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# Local Economic Development Project

**PROJECT:**  
Local Economic Development Project

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**PROGRAMME:**  
Poverty Reduction & Environment  
Protection

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**DONORS:**  
UNDP TRAC

Greece  
Italy  
UK FCO  
Norway  
SHELL  
BP  
Maersk  
NYK  
MOL  
K Line  
Stena

## CONTEXTUAL ANALYSIS

### FEDERAL LEVEL

On 21 January 2014, The Somali Parliament approved the new Prime Minister Abdiweli Sheikh Ahmed's new cabinet. The number of ministries increased from 10 to 25 in the new setup. The Somali Government developed a joint and annual work plan for all the ministries and government agencies. The type and plan of Local Economic Development initiatives needed in Somalia for 2014 has been outlined in the plan. The Parliament is expected to approve the workplan.

Rehabilitation of Taleh schools in Benadir Region began in this quarter. A significant factor in the activities was that local coordination with the community as well as interaction with the UNDP Security has resulted in the discovery of several unexploded objects from the days of conflict inside the school. The objects were removed by the UNMAS officers and the rehabilitation of the school continued after it was determined that it was safe for workers to return to the site.

### PUNTLAND

The new President of Puntland took office in early January and appointed a new cabinet. Among the cabinet was a former UNDP PREP Staff, Minister Gulled Salah Barre/Minister of Environment, Wildlife and Tourism (MoEWT). The new Minister oversees a key ministry reflecting the importance of Environment as a new area of focus. Another important milestone was PREP's participation in a UNDP meeting with the new President, where some of the activities of PREP in Puntland were raised in the meeting. The general outcome of the discussion was demonstration on increased government interest in more infrastructure related projects in Puntland.

A recent PREP Mission to Eyl has also revealed that some of the activities on the ground such as the rehabilitated road in Eyl and the water berkadades are having some tangible impact. However, there is a need to establish a local monitoring system to ensure that all these sub-projects are yielding the intended results and all target communities benefit.

### SOMALILAND

Somaliland's President Mr. Ahmed Mohamed Silanyo made a trip to Somaliland's major regions during mid-March. During his mission the president visited three UNDP projects in Burao - two of which have been completed and handed over to the government in 2013. The LED visited projects are: the new school for the hearing impaired which is completely constructed and furnished by UNDP with significant community contribution. The other project is the construction of Burao airport fence wall with partial contribution by UNDP.

## RESULTS

SL	Indicator	3.4.2.1 Number of basic services and economic infrastructure rehabilitated, functioning and effectively sustained, disaggregated by type	Y
	Result	Two agreements for rehabilitation of 3 basic infrastructure facilities (road in Berbera district, construction of Gabions in Burao town and rehabilitation of water berkades in 6 villages in Burao district) are in the process.	
	Comment	Implementation will be started and completed in Q2.	
SL	Indicator	3.4.3.1 Number of skilled and unskilled workers provided with short term employment	Y
	Result	Implementation will be started and completed in Q2.	
	Comment	Implementation of planned infrastructure rehabilitation will generate at least 500 short term employment.	
SL	Indicator	3.4.3.2 Number of medium to long term jobs created	R
	Result	This activity will be completed with Italian funds which are not received yet.	
	Comment		
PL	Indicator	3.4.2.1 Number of basic services and economic infrastructure rehabilitated, functioning and effectively sustained, disaggregated by type	Y
	Result	Two facilities from 2013 (Bosaso market and Galkayo market) has been completed in this quarter and handed over to the local authorities and communities. Another two facilities (Feeder Road in Hafun and Stone gabions in Bander Bayle) are on-going	
	Comment	The ongoing projects to rehabilitate the two facilities in Hafun and Bander Bayle will be completed and handed over to the local authority and community.	
PL	Indicator	3.4.3.1 Number of skilled and unskilled workers provided with short term employment	Y
	Result	More than 150 jobs for about 75 days had been created during the quarter as a result of finishing works in the two markets. Rehabilitation of the feeder road in Hafun and construction of gabions in Bander Bayle will create 653 short term job opportunities for 25 days	
	Comment	The expected created jobs will benefit 162 women and 376 men in Hafun while the Bander bayle constructions will benefit 35 women and 80 men	
PL	Indicator	3.4.3.2 Number of medium to long term jobs created	G
	Result	Three agreements have been signed to provide economic support to 500 youth and women in Eyl, Hafun and Garaad. The economic empowerment package includes provision of 6-month business management, skills training courses and provision of startup capital (micro-grants).	
	Comment	100 of the beneficiaries in Eyl (50 men and 50 women) have already been provided with social rehabilitation training to help them properly integrate within their communities before the economic empowerment. The total women beneficiaries in the targeted districts are 214 out of 500 beneficiaries	
PL	Indicator	3.2.3.3 Number of women trained in business management and entrepreneurship	G
	Result	A total of 214 women are being trained in business management and micro-enterprise development in Garacad, Hafun and Eyl	
	Comment	This result is linked with 3.4.3.2	

