

Support to Aid Management & Coordination Project Meeting

9th March 2020, Swiss Embassy, Nairobi

MINUTES

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| Project | Support to Aid Management and Coordination in Somalia |
| Purpose of the Meeting | Review of progress achieved and key challenges for project implementation in 2020 |
| Date of Meeting | 9 th March 2020 |
| Venue | Swiss Embassy, Nairobi |
| Project contributing to PWGs: | The project contributes to all PWGs. It is however mostly related to PWG 3 (Effective & Efficient Institutions) |
| Agenda Items | <ol style="list-style-type: none">1. Welcome and opening remarks2. Financial update3. Summary of progress4. 2020 Priorities5. Discussion |
| Attendants | ACU/OPM: Muhumed Hussein (Director), Chair – By teleconference DFID: Christina Christou (Policy Coordinator) USAID: Joshua Vetter (Programme Officer) Switzerland: Thomas Oertle (Regional Director of International Cooperation, Horn of Africa) - Chair Nimo Jirdeh (Governance and Policy Specialist) Ali Ibrahim (Governance Specialist) UN Integrated Office: Pau Blanquer (Aid Coordination Specialist), Project Manager Jean Ives Bonzi (Coordination Specialist) |

Welcome and Introduction

The meeting was held at the Swiss Embassy in Nairobi and was attended in person by representatives from Switzerland, USAID, DFID and the UN Integrated Office. Muhumed Hussein, Director of the Aid Coordination Unit, participated from Mogadishu through teleconference.

Presentation of progress in project implementation and key challenges

Financial update

Mr. Blanquer explained the financial status of the project as of 31 December 2020. As stated in the following table, out of a total budget of USD 5,327,211, approximately (considering a £-\$ exchange rate of 1:1.269) USD 3,960,000 have been committed by Norway, USAID, DFID

and Switzerland, leaving a funding gap of approximately USD 1,366,000, which makes 25.6% of the total project budget. Norway and Switzerland are contributing to the project through the UN MPTF with USD 520,103.67 and USD 684,000, respectively. In the case of Switzerland, a first tranche of USD 316,000 has been transferred to UNDP Somalia. USAID and DFID are supporting the project through direct contributions to UNDP, with USD 1,500,000 (the whole amount having been transferred and being spent) and £ 1 million respectively. The whole US contribution was transferred to UNDP Somalia and is being spent, while DFID transferred a first tranche of £500,000 which has been spent in activities implemented in 2019.

ACU and UNDP is grateful to project donors for their generous contribution to the project and support to aid coordination efforts in the country.

The following table shows committed funds against budget for each year of implementation of the project:

Table 1. Financial status of the “Support to Aid management & Coordination in Somalia” Project

| | Nov-Dec 2018 | Jan-Dec 2019 | Jan-Dec 2020 | Total | Gap |
|------------------------|--------------|--------------|--------------|--------------|--------|
| Budget | 555,622 | 2,732,806 | 2,038,783 | 5,327,211 | |
| Committed funds | 520,103.68 | 2,437,827.41 | 1,002,527.76 | 3,960,458.85 | |
| Norway (UN MPTF) | 520,103.68 | | | 520,103.68 | |
| Switzerland (UN MPTF) | | 316,000 | 368,000 | 684,000 | |
| USAID (non-UN MPTF) | | 1,500,000 | | 1,500,000 | |
| DFID (non-UN MPTF) | | 621,827.41 | 634,527.76* | 1,256,355.17 | |
| Funding gap | 35,518.32 | 294,978.59 | 1,036,255.24 | 1,366,752.15 | 25.66% |

While the total funding gap related to the project budget is considerable, Mr. Blanquer indicated that, in practice, considering the fact that there is a balance of around USD 700,000 from 2019 (mainly due to the delay of the endorsement of a refined aid architecture which has resulted in lower activity of the PWGs during the current transition phase, the “freezing” of a number of consultancies until a final structure is agreed upon, the reduced participation of FMS representatives in PWG meetings during some periods of 2019 due to political tensions and the fact that part of the salaries of ACU staff were paid by other sources) and that expenditure in the first quarter of 2020 is being very low because of the lack of activity of the SDRF coordination bodies as the aid architecture has not yet been officially endorsed, the real funding needs for 2020 are expected to be lower than the project budget. He added that, ACU and UNDP will estimate the costs of the refined aid architecture in 2020, which will allow to calculate the extent into which new funding is to be mobilized to cover implementation of critical activities, including the request by ACU to project donors of covering the payment of salaries of core ACU staff in 2020.

