

Annual Report

Environment and Energy Project

(Atlas ID: 00060645)

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|---------------------------------|--|
| Reporting Period | 01 January to 31 December 2016 |
| Government Counterpart | Office of Environment, Office of the Prime Minister |
| PSG | 4: Economic Foundations |
| PSG priority | Priority 3: Promote the sustainable development and management of natural resources by developing legal and regulatory frameworks and building capacity in key Natural Resources Management (NRM) institutions |
| Focus Locations: | National |
| AWP Budget | USD 268,855 |
| Available Funds for year | USD 345,355 |
| Expenditure to date | USD 165,280 |

CONTRIBUTING DONORS:



ABBREVIATIONS AND ACRONYMS

| | |
|--------|--|
| ATLAS | UNDP's Enterprise Resource Planning System for Projects Management and Control |
| AWP | Annual Work Plan |
| CBO | Community Based Organization |
| CSOs | Civil Society Organization |
| DLDD | Desertification, Land Degradation and Drought |
| ELD | Economics of Land Degradation |
| FGS | Federal Government of Somalia |
| GEF | Global Environment Facility |
| GHG | Greenhouse Gas |
| GIZ | Germany agency for International Cooperation |
| INCC | Initial National Communication on climate change |
| IRENA | International Renewable Energy Agency |
| LOA | Letter of Agreement |
| MOE | Ministry of Environment, Office of the Prime Minister |
| NAP | National Action Plan |
| NRM | Natural Resource management |
| OFID | OPEC Fund for International Development |
| OPEC | Organization for Petroleum Exporting Countries |
| PCEA | Post Conflict Environmental Assessment |
| PREP | Poverty Reduction and Environmental Protection Programme |
| RRA | Renewable Energy Readiness Assessment |
| UNCBD | United Nations Convention on Biodiversity |
| UNCCD | United Nations Convention to Combat Desertification |
| UNDP | United Nations Development Programme |
| UNEP | United Nations Environment Programme |
| UNFCCC | United Nations Framework Convention on Climate Change |

SECTION 1 – KEY DEVELOPMENT DURING THE REPORTING PERIOD

- New officials were appointed to take charge of the Environment Office in the Office of the Prime Minister. These included State Minister of Environment and the Director General. The new appointments were also notified as the political and operational focal points for environmental conventions and global environment funds. UNDP briefed the new State Minister and Director General on on-going initiatives and future projects for Somalia.
- The FGS-UN Environment Working Group (EWG) meeting was held in Mogadishu on 10-11 May 2016 where discussions on various environment related initiatives being implemented by the UN agencies were held. Detailed presentations helped to sensitise the national stakeholders on the environment/climate change issues and look into the options of coordinating similar activities among relevant UN agencies. Federal government presented the status and main focus of the (under formulation) National Development Plan.
- UNDP, in collaboration with the Ministry of Energy and Water, initiated the formulation of a Clean Energy Programme to take the recommendations of “Renewable Energy Readiness Assessment Report” to implementation. The programme will contribute to the efforts in putting Somalia on a clean energy pathway and overcome barriers to access to affordable and clean energy for Somali people. A grant proposal to install solar energy systems at Villa Somalia was approved by the OPEC Fund for International Development (OFID). In addition, a call for proposals has been announced to support the development of a Green House Gas Inventory and information management system for Somalia. The scope of initial desk study to undertake Post-Conflict Environment Assessment (PCEA) was also agreed with the Federal Government and UNEP.
- For the Initial National Communication (INC) on Climate Change, the national circumstance draft report has been developed while the National Action Plan (NAP) to Combat Desertification and Drought has been submitted to United Nations Environment Programme (UNEP) for peer review. The Economics of Land Degradation Report was finalized and submitted to GIZ and UNDP’s Global Policy Center on Resilience and Desertification.
- Two project Board meetings were held in October and December 2016.

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

OUTPUT 1 – Somalia meets its obligations as the signatory of UN Framework Convention on Climate Change (UNFCCC)

