

Quarterly Report 2015: Trade and Private Sector Development

Reporting Period	01 April to 30 June 2015
Government Counterpart	Ministry of Planning and International Cooperation, Ministry of Commerce and Industry
PSG	4: Economic Foundation
PSG priority	Priority 1. Enhance the productivity of high priority sectors and related value chains, including through the 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:	National
AWP Budget \$	1,181,163
Available Funds for year \$	400,549
Expenditure to date \$	106,753

CONTRIBUTING DONORS:



*Empowered lives.
Resilient nations.*

SWEDEN



UN GLOBAL FUND

ABBREVIATIONS AND ACRONYMS

AfDB	African Development Bank
ALMP	Active labour market policies
AMISOM	AU Mission in Somalia
ASI	Adam Smith Institute
BDS	Business development services
BRA	Benadir Regional Administration
DfID	Department for international development
DTIS	Diagnostic Trade Integration Study
EIF	Enhanced Integrated Framework
ERP	Economic Recovery Plan
EU	European Union
FAO	Food and Agriculture Organization
FGS	Federal Government of Somalia
ILO	International Labour Organization
LDCs	Least Developed Countries
LFS	Labour Force Survey
M&E	Monitoring & Evaluation
MDG	Millennium Development Goal
MDTF	Multi-donors Trust Fund
NGO	Non-Governmental Organization
NSC	National Steering Committee
ODA	Official Development Assistance
OPM	Office of the Prime Minister
PMU	Project Management Unit
PREP	Poverty Reduction and Environment Protection Programme
PSGs	Peace-building and State-building Goals
RIU	Regional Implementation Unit
SDRF	Somalia Development and Reconstruction Fund
SNA	Somali National Army
SSU	Stabilization Support Unit
TC	Technical Committee
TRTA	Trade-related Technical Assistance
TVET	Technical vocational education and training
UN	United Nations
UNDP	United Nations Development Program
UNEG	United Nations Evaluation Group
USAID	United States Agency for International Development
USD	United States Dollar
WB	World Bank

SECTION 1 – KEY DEVELOPMENTS DURING THE REPORTING PERIOD

- Regular consultations have taken place at PSG 4 working group and sub working group levels (youth employment, productive sectors, infrastructure). In addition to these formal meetings, a series of bilateral meetings were held with participating ministries and interested donors. Regional consultations also took place with representatives from Benadir Region, Jubaland, Puntland, South West and other emerging interim administrations.
 - 15-16 April 2015: A series of technical meetings in Mogadishu convened by Minister of Labour, with participation of eight line ministries, Sweden (on behalf of the donors), and the UN participating agencies, provided technical recommendations on the prioritization and sequencing of the Youth Employment programme for roll out, with a focus on the geographic breadth of the programme, and the weighting of the various components.
 - 20 April 2015: Inaugural meeting of Joint Programme Steering Committee chaired by the Ministry of Labour, with participation of Ministries, Sweden (on behalf of the donors), and UN agencies, in which the recommendations from the technical discussions were discussed and agreed.
 - 21 April 2015: The decisions of the Steering Committee were brought to the PSG4 meeting.
 - 17 June 2015: Signing ceremony for the Joint Programme on Youth Employment, together with five more new joint programmes being supported through the SDRF/MPTF.

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

OUTPUT 1 – Support the Somalia government capacities for enhanced trade and value chain development