Mr. Blanquer briefed participants on project expenditure as of 31 December. Total project expenditure by the end of December is of USD 1,907,491.79, which makes 58% of the 2018-2019 project budget and 72% of funds received for that period. As stated in Table 2, which outlines project expenditure per output against project budget and available funding, the majority of the expenditure has been done for Output 1 in the payment of ACU salaries, organization of meetings of SDRF coordination bodies, workshops and training, and consultancies related to the review of the aid architecture and the development of a proposal

of a refined aid architecture through a consultative process. Output 2 expenditure relates mainly to the payment of consultancies for the development of an Aid Information Management System, which is almost finalized by the end of the reporting period; expenditure will increase when the final product is delivered, and trainings conducted. Given the fact that there is an overall funding gap for the project and that by the end of the year there is not yet an agreement on the structure and functioning mechanisms of a refined aid architecture, it has been decided to prioritize expenditure in 2019 in ensuring functioning of SDRF structures (basically the organization of PWG, SDRF SC and SPF meetings and associated workshops and events), pay salaries of ACU staff and ensure coverage of ACU running costs, as well as of consultancies for the development of the Somali Aid Information Management System and the refinement of the aid architecture, including running of consultations. The limited expenditure in 2019 will allow to have a balance which will reduce the funding gap foreseen in 2020 and will be used that year to implement project activities (including consultancies once the aid architecture is endorsed).

Table 2. "Support to Aid management & Coordination in Somalia" Project expenditure as of 31 December 2019, against 2019-2020 budget

| Activities | Budget | Cash | Expenditures | % Exp against budget | % exp against cash |
|--|---------------------|---------------------|---------------------|----------------------|--------------------|
| Output 1: Strengthened coordination through the SDRF architecture | 1,745,330.50 | 1,628,612.35 | 1,131,718.45 | 65% | 69% |
| International Consultants | 135,000.00 | 155,719.40 | 31,455.21 | | |
| National Consultants | 42,000.00 | 42,000.00 | 8,000.00 | | |
| ACU salaries | 638,000.00 | 638,000.00 | 580,320.77 | | |
| Training/Workshops and ACU Office costs | 816,150.00 | 694,062.84 | 452,216.77 | | |
| GMS | 114,180.50 | 98,830.11 | 59,725.70 | | |
| Output 2: Monitoring NPS, MAF and UCS Implementation | 465,450.00 | 245,784.56 | 71,422.17 | 15% | 29% |
| AIMS development (consultancies, travel, workshops) | 435,000.00 | 218,924.56 | 66,175.34 | | |
| GMS | 30,450.00 | 26,860.00 | 5,246.83 | | |
| Output 3: Project Management Costs | 1,077,647.38 | 767,534.17 | 704,351.17 | 65% | 92% |
| Project management support and oversight | 1,007,147.08 | 716,300.93 | 653,396.36 | | |
| GMS | 70,500.30 | 51,233.24 | 50,954.81 | | |
| TOTAL | 3,288,427.88 | 2,641,931.08 | 1,907,491.79 | 58% | 72% |

Update on project progress

Mr. Muhumed Hussein explained the main activities implemented by the project in 2019:

- **Aid Effectiveness survey conducted and analysed.** ACU carried out an aid effectiveness survey in Quarter 2 2019 which served to capture the perception of SDRF membership on the functioning of the Somali aid architecture, including capturing recommendations for an improved management of the existing structures and processes. Data was disaggregated by gender and institution/stakeholder group. Results were captured in a report which was distributed to SDRF membership, fed into the process of refinement of the Somali aid architecture, and is expected to contribute to the development of Standard Operating Procedures and/or Guidance Notes for the

implementation of the refined aid architecture. Some of the recommendations captured refer to improving the meaningfulness of the engagement of Federal Member States in the aid architecture as well as to improving the strategic focus of discussions and decision-making by PWGs and the SDRF Steering Committee or enhancing logistical preparation of meetings and information management.

