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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
Norway
SHELL
BP
Maersk
NYK
MOL
K Line
Stena

CONTEXTUAL ANALYSIS

FEDERAL LEVEL

The second quarter was characterized by ambitious plans on the part of the Government to boost economic development. An important pillar in this quest is enhancing the export sector, which the government launched through its declaration of intention to boost exports of natural resources to generate revenue and increase employment. Testimony to this was the export by the Government of the first shipment in ten years of Somali bananas to the Gulf Region in May 2014.

The Ministry of Agriculture also announced its intentions to increase agriculture production. It organized discussion sessions where a number of viable recommendations were made to enhance the sector and increase productivity.

There is concern that due to erratic rains and the depletion of the food surplus in Somalia, the country will experience acute food shortages. Already prices of basic food commodities have increased, according to an FAO Report issued in June.

PUNTLAND

UNDP held its Annual Strategic Review Meeting in Garowe on Tuesday 27th May, 2014 in presence of UNDP Country Director and Deputy Country Director. Beside the Eight Ministers who attended the meeting, a group of Deputy Ministers, DGs and other governmental officials also attended the meeting. The objective of the meeting were to: a) review key UNDP programmatic results in 2013 and deliverables for 2014 while measuring progress towards realization of intended outcomes under the UNDP Country Programme Document 2011 – 2015; and b) reflect on Puntland priorities as stipulated in the government second five-year development plan 2014-2018 and the Puntland Priorities 2014-2018 and then re-align the CPD where possible. LED project was presented under PSG4 (Economic foundation).

There was a direct threat in June in Garowe, which forced UN to reduce its international presence in Puntland. The two project managers who are working on the project were relocated temporarily to Mogadishuu

SOMALILAND

The government of Somaliland has officially launched on 9 May, a project for construction of a road that connects Burao in Togdheer to Erigabo in Sanag region. This road which is estimated to be 330 Km will connect Sanaag to the rest of Somaliland. The construction of the road is planned to start in four locations: Ina-Afmadobe, Garadag, Ceel-afweyn and Erigabo. This immense project could have political implications and at the same time it could have positive impact on life of area residents as it will improve the services and local economy. A trade fair on Somaliland's Frankincense and Myrrh exhibition were held in Burao in June 2014. Minister of Environment and Rural Development highlighted the importance of this commodity. She mentioned that the main objective of the fair is to explore new markets for one of the most important natural resources of SL. The Minister of Trade and Investment confirmed the readiness of his Ministry to support the frankincense's trade.

RESULTS

SL	Indicator	3.4.2.1 Number of basic services and economic infrastructure rehabilitated, functioning and effectively sustained, disaggregated by type	R
	Result	One MCG for rehabilitation of a road, 11 berkades and construction of shallow well is in process. Also LOA for construction of stone gabions/ flood control in Burao is ready for approval.	
	Comment	MCG is in approval process. Implementation expected to start in August.	
SL	Indicator	3.4.3.1 Number of skilled and unskilled workers provided with short term employment	R
	Result	Rehabilitation of the basic infrastructure (road, berkades, shallow well and flood control will generate 584 jobs (127 for women).	
	Comment	The generated number of workdays will be 19779. 394 workers out of the 584 will be unskilled workers.	
SL	Indicator	3.4.3.2 Number of medium to long term jobs created	Y
	Result	Study to assess viability of establishing a BSC in Hargeisa may help in guiding the in the creation of some jobs later in the year	
	Comment	TOR developed and under review and approval	
PL	Indicator	3.4.2.1 Number of basic services and economic infrastructure rehabilitated, functioning and effectively sustained, disaggregated by type	G
	Result	Rehabilitation of Hafun road completed and construction of stone gabions in Bander Bayle is still on-going.	
	Comment	Rehabilitation of the worst 2.2km section of the road will improve the access of 5520 people who are the family members of 870 households living in Hafun and other 5 villages in Hafun districts which are Gargoore, Hordiya, Gardish, Bardari and So'ar.	
PL	Indicator	3.4.3.1 Number of skilled and unskilled workers provided with short term employment	G
	Result	Rehabilitation of Hafun road generated 538 jobs (162 for women and 376 for men). While construction of Bander Bayle gabions is creating 114 jobs (34 for women and 80 for men)	
	Comment	UNDP conducted a monitoring mission to Hafun on 11 June to monitor the quality of the completed work and to witness the cash distribution to the project workers. UNDP mission witnessed cash distribution to 403 workers in two days.	
PL	Indicator	3.4.3.2 Number of medium to long term jobs created	G
	Result	Skills and business training in Eyl, Hafun, and Garaad for 500 youth (300 men and 200 women) is still on-going.	
	Comment	Upon completion of the 6-month training, the graduates will receive micro-grants and start-up tools to be able to start their businesses.	
FL	Indicator	3.4.2.1 Number of basic services and economic infrastructure rehabilitated, functioning and effectively sustained, disaggregated by type	G
	Result	Rehabilitation of Taleh School completed.	
	Comment	The project management is working on second phase rehabilitation for Baidoa hospital and Taleh school. It is expected to start within the third quarter	