Narrative update on Progress towards Output			
The output contributes towards enhanced productivity of high priority sectors and related value chains, and will contribute to a more competitive export sector and expanded job opportunities for young Somalis.			
Output Indicators	Baseline	Annual Target	Progress to date
1. Extent to which government decision-making around major private sector investments are informed by cross-sector assessment to maximize social, environmental and economic benefits over the medium (2-5 years) to long term (over 5 years) {1 = Not at all, 2 = to a very partial extent, 3=to some extent; 4= to a significant extent; 5=to full extent}	1 (Not at all)	2 (To a very partial extent)	2 (To a very partial extent)
Planned Activities as per Annual Work Plan		Progress Against Activities	
<p>Activity Result 1.1: Trade-related technical assistance provided to the Federal government for the Enhanced Integrated Framework (EIF) and a Diagnostic study for trade development prepared.</p> <ul style="list-style-type: none"> Action 1.1.1: Undertake a DTIS (Diagnostic Trade Integration Study) to build in-country support for the trade and development agenda. <p>Activity Result 1.2: Technical support to government and development partners on trade, value chain and youth employment</p> <ul style="list-style-type: none"> Action 1.2.1: Provide continuous technical support to Ministry of Commerce and Industry and Ministry of Planning and International Cooperation for trade development. Action 1.2.2: Technical support for PSG4 working group and sub-working groups. 		<p>Activity Result 1.1:</p> <ul style="list-style-type: none"> A Somalia delegation consisting of the Minister of Commerce and Industry, the EIF Focal Point and the EIF Coordinator went to Geneva from 4 to 6 May 2015. UNDP staff accompanied the mission. Key counterparts included: <ul style="list-style-type: none"> EIF Executive Secretariat (Mr. Ratnakar Adhikari, Executive Director; Mrs. Christiane Kraus, Chief Coordinator); International Trade Centre (Mr. Abdeslam Azuz, Senior Trade Promotion Officer, Office for Arab States); UNCTAD (Mr. Taffere Tesfachew, Director, Division for Africa, Least Developing Countries and Special Programmes; Mr. Stefano Inama, Chief, Technical Cooperation and Enhanced Integrated Framework Section); UNDP (Mrs. Luisa Bernal, Policy Specialist, Trade and Human Development Unit); and WTO (Mr. Chiedu Osakwe, Director, Accession Division; Mr. Pablo Jenkins, Economic Affairs Officer, Standards and Trade Development Facility (STDF), Agriculture and Commodities Division). 	

- The Minister of Commerce and Industry expressed his appreciation of the outcome of these meetings, which included technical discussion about the EIF process, but also possible steps for Somalia to undertake to become a WTO member – typically, it takes between five and ten years from the request and the accession into the WTO.
 - The next EIF activity will be a sensitization workshop with the main stakeholders in Somalia.
 - The Ministry of Commerce and Industry will also need to decide which of the six “EIF core agencies” (IMF, ITC, UNCTAD, UNDP, WB, WTO) will be the lead agency to support Somalia in the EIF process.
 - An important activity in 2015 will be to undertake the so-called Diagnostic Trade Integration Study (DTIS), which is a comprehensive competitiveness report that examines various factors that affect the competitive environment and identifies sectors with export potential. The DTIS also provides a so-called “Action Matrix” which contains cross-cutting and sector-specific priority policy recommendations to build trade-related and supply-side capacities.
 - EIF-related activities could usefully complement activities under the New Deal Compact PSG4 goal (Economic foundations), where the trade dimension seems for the moment underrepresented. This may thus be a chance to “mainstream trade into the national development agenda” (which is one of the stated objectives of the EIF).
- Activity Result 1.2:**
- Technical support for PSG4 working group and sub-working groups was provided at several meetings, in particular through the FGS-UN Joint Programme on Youth Employment.
 - The UN technical team (ILO, FAO, UN-Habitat and UNDP) prepared a project document that was endorsed by the Steering Committee on Youth Employment in April 2015. On 17 June 2015, the Joint Programme on Youth Employment was signed together with five more new joint programmes being supported through the SDRF/MPTF.

Sources of Evidence for Results Progress and Achievements

- Steering Committee on Youth Employment and SDRF Steering Committee approved the project document for “*FGS-UN Joint Programme on Youth Employment*”, which was signed on 17 June 2015.
- Minutes of PSG4 meetings.
- Back-to-office report for the Geneva mission to the EIF Secretariat (4-6 May).

Output 2 – Sustainable and socially responsible extractive industries sector promoted in Somalia.