- **Review of aid coordination arrangements and proposal of options for a refined aid architecture.** In July a review of existing aid management and coordination arrangements was completed and a process of consultations with multiple stakeholders was carried out to capture expectations for a refined aid architecture which aligns to the new National Development Plan (NDP 9) and the government roadmaps. There has been consensus on the need to simplify the existing architecture, making it more cost-effective, build on strengths of existing structures, maintain inclusiveness and strengthen partnership, and strengthen national ownership of the functioning of the framework and the use of the Mutual Accountability Framework as a tool to monitor progress of implementation of prioritized milestones and partnership principles. On 16 September the **annual aid effectiveness workshop** served to present and discuss a first proposal of refined aid architecture and capture feedback from SDRF membership. In the last months of the year the Government has held additional consultations, including with line ministries and Federal Member States, to come to an agreement on the new framework. Mr. Hussain retained as very useful exchanges held at the Directors Generals retreat held in October. In December a consolidated proposal from the Federal Government, agreed with Federal Member States, was shared with development partners, and new discussions were held with UN agencies and donors in January. The international community requested the Federal Government of Somalia to strengthen and clarify the profile of gender equality and human rights in the aid architecture as well as the mechanisms proposed to promote coordination between development, security and humanitarian actors and processes. In March 2019 the OPM communicated by email to the international community the reaching by the FGS of an agreement on a refined aid architecture and their aim to have it endorsed in an upcoming SDRF SC meeting.
- **Successful organization of the Somali Partnership Forum.** ACU/OPM led the organization of the Somali Partnership Forum on 1-2 October in Mogadishu. Preparations involved the international community at both technical and political level, including high level meetings of HE the Prime Minister with partner countries' Ambassadors and Heads of Cooperation Agencies. The Forum served to reactivate the Mutual Accountability Framework (MAF) as the key mechanisms to measure implementation of commonly agreed commitments by both the Government of Somalia and the international community.
- **Agreement on MAF 2019-2020 benchmarks.** Monitorable must-not-fail milestones to be reached by both Federal Government of Somalia and development partners with clear deadlines were agreed in the areas of inclusive politics, economic development, social development, security and justice, and partnership principles.
- **Functioning of the Somali Development and Reconstruction Framework.** 33 PWG and 6 SDRF Steering Committee meetings have been organized by ACU in 2019. PWGs have increasingly aligned their activity to the government roadmaps and contributed to set up milestones for the Mutual Accountability Framework 2019-2020. The SDRF Steering Committee has discussed about relevant topics escalated by PWGs, reviewed portfolios of key development partners and funds, and discussed about Mutual Accountability Framework benchmarks and aid flows. The Aid Coordination Unit has tracked performance indicators related to participation, logistical organization of meetings and consideration of strategic issues in discussions of PWGs and SDRF Steering Committee.

- **2019 Aid Flow Report finalized and disseminated and preliminary 2020 Aid Flow Report developed.** The 2019 aid flow report was completed and disseminated in July 2019. An aid mapping exercise was conducted in Quarter 3 2019. Data collected from donors and implementing partners was analysed, validated, shared with the Ministry of Finance for use in the budgeting process, and used for the development of the preliminary 2020 aid flow report, which is currently being reviewed by the Ministry of Planning, Investment and Economic Development.
- **AIMS developed.** The Aid Information Management System has been completed and is ready to be launched. The date of the launch is to be decided by the Ministry of Planning, Investment and International Cooperation.

Priorities 2020

Mr. Muhumed Hussein confirmed the agreement by the Federal Government of Somalia on a **refined aid architecture** and announced that it would be shared soon with development partners, and that the date of the SDRF Steering Committee in which the architecture is expected to be **endorsed** will be announced soon.

Once the **refined aid architecture** is endorsed the priority will be its **operationalization**. For that the Federal Government of Somalia will call development partners to begin the implementation of the activity of the different structures of the framework. In addition, **Standard Operating Procedures** will be developed and shared to orient implementation of the refined architecture. In addition, once the aid architecture is endorsed, the Operations Manual will be refined -as minor adjustments are foreseen to align to the new structures- and presented to the different bodies of the architecture.

Mr. Hussein confirmed the commitment of the Office of the Prime Minister of **advancing towards a more sustainable aid coordination function**, highlighting progress done so far by reducing the number of staff salaries paid with project funds from 19 in the first months of implementation of the project to 6 as requested recently. He thanked project partners for their positive response to the request of continuing covering the salaries of 6 staff which, under the refined aid architecture, will be focusing on the logistical organization of SDRF meetings, including procurement, information management, related financial management, and ensuring inclusive participation of Federal Member States in the architecture. Mr. Hussein explained progress done in the integration of ACU into the Office of the Prime Minister and the intention of engaging different bodies in the government including OPM roadmap leads and MOPIED in the provision of strategic support to the implementation of the overall framework. ACU is committed to continue advancing its integration into the OPM to achieve a sustainable solution to the financing of the aid coordination unit by December 2020.