## RESULTS

FL	Indicator	3.4.2.1 Number of basic services and economic infrastructure rehabilitated, functioning and effectively sustained, disaggregated by type	G
	Result	Three agreements for rehabilitation of 2 basic infrastructure facilities (Baidoa Hospital in Baidoa & Taleh School in Mogadishu) has been signed and work has been initiated during the quarter. The rehabilitation of Baidoa Hospital was fully completed while the work in Taleh School is still on-going.	
	Comment	Rehabilitation works in Taleh School will finish in quarter two.	
FL	Indicator	3.4.3.1 Number of skilled and unskilled workers provided with short term employment	G
	Result	Rehabilitation of Baidoa hospital has created 220 jobs which resulted in creation of 12320 workdays. 66 of generated jobs (30%) have been given to women.	
	Comment	Rehabilitation of Taleh school will generate 160 - 48 of which will be for women. Expected total generated workdays will exceed 12,000.	
FL	Indicator	3.4.3.2 Number of medium to long term jobs created	R
	Result	This activity will be completed with Italian funds which are not received yet.	
	Comment		
ALL	Indicator	PSG 4.4.3 Short term labour intensive employment opportunities and small scale economic activity in each region of somaliland that create safety nets for vulnerable population in both urban and rural contexts identified by mid-2014	G
	Result	Short term labour intensive employment opportunities and small scale economic activity in Somaliland different regions have been identified through consultation process with line ministers, local authorities and relevant civil society partners. The activities have been reflected in 2014 AWP	
	Comment		
ALL	Indicator	ERP programmes on short term labour intensive employment and demand driven skills development developed and implemented and begin to generate jobs.	Y
	Result	Preparations for the short-term employment generation programme (youth Employment) to generate 250,000 short-term job opportunities for Somali youth are in process. UNDP/ PREP Programme Manager represents UNDP on PSG4 Working Group	
	Comment		
ALL	Indicator	PSG 4.1.2 Two ERP flagship programmes on Rapid Rehabilitation of Infrastructure and on Productive infrastructure developed based on broad consultations and feasibility studies completed.	Y
	Result	UNDP/LED has identified and included in 2014 AWP rehabilitation of 32 infrastructure facilities in the three major Somali zones (FL, SL and PL). The selected facilities includes schools, health facilities, markets, vocational training centers, water systems, feeder roads and other productive basic i	
	Comment	Rehabilitation of 5 facilities has been initiated in this quarter and other 5 are in process for the second quarter	
ALL	Indicator	Number of received proposals and number of MCGs/ LOAs signed with partners	Y
	Result	UNDP/ PREP is conducting a pre-qualification exercise to come up with a short list of pre-qualified partners to replace the existing list.	
	Comment	The exercise is based on well-defined criteria to assess the capacities of partners including: Recognition by the government, Programme capacity, operational & financial capacity, gender sensitivity, practical experience, grassroots presence & capacity to work with local communities	

## RESULTS

ALL	Indicator	Number of received proposals and number of MCGs/ LOAs signed with partners	G
	Result	UNDP/ LED advertised for two RFPs in SC and SL for implementation of two subprojects. More than 15 proposals received. One of them has been contracted for implementation in south-Central and one for Somaliland is still under review by Project Management and Procurement.	
	Comment	Upon completion of the Prequalification exercise, LED will advertise for a third RFP all over Somalia for all planned activities in 2014.	



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## ACTIVITY HIGHLIGHTS

### FEDERAL LEVEL

Three agreements for rehabilitation of 2 basic infrastructure facilities (Baidoa Hospital in Baidoa and Taleh School in Mogadishu) have been signed and work has begun during the quarter. The rehabilitation of Baidoa Hospital was fully completed while the work in Taleh School is still on-going. The rehabilitation of Baidoa hospital has created 220 jobs - 66 of the jobs (30%) have been given to women - which resulted in 12,320 workdays. Rehabilitation of Taleh school will generate 160 jobs where 48 will be for women. The expected total generated workdays will exceed 12,000 work days. Baidoa hospital administration has highly appreciated the achieved rehabilitation work and have formally requested support for additional works.

### PUNTLAND

Two markets in Bosaso and Galkayo were completed. Bosaso market was officially handed over to the local authorities in presence of UNDP DCD-P & Garowe-HOSO. In addition, more than 150 jobs for about 75 days were created as a result of finalizing the work in the two markets.

Work has begun in 2 other facilities, namely a feeder Road in Hafun and Stone gabions in Bander Bayle. The rehabilitation of the feeder road in Hafun and construction of gabions in Bander Bayle will create 653 short term job opportunities. Agreements were also signed to provide economic support to 500 youth and women in Eyl, Hafun and Garaad. The economic empowerment package includes provision of 6-month business management & skills training and provision of start-up capital (micro-grants).