| Narrative update on Progress towards Output | | | |
|---|---|--|---|
| <p>The overall output of the project on establishing an initial communication on climate change at federal level initiated, a national coordinator has been hired to support the Initial Communication (INC) preparatory activities and recruitment of a consultants to develop GHG inventory database and information system completed. In addition, regional member states consultations are underway to establish a unified strategy in Somalia to meet the obligations of UNFCCC. The INC is to be prepared over a timeframe of 18 months. Progress to date against annual output target provides the level of current achievement.</p> | | | |
| Output Indicators | Baseline | Annual Target | Progress to date |
| Somalia prepares national communication on climate change following an inclusive approach | Somalia has not submitted initial national communication to climate change as signatory of UNFCCC | Initial National Communication on climate change (INC) prepared/submitted | The INC process is ongoing and now planned to be finalized in 2017 Q3 |
| Planned Activities as per Annual Work Plan | | Progress Against Activities | |
| <ol style="list-style-type: none"> 1. Hold inclusive inception workshop 2. Complete the sector wise description of national circumstances 3. Establish center for Climate Mitigation, Research and Communication 4. Develop a GHG Inventory database and information management system 5. Conduct Post Conflict Environmental Assessment with baseline information to support multi-lateral environmental agreements | | <ol style="list-style-type: none"> 1. An inclusive inception workshop will be held in 2017. 2. The formulation of the Somalia national circumstances report is ongoing and sector ministries consultations planned to be finalised in Q3 2017. 3. The establishment of a center for Climate Mitigation, Research and Communication is planned to be initiated in the Q1 2017 4. A call for proposals has been announced to develop GHG Inventory and information management system. The implementation of activities to be completed during 2017 5. The recruitment process for International and National Consultants is completed and PCEA activities planned to start Q1 2017. | |
| Sources of Evidence for Results Progress and Achievements | | | |
| <ol style="list-style-type: none"> 1. National Circumstances Report (Draft) 2. Request for Proposal document to prepare GHG Inventory and information management system 3. TORs of Post Conflict Environmental Assessment (PCEA)/Desk Study Report | | | |

OUTPUT 2 – SOMALIA MEETS ITS OBLIGATIONS AS THE SIGNATORY OF UN CONVENTION TO COMBAT DESERTIFICATION (UNCCD)

| Narrative update on Progress towards Output | | | |
|---|--|---|---|
| <p>The output contributes towards the overall objective of the project in preparing a National Action Programme (NAP) to Combat Desertification. In addition, this output will result a NAP and an ELD report that will help the country align itself better to the UNCCD and mitigate impacts of desertification, land degradation and drought (DLDD). In this regard the NAP reports have been completed and reviewed by UNEP/GIZ while the implementation of follow up projects anticipated in quarter 1 of 2017. Progress to date against annual output target provides the level of current achievement.</p> | | | |
| Output Indicators | Baseline | Annual Target | Progress to date |
| Somalia formulates and approves the NAP | Somalia has not prepared and submitted NAP to Combat Desertification as signatory of UNCCD | NAP finalized and submitted to UNCCD | The Somalia NAP and ELD final reports have been completed, reviewed by UNEP and awaiting re-validation from the new Government. The final reviewed reports are anticipated to be shared with UNCCD by the end April 2017. |
| Planned Activities as per Annual Work Plan | | Progress Against Activities | |
| Finalize NAP that includes gap analysis, recommendations for investments in Desertification, Land Degradation and Drought management initiatives and Land Degradation Neutrality targets | | <p>The National Action Plan (NAP) to Combat Desertification and Drought has been submitted to United Nations Environment Programme (UNEP) for peer review. The Economics of Land Degradation Report was finalized and submitted to GIZ and UNDP Global Policy Center on Resilience and Desertification.</p> <p>Somalia NAP final report has been completed and reviewed by UNEP. NAP will be endorsed by the Federal Government in Quarter 1 of 2017 before its final submission to the UNCCD Secretariat for funding.</p> <p>The Somalia Environmental Land Degradation (ELD) report has been completed and shared with GIZ for funding of the follow up projects.</p> | |
| Sources of Evidence for Results Progress and Achievements | | | |
| <p>Work plan Draft NAP and ELD Reports</p> | | | |