Mr. Blanquer reminded participants that, once the refined aid architecture is agreed upon, project management will **estimate the cost of implementation of 2020 activities**. He indicated that, given that the number of PWGs will be reduced, that it is expected that sub-PWG meetings will not be funded by the project, that it may be confirmed that the frequency of meetings will be reduced and also the number of participants per meeting, and that SDRF activity is being very low in the first Quarter of 2020, it is expected that the estimated costs of implementation of the new aid architecture will be lower than planned. The difference will be calculated against additional costs that have been requested to the project and were not in the original budget, namely the payment of salaries of 6 core ACU staff in 2020. Another cost that could also be considered, and which is not budgeted as such, is the provision of VTC equipment to Federal Member States, which has been requested recently. Once these costs are estimated it will be possible to decide whether new funding is necessary to implement key activities. Mr. Blanquer indicated that he is confident that the expected reduction of SDRF implementation costs in 2020 will serve to cover key project activities.

Following up on trainings carried out in 2019 on the areas of effective communications, financial management, blended finance, monitoring and evaluation, and risk management & use of country systems, Mr. Hussein announced the intention of continuing with a series of **trainings on risk management and strategic communications**. It was highlighted that a Third-Party Monitoring exercise commissioned by DFID is currently being carried out by verifying and reviewing the implementation of different training activities provided by the project in 2019.

Mr. Hussein expressed ACU's interest in continuing **improving its systems** in a way that strengthens its integration into the Office of the Prime Minister and its contribution to a coordinated functioning of the government. He confirmed the interest of the Government in setting up a collaborative framework that facilitates communication and interaction amongst SDRF members, an option which was discussed in project board meetings held in 2019, and which Switzerland would be happy to support. Another investment ACU would be interested in setting would be a collaborative platform between ACU and OPM.

Mr. Hussein announced the intention of the Federal Government of Somalia of organizing the **Somali Partnership Forum in June**, possibly on 21st-22nd, and indicated that the Government will be convening the Mutual Accountability Framework Task Force soon (mid-March) to advance the monitoring of progress of implementation of benchmarks (which are already being monitored by the government) and that a **High Level MAF meeting** at the ambassadorial level with Heads of Cooperation, possibly on 7 April, will be organized, as well as the **annual aid effectiveness workshop**, which would serve as an opportunity to stimulate action of the different components of the refined aid architecture, and reflect and discuss about risks and challenges of the implementation the new architecture. Besides that, it is foreseen that the **2020 Aid Flow report** will be validated in Quarter 2 by the Ministry of Planning, Investment and Economic Development, and disseminated. The **Aid Information Management System** will be launched in the coming weeks, and users will be trained. It is expected that the AIMS will be used as a tool for improved evidence-based planning, together with NDP 9 and MAF monitoring.

Questions and answers

Mr. Vetter referred to the letter shared by project donors to the Aid Coordination Unit and subsequent discussions on ACU sustainability. He confirmed the will to support the request of ACU of payment of salaries of 6 core staff in 2020. This decision could be adopted in the project board meeting to be held the date on which the upcoming SDRF Steering Committee meeting will be held. Mr. Vetter indicated that most of the salaries have been moved off the project and expressed satisfaction on the upcoming launch of the Aid Information Management System. He pointed out the importance of ensuring that government institutions are on the same page in what relates to the refined aid architecture and its complementarity with the aid policy and asked about the support provided by UNDP to both processes, an issue that was also raised by **Switzerland**. Donors present in the meeting, together with Mr. Hussein, requested UNDP to be clearer in explaining support provided to both the refinement of the aid architecture and the development of an aid policy.

Mr. Hussein confirmed that the Aid Coordination Unit is committed to sustainability and will be further integrated into the Office of the Prime Minister. He explained that the Office of the Prime Minister is immersed in internal reforms to improve efficiency and coordination amongst and with different ministries and units, including ACU. He reminded efforts done so far by reducing the number of staff of the unit and accepted the request by **Ms. Jirdeh** of sharing a note stating progress done in integrating the unit into the

Office of the Prime Minister and next steps foreseen to advance in that process, including an exit strategy to reduce dependence on project funds.

