

Amendment 2: Cost Extension

Amendment to the Letter of Agreement (LoA) between the United Nations Development Programme (UNDP) and the Ministry of Planning, Investment and Economic Development of the Federal Government of Somalia (MOPIED) in the execution of the **PIP 0018944 Capacity for Investment Promotion and Economic Development (CIPED)**.

Whereas the parties have entered into the above referred letter of agreement (hereinafter 'the LOA) from 15 August 2018 and agreed to amend the LOA as follows;

- The duration of the LOA remains the same **31 December 2018**
- This amendment is with an additional budget of **USD 38,830**, with this increase the total LOA budget is increased to **USD 379,830**; the budget increase is with additional activities:
 - Study of Financial Integrity – Research, Regional Economic partnership in the horn of Africa and policy forum. This additional amount will serve to pay for the activities planned from Sept to December 2018. UNDP will use both Direct and cash transfer modality for the payment of staffs and consultancy and workshops.
- The schedule of payments is to be revised as outlined in Annex 1.

The amendment shall enter into effect immediately upon its signature by both parties.

All other terms and conditions of the original LOA signed on the 23 May 2016 shall remain unchanged. In case of any ambiguity or conflict between the terms of this amendment and the original LOA, the terms of this amendment will prevail.

Agreed and accepted:

For UNDP:

Name: George Conway
Title: Country Director, UNDP

Signature:

For Minister of Planning, Investment and Economic Development (MOPIED):

Name: H.E Honorable Minister Gamal Hassan,
Title: Minister,

Signature:

Annex1: Attachment 3

Revised Schedule of Activities, Facilities and Payments

| EXPECTED CP OUTPUTS <i>and indicators including annual targets</i> | PLANNED ACTIVITIES <i>List all activities to be undertaken during the year towards stated outputs</i> | Timeframe | | | | Planned Budget | | Schedule and Mode of payments by UNDP | | | |
|---|---|--|------------------|----|----|--------------------------|--------|---------------------------------------|----|----|----|
| | | Q1 | Q2 | Q3 | Q4 | Budget Description | Amount | Q1 | Q2 | Q3 | Q4 |
| Output 1: Establishment of the national economic council and the economic policy analysis unit supported Indicators a. NEC and EPAU exists and operational b. Extent of technical support provided to PWG on economic Development Baseline a. NEC and EPAU do not exist b. No. supported for PWG on economic Development Target a. NEC and EPAU are established and operational b. PWG on economic development technically supported | - Formal establishment and launch of the National Economic Council - Finalize TOR - Formal Establishment Decree - Inaugural Conference - NEC meets at least quarterly - EPAU produces at least one strategic economic advisory paper per quarter - Establishment of the Economic Policy Analysis Unit (EPAU) - Develop TOR and mandate - Develop staffing and costing structure - Engage government staff - Provide appropriate working environment - Support to the operations of the NEC and the EPAU - Bi-monthly meeting of the NEC - Economic Research capacity for EPAU - Coordination arrangements and support | | X | X | x | 72100 - Advisory Service | 10,000 | | | DP | DP |
| | | 75700 - Training, Workshops and Conferences | 50,000 | | | | CA | CA | | | |
| | | 72100- Rental and maintenance premises | 60,000 | | | | DP | DP | | | |
| | | 72100 - Contractual Services-Companies | 15,000 | | DP | | DP | DP | | | |
| | | 72200 - Equipment & Furniture | 10,000 | | | | DP | DP | | | |
| | | 71800 - Contractual Services-Imp Partners Staffing | 48,000 | | | | DP | DP | | | |
| | | 75700 -Training, Workshops and Conference, conferences | 30,000 40,000 | | | | CA | CA | | | |
| | | 72100 - Contractual Services-Companies Economic research | | | | | DP | DP | | | |