Output 3 – Access to Renewable Sources of Energy Improved

| Narrative update on Progress towards Output | | | |
|---|-----------------------------|--|--|
| <p>The output contributes towards the overall objective of the project on improved access to Renewable sources of Energy and feasibility study for the Villa Somalia premises completed. In addition, the Renewable Energy Readiness Assessment (RRA) report completed while the concept notes to mobilise funding from OPEC Fund for International Development (OFID) approved and Implementation of follow up projects are planned to start in quarter 1 of 2017.</p> | | | |
| Output Indicators | Baseline | Annual Target | Progress to date |
| # of RE project launched/approved or produced for implementation | No project on RE in Somalia | 1 RE project launched/approved or produced for implementation | <p>RRA Report completed, validated and edited while anticipated to published in Quarter 1 of 2017 for wider dissemination.</p> <p>A draft project on RE is being currently being formulated and anticipated to be ready 2017 Q2.</p> |
| Planned Activities as per Annual Work Plan | | Progress Against Activities p | |
| <p>Finalize the Renewable Energy Readiness Assessment for Somalia and formulate follow-up project in line with the recommendations of the assessment</p> <p>Hold Project board meeting</p> | | <p>UNDP, in collaboration with the Ministry of Energy and Water, initiated the formulation of a Clean Energy Programme to take the recommendations of “Renewable Energy Readiness Assessment Report” to implementation. The Programme will contribute to the efforts in putting Somalia on a clean energy pathway and overcome barriers to access to energy for Somali people. In addition, the Renewable Energy Readiness Assessment for Somalia completed while a grant proposal to install solar energy systems at Villa Somalia was approved by the OPEC Fund for International Development (OFID).</p> <p>Two project Board meeting were held in 28th October and 12th December 2016 respectively. The aim was to detail out key project achievement and sailed through challenges to the Board Members to agree way forward actions. The key Decisions form the very Project Boards are annexed in the aftermath monitoring and oversight section.</p> | |
| Sources of Evidence for Results Progress and Achievements | | | |
| <p>Renewable Energy Readiness Assessment Report</p> <p>OFID Concept Note</p> <p>Conceptual Framework for new Programme on Renewable Energy</p> <p>Feasibility study report</p> | | | |

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

The Promotion of gender equality and empowerment of women is central to the Mandate of UNDP and intrinsic to its development approach. In this regard the NCSA Project has a significant objective of gender equality and has Gender Marker Score description of 2. The Project implementation has also ensured an inclusive, participatory approach involving all key stakeholders including women and youth and an equitable distribution of benefits.

The cross-cutting issues are analysed in detail as part of the preparation of National Action Plan on Desertification. The impacts of land degradation on the women due to loss of livelihoods and exposure to multiple risks are highlighted in the NAP. The conflicts around land resources are also covered in NAP.

Initial Communication (INC) process also emphasis on vulnerabilities to climate change in the context of Somalia. The vulnerabilities assessment will have focus on the impacts on women and present gender disaggregated data.

The actual implementation of activities is planned to commence in the first quarter of 2017 and the number of beneficiaries from RE initiatives would be reported on a gender-segregated data sets. The project implementation similarly ensures an inclusive, participatory approach involving all key stakeholders including women and youth. Detailed sectoral analysis of climate vulnerabilities, impacts of desertification and the socioeconomic and gendered impacts will be prepared for water, agriculture, livestock and energy sector.

SECTION 4– CHALLENGES/LESSONS LEARNT

The ongoing elections in the Federal Government of Somalia and its regional member states, insecurity and many white city alerts remained the key challenges for the implementation of on ground activities. Movements for the national and international staff were restricted. In addition, convening project board meeting was often time consuming and this further derailed the execution of the project work plan.

The key learnt lessons learnt were:

- There's a need to prepare an electricity law to establish a legal economic and institutional basis for renewable energy uptake and also conduct studies quantifying the benefits in terms of local jobs in the energy sector through econometric studies relating energy security to the broader economic benefits for Somalia.
- Renewable energy, solar energy in particular, had very successful demonstration across different regions of Somalia. This was a result of setting up of solar energy systems in public places. National and regional governments have requested UNDP to replicate the initiative in other locations. UNDP is planning to establish small and medium entrepreneurship around renewable energy products. This would be done in collaboration with the financial institutions (mainly banks) currently operating in Somalia.

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 ¹ | Description of Risk | Mitigating Measures |
|---------------------------|---|--|
| Operational, Political | A low level of cooperation between executing institutions due to political divisions and the existence of distinct zones of Federal Somalia, new/emerging states, Puntland and Somaliland makes the coordination of policy development challenging. | Management arrangements include one clear focal point for implementation, the GEF operational focal point. National thematic working groups (NTWGs) on climate change and desertification would be formed with a cross-sectoral representation, including, women groups, community elders, CSOs. Project will also house technical expertise in the national institution, office of the GEF focal point and Ministry of Planning, to ensure national ownership as the initial communication and action Programme is developed. |
| Operational | Security risks could affect project implementation, particularly clan-based conflicts over competing uses of natural resources. | Project implementation will ensure that customary dispute resolution mechanisms are used to resolve any conflicts. For instance, traditional elders, religious leaders and clan leaders will continue to be consulted on any major implementation decisions for national action Programme to combat desertification. Project implementation will also ensure an inclusive, participatory approach involving all key stakeholders including women and youth and an equitable distribution of benefits. |
| Strategic | Duty-bearers do not have the capacity to meet their obligations in the Project | On the request from the Ministry of Energy and Water, UNDP Somalia plans to prepare a Somalia report for Readiness on Renewable Energy. The report will follow the standard guidelines established by International Renewable Energy Agency (IRENA). The Project will also house technical expertise in the national institution, office of the GEF focal point and Ministry of Planning, to ensure national ownership as the initial communication and action Programme is developed. The Programme is developing government capacity to formulate laws and national policies to regulate energy sector and ensure private and financial sectors have a role in the implementation of follow up projects |

