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# Local Economic Development Project

**PROJECT:**  
Local Economic Development Project

**PREPARED BY:**  
Kayed Janazreh

**PROGRAMME:**  
Poverty Reduction & Environment  
Protection

**REPORT PERIOD:**  
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**DONORS:**  
UNDP TRAC  
UNDP BCPR  
Greece  
Italy  
UK FCO  
SHELL

## CONTEXTUAL ANALYSIS

### FEDERAL LEVEL

Security challenges continue to be an issue in South-Central Somalia. A New Deal for Somalia was endorsed in the Brussels conference (16 Sept 2013), where the international community endorsed a Somali Compact and pledged to support its implementation. The Conference welcomed the Economic Recovery Plan (ERP) as a basis for prioritising flagship projects for social and economic development and looks forward to the transformation of the Plan into an Interim Poverty Reduction Strategy. A National Conference on Political Process and Vision 2016 was held in Mogadishu in September. The conference confirmed the FGS commitment to foster democracy, peace building and hold elections by the end of the governments' term. Business is still booming in Mogadishu especially in the infrastructure sector. There are increasingly new companies, shops, restaurants and hotels opening in the city. There are increasing numbers of people coming to Mogadishu from abroad and other parts of Somalia.

### PUNTLAND

The Local council elections in Puntland were suspended following violent clashes in Gardo and Galkayo. The parliamentary election was approved unanimously to continue with the clan-based system and allow clan elders to select new members of parliament. The current legislature will be dissolved in October 2013. The former Minister of Information, Eng. Mohamud Dirir was appointed as Minister of Planning and International Cooperation.

The Puntland State participated in the Brussels New Deal and the Dubai International Counter-Piracy conferences. In these meetings, they accused the Federal Government of Somalia (FGS) undermining the federal constitution and rejecting the fair "sharing of power, resources and foreign aid" among Somalia's multiple regions. They further stated that relations would only be restored if the FGS restores and adheres to the country's genuine provisional federal constitution, consults on security issues, and ensures a fair distribution of international aid.

### SOMALILAND

The Somaliland's Ministry of Finance proposed an annual budget for 2014 amounting USD \$152 million, which is expected to be approved by parliament in October. During the budget proposal stage, the Minister of Finance provided assurance in one of their parliamentary sessions that they will give tax exemption for environment protection commodities such as gas for stoves.

Conversely, following the recent graduation that took place in the University of Hargeisa, where more than 744 students graduated from various faculties, there is an envisioned increase of unemployment of youth in to the already saturated labour market. This therefore begs for the need of creating more businesses to absorb such graduates.

## RESULTS

	Indicator	3.4.1.1 Community economic needs are identified	
SL	Result	Community needs identified by partners during the annual planning sessions	G
	Comment	Successfully completed in Q1	
	Indicator	3.4.1.2 Community economic needs are addressed through community development plans	
SL	Result	Burao was selected for area based development and community needs and development plans have been identified and initiated through partners' recommendations and JPLG district plans	G
	Comment	Successfully completed in Q1	
	Indicator	3.4.2.1 Number of basic services and economic infrastructure rehabilitated, functioning and effectively sustained, disaggregated by type	
SL	Result	5 basic infrastructure (Burao Airport surrounding wall, Burao deaf school, 9 berkades in Togdher region, two dams in Jenyalaaye and Gorayaxun villages and Balidhiig high school dormitory) have been constructed/ rehabilitated	G
	Comment	The result achieved in Q1 and Q2 and there is no more commitments because the project has not received additional resources in 2013 to invest in Somaliland	
	Indicator	3.4.3.1 Number of skilled and unskilled workers provided with short term employment	
SL	Result	There are no additional achievements during Q3 under this result. In Q1&2, 704 skilled and unskilled workers have been provided with short-term jobs. 38% of them are Women. The total generated workdays were 16183	R
	Comment	All the works were completed in Q2 and there is no additional resources received from donors for this purpose in Q3 2013	
	Indicator	3.4.3.2 Number of medium to long term jobs created	
SL	Result	Vocational training of 100 youth (80 men and 20 women) is still on going	Y
	Comment	The training is provided by MoE in Burao for 80 young men on electricity & plumbing & 20 young women on office management. There is a market demand on these professions and many expect to get jobs.	
	Indicator	3.4.1.1 Community economic needs are identified	
PL	Result	Community needs of Mudug , Sool, Bari and Sanag regions have been addressed by partners during the annual planning session prior to Q1	G
	Comment	Successfully completed in Q1	
	Indicator	3.4.2.1 Number of basic services and economic infrastructure rehabilitated, functioning and effectively sustained, disaggregated by type	
PL	Result	Rehabilitation of two roads initiated (Graa'd/ Jariban road & Badday-Dawwad road in Eyl), Qarxis berkades & Garowe stadium completed during Q3 and Bosao market & Galkayo market are still on going.	G
	Comment	The rehabilitation works is ongoing and progressing in accordance with the plan.	
	Indicator	3.4.3.1 Number of skilled and unskilled workers provided with short term employment	
PL	Result	217 workers provided short-term jobs for an average of 47 days each which generated 10,080 workdays. 60 workers were women (28%)	G
	Comment	Women participation was lower because construction works require specific skills which are usually occupied by men	