RESULTS

FL	Indicator	3.4.3.1 Number of skilled and unskilled workers provided with short term employment	G
	Result	Rehabilitation of Taleh school generated 160 jobs (48 for women)	
	Comment	Ratio of unskilled to skilled workers in this project is 1:1 which means that 80 jobs were provided to skilled workers and another 80 jobs provided to unskilled workers	
FL	Indicator	3.4.3.2 Number of medium to long term jobs created	Y
	Result	Preparations for livelihoods projects in Kismayo, Baidoa and Luuq are in progress in cooperation with UNHCR. Agreements could be signed in quarter 3	
	Comment	UNDP has not received the donor fund allocated for this planned activity. The senior management has given the project manager the go ahead to use other available resources until we receive the grant.	
SL	Indicator		R
	Result		
	Comment		
ALL	Indicator	SP1.1.1.A.1.1 Number of full-time equivalent jobs created for women 15 years or older	Y
	Result	100 women are benefiting from skills training programme, provision of micro-grants and startup tools that would help them to have full time jobs	
	Comment		
ALL	Indicator	SP 1.1.1.A.2.1 Number of full-time equivalent jobs created for men 15 or more years old	Y
	Result	100 men are benefiting from skills training activities, provision of micro-grants and startup tools that would help them to have full time jobs	
	Comment		
ALL	Indicator	SP 1.1.1.B.1.1 Number of females benefiting from strengthened livelihoods	Y
	Result	100 women are benefiting from skills training activities, provision of micro-grants and startup tools that would help them to strengthen their livelihoods	
	Comment		
ALL	Indicator	SP 1.1.1.B.2.1: Number of males benefiting from strengthened livelihoods	Y
	Result	200 men are benefiting from skills training activities, provision of micro-grants and startup tools that would help them to strengthen their livelihoods	
	Comment		