¹ Environmental; Financial; Operational; Organizational; Political; Regulatory; Security; Strategic; Other.

| Type of Risk ¹ | Description of Risk | Mitigating Measures |
|------------------------------------|---|---|
| Strategic | The Project would have adverse impacts on gender equality and/or the situation of women and girls | <p>The project implementation ensures an inclusive, participatory approach involving all key stakeholders including women and youth. Detailed sectoral analysis of climate vulnerabilities, impacts of desertification and the socioeconomic and gendered impacts will be prepared for water, agriculture, livestock and energy sector.</p> <p>The project initiatives of clean energy will primarily focus key public facilities i.e. Hospitals, MCHs, Schools, and Markets which are all accessed by over 80% of women, children and vulnerable youths.</p> |
| Social and Environmental Standards | Risk 1: Duty-bearers do not have the capacity to meet their obligations in the Project | <p>On the request from the Ministry of Energy and Water, UNDP Somalia plans to prepare a Somalia report for Readiness on Renewable Energy. The report will follow the standard guidelines established by International Renewable Energy Agency (IRENA). Project will also house technical expertise in the national institution, office of the GEF focal point and Ministry of Planning, to ensure national ownership as the initial communication and action Programme is developed.</p> <p>The Programme is developing government capacity to formulate laws and national policies to regulate energy sector and ensure private and financial sectors have a role in the implementation of follow up projects</p> |
| | Risk 2: The Project involve harvesting of natural forests, plantation development, or reforestation | <p>The project is embedding design to address the existing gap on environmental un-sustainability and promote the use of other source of energy other than charcoal. I.e. solar, wind and biogas. For longer term sustainability capacity building on environmental protection and conservation will be enhanced at national and community level. Also it's the aim of the project to support the charcoal traders with alternative source of livelihoods and empower them as well to remain in the very business for a longer time through provision of small business grants. The Project has also reforestation and plantation activities in the charcoal depleted forest to regenerate grazing land fertility and minimize further land degradation</p> |
| | Risk 3: Project would have adverse impacts on gender equality and/or the situation of women and girls | <p>The project implementation ensures an inclusive, participatory approach involving all key stakeholders including women and youth. Detailed sectoral analysis of climate vulnerabilities, impacts of desertification and the socioeconomic and gendered impacts will be prepared for water, agriculture, livestock and energy sector.</p> <p>The project initiatives of clean energy will primarily focus key public facilities i.e. Hospitals, MCHs, Schools, and Markets which are all accessed by over 80% of women, children and vulnerable youths.</p> |

SECTION 6 – MONITORING AND OVERSIGHT ACTIVITIES

| Monitoring Activity | Date | Description & Comments | Key Findings / Recommendations |
|-----------------------|------------------|--|--|
| Project Board Meeting | 28 October 2016 | Environment and Energy Portfolio Board Meeting | <p>Key Decisions from the meeting were as follows:</p> <ol style="list-style-type: none"> 1. The project focused activities, meetings and consultations should be closely coordinated with the Federal Government, Member States and Somaliland 2. Funding to be mobilised for Clean Energy Programme as it goes through revisions 3. UNEP support was important for coming up with larger projects for Somalia 4. Next Project Board Meeting to be held in December 2016 to discuss work plan for 2017 |
| Project Board Meeting | 12 December 2016 | Environment and Energy Portfolio Board Meeting | <p>Below were the Key Decisions from the meeting:</p> <ol style="list-style-type: none"> 1. Institutional capacity building should be prioritised and necessary support should be provided under using resources from different projects 2. Puntland experience of harnessing solar energy through private sector should be seen as best practice and to be replicated in other regional member states 3. Presentation should include percent of achievements against each planned activity to easily enable board members on the overall project achievements 4. Project Board endorses the proposed plan for 2017 |

SECTION 7 – FINANCIAL REPORT

| Donor | Total funds committed | Available resources for the year | Contribution as % of AWP | Expenditure | Balance ² | % Delivery |
|--------------|-----------------------|----------------------------------|--------------------------|----------------|----------------------|------------|
| UNEP | 167,500 | 84,000 | 28% | 41,883 | 41,117 | 16% |
| UNDP | 101,355 | 101,355 | 38% | 104,963 | -3,608 | 39% |
| OFID | - | 160,000 | 0% | 18,434 | 141,566 | 7% |
| TOTAL | 268,855 | 345,355 | 66% | 165,280 | 179,075 | 62% |

² Available resource for the year minus funds disbursed till now.