

Quarterly Report

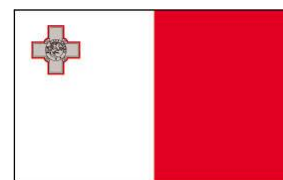
Local Economic Development Somalia Project (Atlas ID# 00085375 and 00060645)

Reporting Period	01 July 2016 – 30 September 2016
Government Counterpart	Federal Ministry of Planning and International Cooperation (MOPIC)
PSG	4: Economic Foundations
PSG priority	Priority 1: Enhance the productivity of high productivity sectors and related value chains, including through rehabilitation and expansion of critical infrastructure for transport, market access, trade and energy Priority 2: Expand opportunities for youth employment through job creation and skills development.
Focus Locations:	Jubaland State: Kismayo
AWP Budget	228,786
Available Funds for year	255,248
Expenditure to date	69,358

CONTRIBUTING DONORS: ITALY, UNDP AND MALTA



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Resilient nations.*



ABBREVIATIONS AND ACRONYMS

ALTP	Alternative Livelihoods to Piracy project
ARC	American Refugee Committee
AWP	Annual Work Plan
AS	Al-Shabab
ICES	Integrated Community Empowerment/ Somalia project
LOA	Letter of Agreement
MCG	Micro-Capital Grant
M&E	Monitoring and Evaluation
MoPIC	Ministry of Planning and International Cooperation
NGO	Non-Governmental Organization
PREP	Poverty Reduction and Environment Protection Programme
PSGs	Peacebuilding and State-building Goals
PPU	Partnership and Planning Unit
TOR	Terms of Reference
UNDP	United Nations Development Programme
UNHCR	United Nations High Commission for Refugees
USD	United States Dollar

SECTION 1 – KEY DEVELOPMENTS DURING THE REPORTING PERIOD

During the reporting period, remaining activity of Local Economic Development for Somalia continued. The only remaining project activity was a market to be rehabilitated in Kismayo. Project staff and UNDP Procurement Unit have finalized an open bidding process that allowed local companies to compete. The project aims to complete and handover the market facility with the local authority in Kismayo and Market Management Committee next quarter.

On 21st August 2016, the Project Board Meeting was held. Mr. David Akopyan; UNDP Deputy Country Director, co-chaired the meeting with H.E Abdullahi Sheikh Ali, the Deputy Minister of Planning and International Cooperation. Representatives from the Federal Government of Somalia participated. The board decided project closure immediately after the market construction is completed and underlined that the 21st of August 2016 meeting to be the last project board meeting. The board expects to receive the project closure report. Some of the key developments during this quarter that directly or indirectly affected the project were:

- Electoral process started during the quarter and Somalia is expected to elect new members in the upper house and the lower house of the parliament. The two houses will elect the president in the last quarter of 2016 and before the end of the year.
- On Tuesday, 9th August 2016, Somalia's foreign minister, Abdulsalam Omer, welcomed the new United States envoy to Somalia, Stephen Schwartz in the capital, Mogadishu, marking a landmark in US-Somali relations. Schwartz was sworn into office in June, making him the first American ambassador to the Somalia. "I'm going to Somalia at a very important time for Somalia. It's engaged now with in a struggle with a terrorist group, an al-Qaeda affiliated group called Shabaab which is strongest mostly in the southern part of the country, but even in the capital city," Schwartz told News. He added: "For Somalis, who want a better life, they're trying to leave. They're among bigger components of the migrants we see trying to get to Europe and often dying in the Mediterranean and many are in refugee camps in Kenya."
- On 25th August 2016, UNDP Administrator Helen Clark visited Somalia. Helen vowed to support development, peace-building and state building in Somalia. Clark urged Somali government leaders to support achieving the 30-percent target for women members in both houses of the country's next parliament due to be elected later this year.
- A drought exacerbated by El Niño has directly affected over a million people in the region. The Famine Early Warning Systems Network (FEWSNET) predicts La Nina will last throughout Somalia's October to January with short rainy season, known as the Deyr. The La Nina weather phenomenon is likely to worsen drought and hunger in Somalia, especially in the north where many people and their animals are migrating in search of water after four failed rainy seasons.
- Security remains a challenge with increasing Shabaab suicide bombs and attacks in Mogadishu and other parts of Somalia. The terror group al-Shabaab in the last few months has been displaying increasing threat to the security and have recaptured Hagan town in Hiiraan region of Somalia after Ethiopian Solders part left the town. The group also Al frequently launches attacks in Mogadishu in its bid to target government official.