RESULTS

ALL	Indicator	SP 1.1.2.A.1.1: Extent to which policies, systems and/or institutional measures are in place at the national and sub-national levels to generate and strengthen employment and livelihoods	R
	Result	The study intended to assess the viability of the Business Services Centers in PL and SL would definitely allude to some policies and institutional measures that may need to be formulated prior to establishing these Centers which are geared to support livelihoods and jobs creation	
	Comment		
ALL	Indicator	SP 6.1.1.A.1.1: Number of women benefitting from other diversified livelihoods opportunities through UNDP emergency projects	Y
	Result	371 women are benefitting from short term job creation projects through rehabilitation of basic community infrastructure	
	Comment	The project has a quota of 30% of short-term jobs to women. In most cases the project actual achievement is beyond the target. But in some cases, it is hard to achieve it. This depends on nature of the project and if it requires specific skills that the women haven't. This quarter it is 27%.	
ALL	Indicator	SP 6.1.1.A.2.1: Number of men benefitting from other diversified livelihoods opportunities through UNDP emergency projects	Y
	Result	1025 men are benefitting from short term job creation projects through rehabilitation of basic community infrastructure	
	Comment		
SL	Indicator	Business Service Center established in Hargeisa and to provide referrals, advisory support and training to micro-entrepreneurs especially women	Y
	Result	TOR for viability study of Business Service Centers in Garowe and Hargeisa is under preparation	
	Comment	TOR/RFP for international consultancy to conduct the study will be advertised soon. The study could be ready by the end of next quarter and upon confirmation of its viability, the establishment of the center will be in the last quarter.	
SL	Indicator	Road rehabilitated in Berbera district	Y
	Result	The proposal for the road rehabilitation is finalized and the MCG is ready for approval by CO management.	
	Comment	The implementation is expected to start in August and will be completed by November 2014.	
SL	Indicator	# of berkades in Burao and Odwayne districts	Y
	Result	The berkades and shallow well are part of the same proposal for the road rehabilitation which is finalized and the MCG is ready for approval by CO management.	
	Comment	The implementation is expected to start in August and will be completed by November 2014	
SL	Indicator	Introduce flood protection intervention in Burao area	Y
	Result	The proposal for the flood protection/ stone gabions construction in Burao is finalized and LOA with Burao local Authority is ready for approval by CO management.	
	Comment	The implementation is expected to start in August and will be completed by November 2014.	

RESULTS

SL	Indicator	Upgrading of Burao Technical institute (second phase)	R
	Result	This intervention postponed because of budget constraints.	
	Comment		
SL	Indicator	improve the fishing gear of the fisheries in Berbera	R
	Result	This intervention postponed because of budget constraints.	
	Comment		
SL	Indicator	Introduce appropriate technology schemes related to irrigation, roads construction and renewable energy	R
	Result	This intervention postponed because of budget constraints.	
	Comment		
SL	Indicator	# of people sustain their income through rehabilitation of productive infrastructure including fishing gears and water resources, at least 300 people will sustain their income in SL.	Y
	Result	Water Resources/ water harvesting intervention is still in early stage of planning. The project team has discussions with Ministry of Water to identify the locations and beneficiary communities. Then the project team will conduct assessment and mobilization mission to the agreed sites	
	Comment	The community mobilization, technical design and BOQ preparation is expected to be undertaken after Ramadan. Then RFP and contracting could be in the last quarter of the year	
PL	Indicator	Economic empowerment of 500 youth and women in Eyl, Hafun and Garaa'd through social rehabilitation programme, skills training and provision of micro grants and start-up tools (PL)	G
	Result	All 500 youth have finished the initial orientation program and are undertaking skills and business management training	
	Comment	Some delays experienced in release of funds due to the security situation in Puntland	
PL	Indicator	# of roads rehabilitated in Hafun and Gabions to protect a road will be constructed in Bandr Bayle	G
	Result	2.2 km road in Hafun completed and the Gabions in Bandar Bayle are under construction.	
	Comment	The Gabions of Bandar Bayle will be completed by the end of the first month of the third quarter.	
FL	Indicator	# of basic infrastructure facilities including schools, roads, markets, health and centers will rehabilitated in Mogadishu and Baidoa	G
	Result	Rehabilitation of Taleh School (Phase one) completed. Taleh school will be a model school. So, we plan for another phase of rehabilitation	
	Comment	The new phase will include rehabilitation of the school yard, surrounding wall, water tank and multi purpose playground. Upon completion of the rehabilitation works, education opportunities will be availed by 3500 students who will be learning in two shifts.	