Narrative update on Progress towards Output			
The output contributes towards the overall objective of the project on promoting sustainable and socially responsible extractive industries sectors in Somalia.			
Output Indicators	Baseline	Annual Target	Progress to date
1. Legal, policy and institutional frameworks in place for sustainable and responsible extractive industry.	1. No such frameworks or policies exist	1. Nationally applicable EIA, SIA and environmental audit guidelines exist for the extractive sector.	1. No progress.
Planned Activities as per Annual Work Plan		Progress Against Activities	
<p>Activity Result 2.1: Policy frameworks established for the extractive industries in Somalia</p> <ul style="list-style-type: none"> Action 2.1.1: Scoping study on the extractive industries of Somalia and role of national and international institutions for the sustainable development of extractive industries. <p>Activity Result 2.2: Nationally applicable environmental and social impact guidelines developed and staff trained to implement the same.</p> <ul style="list-style-type: none"> Action 2.2.1: Establish nationally applicable environmental impact assessment (EIA) and environmental audit guidelines. Action 2.2.2: Establish nationally applicable social impacts assessments (SIA) and mitigation measures. Action 2.2.3 Training of relevant national staff on the application of policies, regulatory frameworks, negotiations and environment and social safeguards. 		<ul style="list-style-type: none"> As mentioned in the Q1 report, due to financial restraints of the Global Initiative on Extractive Industries for Sustainable Development, the scoping study (initially planned as the first activity in 2015) cannot be funded, as the budget situation in HQ for 2015 remains uncertain due to the restructuring and UNDPs current financial situation. Nevertheless, Somalia remains a priority country for UNDP’s Global Initiative on Extractive Industries, and HQ remains available for support with other means, including technical advice. Discussions are still ongoing on alternative ways to support the scoping study, perhaps with UNDP’s own funds. 	
Sources of Evidence for Results Progress and Achievements			
<ul style="list-style-type: none"> Exchange of project proposals and emails. 			

Output 3 – Production of project documents associated to Output 1 and Output 2

Narrative update on Progress towards Output			
Output Indicators	Baseline	Annual Target	Progress to date
1. Project Board meeting to review project progress	1. No dedicated team for project management	1. Project board meeting held	Project document for Joint Programme on Youth Employment elaborated and endorsed
Planned Activities as per Annual Work Plan		Progress Against Activities	
Activity Result 3.1: Project documents established for Output 1 and Output 2 <ul style="list-style-type: none"> 3.1.1 Project documents established for Output 1 to support the Somalia government capacities for enhanced trade and value chain development 3.1.2 Project documents established for Output 2 to promote sustainable and socially responsible extractive industries sector in Somalia 		<ul style="list-style-type: none"> Project on youth employment signed on 17 June 2015. 	
Sources of Evidence for Results Progress and Achievements			
<ul style="list-style-type: none"> Project inception report Approved annual work plan for 2015 Steering Committee on Youth Employment and SDRF Steering Committee approved project document for “FGS-UN Joint Programme on Youth Employment” 			

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

SECTION 4 – CHALLENGES / LESSONS LEARNT

1. As mentioned the the Q1 report, there are high expectations from the Youth Employment project to set the foundations for long-term job opportunities for young men and women in Somalia. This was voiced at various PSG4 meetings, both in Mogadishu and in Garowe, Puntland.
2. Opening up the consultations beyond the Federal level to include various States, interim and yet-to-be-established administrations showed that the political appetite has become even greater, despite the limited funds.

SECTION 5 – RISK MANAGEMENT

This section can be used to update or use the risk logs developed during the project development stage and provide any mitigation measures being undertaken by the project.

Type of Risk	Description of Risk	Mitigating Measures
Operational	Security risks could affect project implementation.	<p>For the Youth Employment project, seven States/administrations will be reached by the programme: Benadir Region, Jubaland, Puntland, South West, Galmudug, Hiran & Middle Shabelle.</p> <p>The next step is to identify one district in each of the seven administrations. The participating UN agencies will need to support each of the administrations in the prioritization of districts. The UN agencies also need to make sure that the districts are selected based on the criteria of having a stable security situation.</p>

SECTION 6 – MONITORING AND OVERSIGHT ACTIVITIES

Monitoring Activity	Date	Description & Comments	Key Findings / Recommendations

SECTION 7 – FINANCIAL REPORT

Donor	Annual Work Plan	Available resources for the year	Contribution as % of AWP	Expenditure	Balance ¹	% Delivery	Comments
SIDA	83,828	83,829	7%	-	83,829	-	
UNDP (TRAC)	257,336	316,722	27%	106,753	209,968	9%	
Unfunded	839,999	-	-	-	-	-	
TOTAL	1,181,163	400,551	34%	106,753	293,796	9%	

¹ Available resource for the year minus funds disbursed till now.

ANNEX 1: TRAINING DATA

(No trainings held during the reporting period)

#	Target Group		Dates	# of participants		Title of the training	Location of training	Training provider
	Ministry. District or UN staff	Others		M	F			
1.								
2.								
3.								
4.								
5.								
6.								
7.								
8.								
9.								
10.								
11.								
12.								
13.								
14.								
15.								
16.								
17.								
18.								
19.								
20.								