| | | | | | | | | | | | |
|--|---|--|---|---|---|--|------------------|--|--|----|----|
| | | | | | | 75700 - Training, Workshops and Conferences arrangements and support (e.g. dedicated meetings) | 10,000 | | | CA | CA |
| | | | | | | Total: | 273,000 | | | | |
| Output 3: Establishment of Investment Project Design Unit supported Indicators: No of bankable projects developed by the IPDU Baseline: No bankable projects produced by the IPDU Targets: The Investment Project Design Unit produces at least 5 bankable projects per year | <ul style="list-style-type: none"> - Develop the concept of the Investment Project Design Unit, including TOR, staffing, budget and funding requirements <ul style="list-style-type: none"> - Design work - Develop a strategic proposal for 'access to financing' building upon a solid analysis of (global) financing options <ul style="list-style-type: none"> - Global market scanning - Analytics on fit between options and Somalia requirements - Support the Investment Project Design Unit is its operations upon its establishment <ul style="list-style-type: none"> - Engage staff - Provide appropriate equipment - Work-plan development | | X | X | x | 72100 – Contractual services -companies | 20,000 | | | DP | DP |
| | | | | | | 71800 – contractual services – imp partners staffing salary | 48,000 | | | DP | DP |
| | | | | | | 72200 – Contractual services – Research and study | 38,830 | | | DP | DP |
| | | | | | | Total: | 106,830 | | | | |
| | | | | | | Total | \$379,830 | | | | |

CA: Cash Advance

DP: Direct Payment by UNDP to the vendors/advisors/personnel on request of the government partner (MoPIED)

UNDP: UNDP Direct Implementation at the request of the government partner (MoPIED)

Note:

- Payments in this LoA will be subject to having received funds from the donors.
- Adjustments within each of the outputs may be made in consultation between UNDP and MoPIED. Such adjustments may be made if they are in keeping with the provisions of the Programme and Project Document and if they are found to be in the best interest of the project.

Annex 2: Revised Summary details of Activity, timeframe and budget

| Activities | Frequency | Number | Monthly | Timeline | | | | | Amount | Already Paid | CTM |
|--|-----------|---------|----------|----------|------|-----|-----|-----|---------------------|---------------------|-------|
| | | | | Aug | Sept | Oct | Nov | Dec | | | |
| 1. Staffs salary | | | | | | | | | | | |
| 1.2: (2 Researchers-Staffs sala | 2months | 2 | \$3,000 | | | | x | x | \$12,000 | | DP |
| 1.3. (1 Research assistant -sal | 2 months | 1 | \$2,000 | | | | x | x | \$4,000 | | DP |
| 1.4: (1 Staff x 5 months x 5000\$ China relation- Investment)- From Feb – Dec | 11 months | 1 | \$5,000 | x | x | x | x | x | \$55,000 | 30,000 | DP |
| 1.5: (1 staff head of investment 4000\$ x 2 months) | 2 months | 1 | \$4,000 | | | | x | x | \$8,000 | | DP |
| 1.6: (research coordinator (Head Economic development)- consultancy | 1 45 days | 266/day | | | | | x | x | \$11,970 | | DP/CA |
| Sub-Total 1 | | | | | | | | | \$90,970 | | |
| 2: Equipment and Furniture | | | | | | | | | | | |
| Sub-Total 2 | | | | | | | | | \$10,000.00 | | DP/CA |
| 3: Study of Financial Integrity - Research | | | | | | | | | | | |
| 3.1: Consulting services/research work | 80 | 1 | 500/day | | x | x | x | x | \$40,000.00 | | DP |
| 3.2: International Flights - Tra | 1 | 1 | 4000 | | | | x | x | \$4,000.00 | | DP/CA |
| 3.3: Accommodation for meeting with the Transparency International | Lumpsum | | 2,000 | | xx | xx | xx | xx | \$2,000.00 | | DP/CA |
| 3.4: (Travel- flight for meeting with transparent international | Lumpsum | | 3,000 | | xx | xx | xx | xx | \$3,000.00 | | CA |
| 3.5: Printing and publications | lumpsum | | 2000 | | xx | xx | xx | xx | \$2,000.00 | | CA |
| Sub-Total 3 | | | | | | | | | \$51,000.00 | | |
| 4: Regional Economic partnership In the horn of Africa | | | | | | | | | | | |
| 4.1:(Consulting services/research work) | 80 days | 1 | 500/day | | x | x | x | x | \$40,000.00 | | DP |
| 4.2:(International Flights - travel) | Lumpsum | | 5000 | | x | x | x | x | \$5,000.00 | | DP/CA |
| 4.3:(Printing and publications /Media) | Lumpsum | 1 | 2000 | | x | x | x | x | \$2,000.00 | | CA |
| Sub-Total 4 | | | | | | | | | \$47,000.00 | | |
| 5: Policy forum-follow of the 2 Research/ Conference and NEC meeting | | | | | | | | | | | |
| 5.1: (Travels /international flights for NEC advisors) | 1 | 9 | 2000 | | | | xx | xx | \$18,000.00 | | CA |
| 5.3:(Accommodation for NEC advisors x 6 days) | 6 | 9 | 200 | | | | xx | xx | \$10,800.00 | | DP/CA |
| 5.4:(Security and local transportation-2 B6 Vehicle with PSD security for NEC members) | 5 days | 2B6 | 1200/day | | | | xx | xx | \$12,000.00 | | DP/CA |
| 5.5:(Venue) | 2 days | 1 | 500 | | | | xx | x | \$1,000.00 | | DP/CA |
| 5.5: (Refreshment and Lunch) | 2 days | 100 Pax | 45 | | | | xx | xx | \$9,000.00 | | DP/CA |
| 5.6(Travel -Flights for 25 participants from the FMS (Kismayo, Baidoa, Garowe, Adado Jawhar) | | 25 Pax | \$300 | | | | xx | xx | \$7,500.00 | | DP/CA |
| 5.7(DSA for 25 Participants from FMS x 2 day) | 2 | 25 | \$50 | | | | xx | xx | \$2,500.00 | | DP |
| 5.8(Accommodation for participants FMS x 3 days x 25 Pax) | 3 | 25 | \$80 | | | | xx | xx | \$6,000.00 | | DP/CA |
| 5.9(Local transportation for participants-2 vans for 4 days | 4 | 2 | \$70 | | | | xx | xx | \$560.00 | | DP/CA |
| 5.10(Visibility and stationary (penners leaflets and media | Lumpsum | 1 | \$2,000 | | | | xx | xx | \$2,000.00 | | DP/CA |
| Sub-Total 5 | | | | | | | | | \$69,360.00 | | |
| 6.0:- Inaugural Conference and NEC quarterly meeting | Lumpsum | | | | | | | | \$50,000.00 | \$50,000.00 | CA |
| 7:00 - Provide appropriate working environment-Renovation of office at | Lumsum | | | | | | | | \$61,500.00 | 61500 | |
| Sub-Total 5 | | | | | | | | | \$111,500.00 | \$141,500.00 | |
| Total Amount | | | | | | | | | \$379,830.00 | | |