## RESULTS

PL	Indicator	3.4.1.2 Community economic needs are addressed through community development plans	G
	Result	Community needs addressed by counterparts have been addressed to JPLG colleagues & included in district development plans after discussed and endorsed by the districts local authorities	
	Comment	Successfully completed in Q1	
FL	Indicator	3.4.1.1 Community economic needs are identified	G
	Result	Community needs of South and Central regions have been addressed by partners during the annual planning session prior to Q1	
	Comment	Successfully completed prior to Q1	
FL	Indicator	3.4.1.2 Community economic needs are addressed through community development plans	G
	Result	Community development plans initiated at Federal level by the government and JPLG	
	Comment	Successfully completed in Q1 and Q2	
FL	Indicator	3.4.2.1 Number of basic services and economic infrastructure rehabilitated, functioning and effectively sustained, disaggregated by type	G
	Result	One new market in Adado is under construction and another old market is under Rehabilitation. MCG for rehabilitation of VTC in Abudwak signed. BOQs for Baidoa hospital rehabilitation prepared and RFP advertised. MCG for rehabilitation of 3 canals & 4 catchments in Baledwyne and Mataban is in process	
	Comment	More than 300 women will benefit from these two markets by giving them space as retailers. Rehabilitation of additional basic infrastructure facilities will be planned in Q4	
FL	Indicator	3.4.3.1 Number of skilled and unskilled workers provided with short term employment	Y
	Result	502 skilled and casual workers are benefiting from short term employment through construction and market rehabilitation in Adado. 88 of those workers are women (17%)	
	Comment	Rehabilitation of canals and catchment in Baldweyne and Mataban, a school in Mogadishu and VTC in Abudwak is expected to provide short term employment for at least 800 skilled and casual workers in Q4	
PL	Indicator	Number of field missions and meetings conducted with local communities to identify their needs	Y
	Result	A meeting was conducted with Hafun Mayor to follow up on the recommendation of the previous missions. Engineering mission to Hafun and Bander Bayle will take place in the first week of Q4 to verify the BOQs provided by the local authorities the for re of basic infrastructure	
	Comment	New missions to Garaa'd , A'lola and Bargal are planned in Q4	
FL	Indicator	Number of field missions and meetings conducted with local communities to identify their needs	G
	Result	A field mission to Baidoa by the programme officer and the national engineer to assess the community needs and to assess the rehabilitation needs of Baidoa Hospital and prepare BOQ	
	Comment		



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## ACTIVITY HIGHLIGHTS

### FEDERAL LEVEL

Two sub projects under Alternative Livelihoods to Piracy (ALTP) were initiated – the rehabilitation of an existing market and construction of a new market in Adado; and the rehabilitation and furnishing of a vocational training school in Abudawak.

These two towns are urban hubs in the central region of Somalia and suffer from urban unemployment and poverty, which makes young men vulnerable to piracy and other criminal activities. Completion of these two subprojects in addition to another 5 subprojects to be implemented by PREP will significantly contribute to sustainable livelihoods, provision of permanent source of income to the vulnerable people and community safety.

### PUNTLAND

The upgrading of the Eyl youth center has encouraged UNDP's Community Security Project (CSP) to work with the Youth and local community in Eyl to start an initiative of rehabilitating 100 young men. CSP will provide training and micro-grants to the young men following the social rehabilitation and integration programme.

### SOMALILAND

The partial rehabilitation of the Burao Vocational Training Institute was undertaken by LED project and has attracted other organizations who have adopted the other phase of rehabilitating and furnishing other departments and workshops. This has thereby expanded the capacity of the training institute to absorb more trainees in different areas of specialization.