Mr. Blanquer indicated that UNDP is supporting both the development of the refined aid architecture and of the aid policy and explained that these processes are complementary and should be mutually reinforcing. He noted that many developing countries have aid policies in place, and argued that these are documents by which governments indicate their preferred aid delivery modalities and terms of collaboration with development partners, addressing issues such as preferred options for diversification of financing sources for development, means to improve the quality and use of country systems, risk management, focus on results or monitoring of alignment of external aid to national priorities. These topics are complementary to the aid architecture which sets up a framework for inclusive structured discussion at the technical and political level between state and non-state actors involved in development, reconstruction, peacebuilding, statebuilding and resilience. Mr. Blanquer reminded UNDP's will to have a discussion with donors on support being provided to both the aid policy and the aid architecture, as raised previously in exchanges with USAID.

Ms. Christou expressed the need for DFID to demonstrate impact of their investment and argued that the delay in the approval of a refined aid architecture is affecting the implementation of the National Development Plan. **Mr. Hussein** responded that the process has been widely participatory and that this has been one of the reasons, besides the fact that it is common that consensus-building on complex issues in fragile environments takes some time. He confirmed that the government will be sharing their preferred aid architecture very soon, and that it will be very similar to the one discussed with donors and UN agencies in January. He indicated that within a week the Federal Government of Somalia may be communicating with partners on next steps. He also said that the aid policy will be developed and will be complementary to the aid architecture.

Mr. Christou raised the importance of start thinking about the support to the aid coordination function after the finalization of the project in December 2020. **Mr. Blanquer** responded that indeed, it is convenient to start discussing about the future at this point of the year. He indicated that the proposed refined aid architecture, if it is approved as it has been proposed, offers some tracks of how much the Somalia aid coordination function will cost and can serve to reflect on how it can be supported in the future. This will be further complemented by the aid policy which is being developed. Also, the sustainability of the Aid Coordination Unit needs to be considered. It is expected that the refined aid architecture will be leaner than the current one, and hence less expensive and easier to manage, and that national leadership in the management of the architecture will increase through an active role of the Integrated Coordination Team. The role and type of engagement of the Federal Member States will need to be factored. Furthermore, the capacity development needs of the different components and actors of the refined aid architecture will need to be considered as well. Mr. Blanquer argued that the success of the aid coordination function is dependent on the capacity of national stakeholders to identify needs, agree on priorities and ensure alignment of these with the National Development Plan and roadmaps, identify financing and development impact gaps and communicate them appropriately. He noted that it would be convenient to have a broader discussion on how planning and monitoring needs are being addressed vis a vis coordination needs at both federal and sub-federal levels. In addition, he proposed that, given that there has been minimal activity of the SDRF bodies due to the existing transition phase, instead of carrying out a survey on the degree of satisfaction of the functioning of SDRF bodies, ACU carries out a forward looking survey asking SDRF

membership about expectations, perceived risks and preferred options for the management of the refined aid architecture.

Mr. Thomas Oertle proposed to speak about consultancies to be implemented in 2020 with project funds in the project board meeting which would be held the same day in which the SDRF Steering Committee meeting will be held. He suggested ACU and UNDP to prepare an updated budget for the project based on an estimation of costs of implementation of the refined aid architecture, once a final agreement is reached.

Next steps

- The Federal Government of Somalia:
 - will soon share agreed refined aid architecture
 - is expected to propose in the coming days a date for the organization of the SDRF Steering Committee
- Operationalization of the refined aid architecture, including through the development of Standard Operating Procedures and/or Guidance Notes
- ACU will prepare and share a document stating progress achieved so far in its integration into the Office of the Prime Minister, and plan to complete integration in 2020, including an exit strategy
- Organization of project board meeting (ideally the same day of the SDRF SC meeting), in which the following decisions will be made:
 - Approval of updated budget of project budget for 2020, based on an estimation of costs of implementation of the refined aid architecture, and including of costs of payment of salaries of 6 ACU staff
 - Agreement on consultancies and trainings to be supported by the project in 2020
- Reactivation of the MAF Task Force (March) and organization of a High Level MAF meeting (April)
- Organization of annual aid coordination workshop
- Organization of SPF (June)