SECTION 2 – PROGRESS AGAINST OUTPUTS & PLANNED ACTIVITIES IN ANNUAL WORK PLAN

OUTPUT 1: ONE ESSENTIAL LOCAL INFRASTRUCTURE REHABILITATED IN KISMAYO

Narrative update on Progress towards Output			
<p>During the quarter, the procurement process for the market construction in Kismayo has been advertised for all companies including local contractors. The bidding process has been finalized during the quarter and contract was awarded. The market construction is the only remaining project activity.</p>			
Output Indicators	Baseline	Annual Target	Progress to date
<ul style="list-style-type: none"> - Number of social and productive infrastructures identified, rehabilitated and become functional - Number of direct and indirect beneficiaries of the infrastructure. - Number of short term jobs created 	<p>Social and productive infrastructure in poor conditions or does not exist</p>	<ul style="list-style-type: none"> - At least 30 youth and women (20 men and 10 women) benefited for short term jobs. - One local infrastructure facility rehabilitated 	<ul style="list-style-type: none"> - 0 Alanlay market in Kismayo is identified for rehabilitation. - 0 - A company has been awarded the construction work
Planned Activities as per Annual Work Plan		Progress Against Activities	
<p>Activity 1.1: One facility requiring rehabilitation identified for rehabilitation or construction in Kismayu.</p> <p>Activity 1.2: Approve rehabilitation plans, design and BOQs for priority projects</p> <p>Activity 1.3: Identify and contract local implementing partners through RFP process.</p> <p>Activity 1.4: Oversee the implementation of rehabilitation works.</p> <p>Activity 1.5: Oversee the implementation, attendance and documentation of number of workers hired to do the job.</p>		<ul style="list-style-type: none"> - Alanlay market in Kismayo is identified for construction - Kismayo authorities approved the construction plan, engineering design and Bill of Quantities is approved - Procurement process for civil works has been started last quarter. - The procurement process is finalized. 	
Sources of Evidence for Results Progress and Achievements			
<ul style="list-style-type: none"> • Back to office report • Engineering design and BOQ • Pictures • Procurement notice and process 			

SECTION 3 – CROSS-CUTTING ISSUES (GENDER, PEACE AND CONFLICT, HUMAN RIGHTS)

- The project will target over 40% women direct beneficiaries on the social rehabilitation and economic rehabilitation components in the past. The project is designed to target the most vulnerable groups including women, youth, IDPs and returnee refugees. For this reason, the identified market facility is mainly used by women vendors that sell vegetable, meat and other commodities.

SECTION 4 – CHALLENGES / LESSONS LEARNT

- The local authority in Kismayo requested from UNDP to include local construction companies in the bidding process for them to compete. These companies have not been assessed by UNDP engineer and have not undergone proper vetting process. However, UNDP agreed to include them after internal discussion and this caused some delays. As a result, the open bidding process took more than then expected since many companies applied.
- Security situation and restriction on movements is still a major issue in Somalia and has a serious impact on the delivery and cost of the programme.
- Unemployment among youth is very high and basic infrastructure is almost damaged which requires more resources than the limited available resources of the project. The project was initially planned to be large scale of around 20 million US dollars for three years. However, donor contributions realized were close to 1.5 million USD. This limited the project to prioritize more interventions and therefore greater impact.