## PARTNERSHIPS

The Local Economic Development project (LED) continues to work together with two projects under PREP - Private Sector Development (PSD) and Environment Project. One good example is Baidoa hospital, where the LED project is planning to rehabilitate the hospital while the Environment project will supply the hospital with solar systems as alternative/ additional source of energy. Another example is the collaboration between LED and PSD projects in the implementation of projects within the ALTP project in Puntland and Central regions of Somalia. This joint initiative was carried out in consultation with WHO and UNICEF to ensure the proper design fitted with the minimum health standards and requirements.

Other partnerships are between projects in other programmes, where the LED project has undertaken a joint initiative with JPLG and Community Security projects in Eyl district this a quarter. The Community Security project recently collaborated with the LED project in rehabilitating 100 youth who have benefited from the youth center that was upgraded by LED.

There have been further consultations with UNICEF on school rehabilitation (as part of GO-2-SCHOOL plan) activities in Puntland, where it was agreed that any physical rehabilitation of schools would be discussed with them in advance and a recommendation letter by UNICEF and Ministries of Education in the three zones be a must and be part of the proposals approval procedures.



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### PEACE AND CONFLICT

To maintain fair distribution of resources and taking into mind the clan and sub clan sensitivities, the project tries to target different communities/ localities with focus on the most vulnerable people especially in remote localities. For this purpose, the project has expanded its services in Bander Bayle and Hafun districts in Puntland costal areas, following the completion of subprojects in Eyl, Qardhis, Galkayo, Bossaso , Gara’ad and Garowe. Currently the project is planning for a third phase of ALTP and will target new areas in Puntland and the Central regions. A’lola, Bargaal and Hobyo will be targeted for the first time.

The project has developed new concept notes for the newly recovered areas to contribute to peace building and trust building between the local communities and the federal government.

### GENDER

LED project holds on to its criteria of having the 30% quota dedicated to women in short term employment opportunities. The real achievement on the ground is higher and in some cases exceeds 40%.

In long and medium term employment, the achievement is much higher For example 100% of beneficiaries of the markets in Galkayo and Adado are women, while 60% of the beneficiaries in the Bossaso market rehabilitation project will be women.

### UPCOMING QUARTER

Three concept notes were developed and shared with donors. SHELL has promised to extend the on-going ALTP project and to provide additional USD\$ 1.5 million to be implemented in 2014. The Italian cooperation has committed to provide Euro € 1 million. Further, a Road Map for Joint Appeal is underway to recruit resources for the joint programme developed by UNDP/ PREP and The Organization of Islamic Cooperation (OIC). The joint appeal is expected to be signed by the Secretary General of OIC and Deputy Prime Minster/Minister for foreign affairs and International Cooperation in October 2013, while the project launching is expected in early 2014.

It is expected to complete and close all the on-going projects (Galkayo, Bossaso and Adado Markets and Abudwak Vocational Center) during Q4. Also rehabilitation of Baidoa Hospital, a school in Mogadishu, road and VTC in Bander Bayle and a road and other infrastructure in Hafun is expected to start in the second month of Q4.



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## REFLECTIONS / LESSONS

Suspected fraud case was reported during the quarter in Puntland. The case was reported to the senior management, Puntland Government, concerned donors and Office of Audit and Investigation (OAI). The main discovered fraud was on the receipt of fake bank statements. Usually, bank statements are part of the financial supporting documents used for financial review. Following this fraud, it was decided that all UNDP funded projects through implementing partners would furnish bank statements to UNDP directly from the bank. Additionally, implementing partners are required to sign request letters allowing UNDP to have read only access to the projects accounts, where UNDP can be issued with bank statements. Also direct reference verification with other donors and partners of the same partner is another measure.

<b>CUMULATIVE PROJECT FINANCIAL SUMMARY</b>	
APPROVED BUDGET	USD 3,966,637.00
TOTAL (DISBURSEMENTS + COMMITMENTS)	USD 3,065,243.00
BALANCE OF FUNDS	USD 901,394.00
% DELIVERY (AGAINST APPROVED BUDGET)	77 %

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## LIST OF ACRONYMS USED

- ALTP – Alternative Livelihoods to Piracy
- 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 – Audit and Investigation
- OIC – Organization of Islamic Cooperation
- PREP – Poverty Reduction and Environmental Protection
- PSD – Private Sector Development
- VTC – Vocational Training Center