RESULTS

FL	Indicator	Number of participatory capacity building plans developed for refugees/ returnees/ IDPs in Kismayo, Luuq and Baidoa.	Y
	Result	Based on our meeting with UNHCR to coordinate our work with all actors on the ground, we realized that they are working on this activity. So it has been changed and instead we will conduct rapid need assessments in the residential areas of returnees/ IDPs in the 3 districts	
	Comment	The Rapid Need assessment postponed and it will be in August (after Ramadan)	
FL	Indicator	Number of women and men benefitting from livelihood skills training activities in Baidoa, Luuq and Kismayo	R
	Result	This activity hasn't start yet. It will be after the need assessment.	
	Comment	We did not receive the donor contribution to the moment. To avoid further delay, the senior management authorised the project to use other available resources until we receive the donor contribution.	
FL	Indicator	Number of indirect beneficiaries from livelihood activities for IDPs/Returnees in Baidoa, Luuq and Kismayo	R
	Result	The activity hasn't start yet. It will start after the need assessment.	
	Comment		
ALL	Indicator	# of direct/indirect beneficiaries from infrastructure developed in SC, PL and SL.	G
	Result	Since the beginning of the year, the project has managed to benefit directly at least 3460 persons (2170 males and 1290 females). In addition, 1546 casual workers (1055 men & 491 women) have benefited from short term jobs.	
	Comment	Part of the direct beneficiaries are 3000 students and 80 teachers who benefited from rehabilitation of Taleh school in Mogadishu which was completely damaged and was not operational since 1991. The family members of the direct beneficiaries are estimated to be 11,316 individuals.	



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ACTIVITY HIGHLIGHTS

FEDERAL LEVEL

Rehabilitation of Taleh School was completed and handed over to Ministry of Education and Education Umbrella that manage the school. The school was fully damaged and it wasn't in use since 1991. Successful completion of the project gives enrollment opportunities to 3000 children on two shifts.

The education Umbrella is busy now with providing furniture as the school year will start in August.

Taleh School is one of the biggest governmental schools in Mogadishu. So, UNDP, Ministry of Education and the two implementing partners OSPAD and BRADO NGOs are thinking to make this school a model school. For this purpose we are planning for a second phase of rehabilitation to include the school yard and garden, surrounding wall and multipurpose playground (basketball, volleyball and handball)

PUNTLAND

Two hundred women and three hundred men are having vocational skills and business orientation training in Eyl, Gra'ad and Hafun. The graduates will receive micro-grants and start-up tool sets to start their own businesses and self-employment.

The road of Hafun was implemented in partnership with Puntland Highway Authority. The project will be implemented using labor intensive techniques (Cash for Work) to inject cash to the people and communities hit by the cyclone of the last year.

The project has managed to provide cash injections to 538 households where 162 of them are headed by women. UNDP conducted a mission to the site to witness the cash distribution. During the 2-day stay of the mission, UNDP staff witnessed distribution of cash to 403 workers

SOMALILAND

Discussions were held with the Gender Unit and first draft TOR was produced to conduct a study to assess the viability of establishing a Business Services Center in Hargeisa that caters to the needs of Women entrepreneurs.

PARTNERSHIPS

As part of LED, UNDP has implemented a sub-project titled 'Alternative Livelihoods to Piracy' (ALTP). The objective of this initiative is to support job creation projects in piracy affected districts of Puntland and Central Somalia, creating alternative livelihoods to piracy and thereby reducing piracy activities. The first phase of this UNDP/ LED project started in 2011 and was funded by the UK Foreign & Commonwealth Office. A second phase was started in 2013 with a fund by a joint shipping initiative that created was in 2012 and consists of Shell, BP, Maersk, Stena and Japanese shipping companies NYK, MOL and "K" Line.

The joint shipping initiative was recognized for its efforts against piracy and the project won a Seatrade Awards in April 2014. The award was presented by the Princess Royal (Princess Anne) at an industry dinner at the Guildhall in London on 14th April. As a result funding of another USD 1.5 million from the Shipping Consortium for a third phase of the project has been pledged.

The UK Foreign & Commonwealth Office has also indicated an interest in providing continued support to the project.

The project is cooperating closely with the Gender Unit to work on economic empowerment of Somali women. A joint activity for establishment of business support centers to enhance women involvement in private sector and business is in process.