Annex 3: Schedule of Activities and Payments:

| INSTALMENT (Advance) | AMOUNT | DATE | CONDITIONS | Progress/ Comments |
|-------------------------|------------------|----------|--|----------------------------|
| 1 st Tranche | \$ 50,000 | Aug 2018 | Upon signature of this Agreement by the both parties and the detailed work plan of MOPIED for the LOA implementation. | Paid and Reporting ongoing |
| 2 nd Tranche | \$ 79,610 | Nov 2018 | Upon Submission and the acceptance of UNDP of the narrative and financial reports for the completed activities by the first Tranche for the period from August 2018. | Not Paid |
| Total | \$129,610 | | | |

Note:

UNDP reserves the right to withhold payment of further installments, in part or in full, in cases where concerns regarding either the MOPIED financial reporting or progress against its work plan is raised by the Project Manager. UNDP also reserves the right to conduct an external audit of the MOPIED finances against this LoA at any time it deems appropriate.

NATIONAL CONSULTANCY PAYMENT

- National Consultant Salary will be agreed with UNDP before issuing the contract by the implementing partner(MoPIED) and will be not more than CIM Harmonized Salary scale.
- UNDP will provide guidance and training, including templates to be used and regularly monitor the process.
- Direct Payment will be processed by UNDP upon verification and acceptance of the payment request and the supporting documents.
- Individual procurement activity to be conducted by the IP should be low value and for the routine procurements. For these activities, UNDP will provide guidance including templates to be used and regularly monitor the process.
- The following payment will be processed upon report submission, verification and acceptance by UNDP on that report;
- In the implementation of this LOA, in addition to the project/portfolio staff monitoring, UNDP office will carry out close monitoring of the activities and the project team are required to ensure minimum risk for UNDP as described above. Procurement procedures will meet UNDP standards during contracting and implementation.
- Modification in the activities under the LOA may be done in agreement with UNDP in accordance with PIP/project document output areas.