SECTION 5 – RISK MANAGEMENT

Type of Risk ¹	Description of Risk	Mitigating Measures
1. Delivery	As a result of operational difficulties including limited local capacities combined with insecurity in the target areas and introduction of HACT, delivery is expected to be slow.	<ul style="list-style-type: none"> The project will try to start the implantation process as early as possible. The donors of the project are fully aware on this problem and if there is a need for no cost extension, the project will use this as a last option.
2. Security	The security situation in Somalia in general is unconfident and UN is a target.	<ul style="list-style-type: none"> The project relies on the national staff to monitor and inspect the progress in the accessible areas. In addition, the project introduced suitable tools for remote management including using of third party monitoring.
3. Conflict creation	The needs are very high and diversified while the available resources are very limited and for specific activities. This could lead for competition over the benefit from the limited opportunities the project will provide. Competition could develop to conflict if doesn't managed properly.	<ul style="list-style-type: none"> The local communities, elders and local authorities will be fully involved in the selection process of the beneficiaries Each subproject will have Project Management Committee (PMC) to assure smooth implementation. The Project management will update the project board on any serious conflicts need their interference and urgent actions.
4. Strategic	The available resources for the project are less than 7% of the planned project. This is will make it hard for the project to achieve clear impact.	<ul style="list-style-type: none"> Develop a bigger joint programme through UN-MPTF mechanism Donors are invited and encouraged to allocate more resources to the project.
5. Social and Environmental Risks	Duty-bearers do not have the capacity to meet their obligations in the Project	<ul style="list-style-type: none"> The project works closely in coordination with Kismayo district governments whilst providing support that would otherwise be provided by the government. Kismayo district governments is engaged in the rehabilitation of the local local market infrastructure that is critical for economic recovery and strengthening of local service in Kismayo.
	The Project potentially reproduce discriminations against women based on gender, especially regarding participation in design and implementation or access to	<ul style="list-style-type: none"> Special measures is embedded in the project to ensure an increased levels of female participation, a market management committee is proposed to the local authorities in Kismayo with at least 40% female members.

¹ Environmental; Financial; Operational; Organizational; Political; Regulatory; Security; Strategic; Other.

	opportunities and benefits.	<ul style="list-style-type: none"> • A selection criteria for beneficiaries requires minimum 50% female beneficiaries
	The Project would exacerbate conflicts among and/or the risk of violence to project-affected communities and individuals?	<ul style="list-style-type: none"> • Local communities, elders and local authorities will be fully involved in the selection process of the beneficiaries. The market facility project will have Project Management Committee (PMC) to assure smooth implementation and management. The Project management will update the project board on any serious conflicts need their interference and urgent actions.

SECTION 6 – MONITORING AND OVERSIGHT ACTIVITIES

During the quarter, the project board meeting was held in Mogadishu and there was no field monitoring done.

Monitoring Activity	Date	Description & Comments	Key Findings / Recommendations
Project Board Meeting	21 st August 2016	<p>The LEDS Project Board Meeting was held in Mogadishu and UNDP Somalia, Deputy Country Director, Mr. David Akopyan co-chaired with the Deputy Minister of Planning and International Cooperation H.E Abdullahi Sheikh Ali, representatives Puntland State of Somalia attended the meeting.</p> <p>Project board meeting minutes was developed and circulated to participants.</p>	<p>The board decided project closure immediately after the market construction is completed and underlined that the 21st of August 2016 meeting to be the last project board meeting. The board expects to receive the project closure report.</p>

SECTION 7 – FINANCIAL REPORT

Donor	Total funds committed	Available resources for the year	Contribution as % of AWP	Disbursed	Balance ²	% Delivery	Comments
Italy	84,682	97,249	43%	49,480	47,769	22%	
Malta	38,524	45,429	20%	1,201	44,228	1%	
UNDP (TRAC)	105,580	112,570	49%	18,677	93,893	8%	
TOTAL	228,786	255,248	112%	69,358	185,890	31%	

² Available resource for the year minus funds disbursed till now.