The project is cooperating with UNHCR on work with returnees/ IDPs in Baidoa, Kismayo and Luuq.



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PEACE AND CONFLICT

There have been two key issues that could have led to conflicts. The first was the disagreement between the Mayor of Garaccad on one side and the local elders and the implementing partner on the other side. The conflict evolved on whether to hold the training activities in Garaccad or the adjacent town of Jariban. While both towns are within the project boundaries, the Mayor wanted to hold the training in Garaccad, while the local elders and implementing partner thought that Jariban is more suitable, with more facilities and more people residing there. The conflict was resolved quietly with the communities electing another Mayor.

The second issue was related to the Mayor and local government requesting the implementing partner (Dandoor) in Hafun to pay taxes from the project resources to the Mayor. The implementing partner was advised not to oblige and that UNDP will advise the Ministry of Planning of this issue reminding them of the agreement signed between them and UNDP on taxes.

GENDER

The proportion of men's participation as opposed to women in the LED Project was 3:2. This is true as it relates to skills training and local livelihoods capacity support activities. In terms of short term employment that ratio is two men to every one woman. One distinct feature in all long term trainings is that cultural norms dictate the type of activities that each gender engages in, with men selecting the male dominated tasks and women selecting the others considered more suitable for them. No cross training has taken place in spite of the opportunity for each of them to try out non-traditional skills.

The Project has also engaged with the Gender Unit in developing a proposal for enhancing women's engagement in the Private Sector, with a focus on developing Business Services facilities in both Puntland and Somaliland that act as referral centers and mentoring hubs. The facilities would be established if viability assessment studies confirm their validity and sustainability.

UPCOMING QUARTER

Work will start in the recovered districts in South Central in particular in Baidoa, Kismayo and Luuq. A joint assessment mission by UNDP and UNHCR will visit the three districts after Ramadan to come up with rapid assessment.

Two agreements for two sub-projects in Somaliland are under preparation. It is expected to be signed by the end of July. It is expected to sign an agreement with the shipping companies for a 3rd of ALTP in this quarter. If it happened, two major activities will start before receiving the fund. The first is establishment of a Project Board to review and approve the project results frame work and AWP and the second is to conduct needs assessment and community mobilization mission in all the targeted districts in Puntland and Central Somalia.

In cooperation with Gender Unit, TOR for viability study for business support center for women in Hargeisa and Garowe is under preparation. It is expected to conduct and complete the study within the third quarter.



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REFLECTIONS / LESSONS

Monitoring by key national UNDP Staff was quite useful in monitoring progress of implementation and providing sound feedback to UNDP management at all levels. While access to some project areas was quite challenging due to insecurity or climatic conditions, it has been rewarding in terms of providing information that was quite useful to build on for the release of subsequent tranches of funds and/or approving other phases of sub projects' implementation.

Insecurity in Puntland was a dominant feature in the quarter and has lead to the temporary re-location of project staff to Mogadishu. This action will have an impact on project implementation as review of some project reports may be delayed.

Conflicts arising from project implementation are becoming quite frequent however, using sound judgment, referring to UNDP rules and procedures as well as consulting with and advising implementing partners have been quite useful in diffusing those conflicts.

Careful review of financial and progress reports has been quite instrumental in assessing the level of achievements on the ground and in discovering some implementation mishaps that are immediately addressed with the implementing partners. Review of these documents should be done quite carefully and thoroughly to ensure that every thing is on track.

Communications with donors have been quite useful in keeping them abreast of the implementation progress and challenges as well as listening to their concerns and advise. This open line of communication has been quite useful in terms of feedback and consultations and has even helped in mobilizing additional resources for the Project beyond the current phase.

CUMULATIVE PROJECT FINANCIAL SUMMARY	
APPROVED BUDGET	3,165,006
TOTAL (DISBURSEMENTS + COMMITMENTS)	562,116
BALANCE OF FUNDS	2,602,890
% 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
- BSC -- Business Service Centre
- 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