### SOMALILAND

This quarter witnessed the initiation of activities to rehabilitate 3 basic infrastructures in Berbera and Burao Districts. The rehabilitation efforts will provide the communities with access in Berbera district via a feeder road. Construction of stone gabions on Burao river will help control flooding of the river and soil erosion. Rehabilitation of water berkedes will provide water for communities in six villages of Burao district. An important factor in the success of these activities is the role of the local government and communities who will all acquire ownership and ensure that these activities will be sustained through their involvement in the implementation and maintenance. These activities are also expected to create short term employment for approximately 500 people.

## PARTNERSHIPS

The key partners during the quarter are the local government administrations in all three regions of Somalia (Baidoa in South Central), Burao and Berbera in Somaliland and Hafun, Bender Beyla and Garaccad in Puntland. In addition, technical government departments such as the Puntland Highway Authority have been key partners in the design and supervision of local infrastructure projects.

In terms of synergies, there is a joint project implemented between LED and Community Security in Eyl to economically empower 100 youth including 50 women. This partnership is expected to extend to other parts of Puntland where the joint partnership will help in the social rehabilitation of youth in other coastal towns of Puntland under the Alternative Livelihoods to Piracy Project.

Partnerships will also be sought with the UN Somalia's Joint Project on Local Governance to help in building the capacities of district administrations in the three targeted coastal towns in Puntland and South Central.



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## PEACE AND CONFLICT

The Alternative Livelihoods to Piracy Project in Puntland has been a main driver in combating piracy thus leading to reduction of conflicts associated with piracy.

While the activities were intended to rehabilitate basic infrastructure and enhance short and long term employment, they also contributed to peace building by improving access to some basic services as well as economic empowerment, lack of which is a major contributor to conflicts.

Partnering with local authorities and other UNDP projects such as Community Security has also been quite instrumental in expanding the base for peace building partnerships and enhancing local confidence of the communities of their potential and the need for them to utilize it to reduce conflicts.

## GENDER

In terms of project activities in the three regions during the quarter, a total of 1,336 youth were targeted for training in long term employment initiatives, as well as in short term employment activities related to basic infrastructure rehabilitation. Of the total 1,336 youth, 40% of the trainees and short term workers were women. This exceeds the 30% threshold defined by PREP Management.

In addition, in Eyl, Puntland one specific completed project targeted 150 women, i.e. all the project beneficiaries were women. The project which is completed provided the women with training and micro-enterprise development, business management and provided them with micro-grants to set up those identified enterprises. Case studies to highlight the success of some of these local level initiatives are being developed for wider dissemination.

## UPCOMING QUARTER

The second quarter will see activities gaining full momentum. This includes the Alternative Livelihoods to Piracy activities in Puntland specially activities in Eyl, Bander Beyle, Hafun and Garacaad. In addition, all activities relating to rehabilitation of basic infrastructures in Somaliland which have begun in quarter one will be completed by the end of the next quarter.

In addition, activities relating to rehabilitation of a hospital and school in Baidao in the South Central which have commenced in quarter one of 2014 are expected to finish by the end of the next quarter.

A proposal for US\$1.5 million from the Shipping Companies for a second phase of ALTP will hopefully be approved by the donor and it is expected that resources will be delivered to UNDP by the middle of third quarter and activities might be initiated towards the end of the same quarter.



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## REFLECTIONS / LESSONS

Subsequent to the identification of fraudulent cases in Puntland, UNDP has strengthened its review processes for all new MCGs and LOAs. UNDP's new approach is well aligned with its global oversight processes. However, the increased vigilance resulted in the review process for some activities taking longer resulting in delay of activities and consequent release of funds. This gap will be filled in the coming months.

A field visit by UNDP staff to the coastal town of Eyl which is a major site of UNDP activities (PREP and Community Security) has revealed that there is a need to undertake frequent monitoring visits to remote areas where UNDP activities are implemented (security permitting) as there are quite a number of lessons that could be generated and a lot of feedback that could be obtained as well as provided to the implementing partners, local government and communities. Some of the findings included the need to provide more resources to start up micro-enterprises, the need for more training to local government districts especially in areas relating to monitoring and local development planning and there is a need to conduct post short-term impact assessments to measure the impact of the different interventions on the target beneficiaries.

In terms of partnerships, it was clear that partnerships and synergies will yield much better impacts than stand-alone actions undertaken by an individual project, with no partners.

CUMULATIVE PROJECT FINANCIAL SUMMARY	
APPROVED BUDGET	827,362.00
TOTAL (DISBURSEMENTS + COMMITMENTS)	146,687.00
BALANCE OF FUNDS	680,675.00
% DELIVERY (AGAINST APPROVED BUDGET)	18%

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## LIST OF ACRONYMS USED

- ALTP – Alternative Livelihoods to Piracy
- AWP – Annual Work Plan
- BOQ – Bill of Quantities
- CSP – Community Security Project
- JPLG – Joint Programme for Local Governance
- LED – Local Economic Development
- MCG – Micro Capital Grant
- MoE – Ministry of Education
- OIA – Office of Investigation and Audit
- OIC – Organization of Islamic Cooperation
- PREP – Poverty Reduction and Environmental Protection
- PSD – Private Sector Development
- VTC – Vocational Training Center