sectors
- Support implementation of min. 2 recommendations under the National fishery masterplan
- Capacity Building (professional courses) for long and short term – Bachelor and master's in sector specific public administration for all PSDP line ministries
- Support in the establishment of research and extension centre/school (Afgooye) and capacity building programme/training of public extension staff
- Support in the establishment of Animal Disease Surveillance, Early Warning and Reporting System (this includes establishment of Epidemio-surveillance units at Federal and FMS level)

At Micro level:

- Targeting underemployed or unemployed youth, and deploying on the job-construction-training initiatives, the PSDP wish to undertake infrastructure rehabilitation (and/or new development) interventions set to enhance trade and food security (including government assets at FGS and FMS level)
- Promote MSME development initiatives aimed at increasing local production output and local content.

## Section 8: Human interest story: Voices from the field

Within the framework of the Productive Sectors Development Joint-Programme for Somalia (PSDP), that aims to unlock the ability of the Somali productive sectors to generate growth and economic competitiveness across the country, expanded the network of Enterprise Development Units (EDUs), to Beledweyne, in association with the Ministry of Commerce of FSG and hosted by Hiran Chamber of Commerce and Industry, a branch of SCCI.

Among, the many successful entrepreneurs that made use of the services of EDU, is Mr. Hassan Mohamed owner of Kaah Agro Company. Mr Mohamed, was provided with 'Training of Entrepreneurs' (ToE) to upgrade knowledge and skills on enterprise development. In addition, to that the entrepreneur received one-on-one business counselling service, and in turn resulted in developing a business plan for his expansion of his business operations.

UNIDO to enhance the value proposition of EDU services in Beletweyne, it has signed agreement with UNDP to use its (Midnimo II) funded Credit Facility, operated by the International Bank of Somalia (IBS) to provide credit to eligible entrepreneurs.

The one-on-one business counseling provided through the team of business counsellors in the EDU, helped to trigger awareness with Mr. Mohamed on the high cost of operations at the entrepreneurs' farms. The high cost was mainly due to the fact, that Mr. Mohamed was operating irrigation pump with Diesel Generator. Hence, the solution came in terms of investment (Credit Facility loan) for an alternative and cost effective energy source by the installation of Solar Powered Pump Irrigation System. This has led to lower operational cost for Mr. Mohamed as well as minimizing carbon foot-print through reduced water and air pollution. 'This is line with UNIDO's, efforts to promote clean and green projects, while also, recognizing the importance of working towards the 2030 Agenda for Sustainable Development.

Kaah Agro Company, managed to reduce its' operational cost by 55%, by incorporating these technical interventions in addition to bringing in better enterprise management principles learned through training and business counselling. "The EDU and the Credit Facility made me realize my dream of expanding my operations", said the entrepreneur delighted. Kaah Agro Company, is now able to increase the productivity of the farm, grow different types of vegetables/fruits like; Papaya, Mango, Lemon, Tomatoes and Banana in a 25 hectares of farm.



*Mr. Hassan Mohamed Kaah Agro Company (left), Irrigation Water pump (right)  
Photo credit: UNIDO Somalia Programme Team*

"I am extremely grateful to the EDU and UNIDO for giving me the opportunity to cultivate my idea, expand my business and invest in Solar Energy having been allowed to access affordable financing by UNDP (Midnimo II) funded Credit Facility, operated by IBS, I am able to support my family, earn enough to reinvest in the farm and create jobs for others" added, Mr. Mohamed.



*Solar Power System to generate energy for Irrigation  
Photo credit: UNIDO Somalia Programme Team*