



## UNITED NATIONS JOINT PROGRAMME DOCUMENT

Country: **Somalia**

Programme Title: **Joint Programme on Local Governance and Decentralised Service Delivery, UN- JPLG (Phase III)**

Joint Programme overall objective and outcome(s):

**Overall objective:** The achievement, within the Federal Government of Somalia (Puntland, South West, Jubaland, Hirshabelle and Galmudug) and Somaliland, of local government institutions that contribute to peace and stability by effectively and accountably responding to the needs and rights of all Somalis.

**Outcome 1:** Policy, legal and regulatory frameworks on local governance finalized.

**Outcome 2:** Local governments have the capacity to deliver equitable and sustainable services, promote economic development and peace.

**Outcome 3:** Local governments demonstrate improved engagement of citizens, with an emphasis on women and marginalized groups.

Programme Duration:	5 years
Anticipated start/end dates:	July 2018 – June 2023
Fund Management Option(s):	Pass through (MPTF)

Total estimated budget (2018-2023):	USD 153,006,632
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Total estimated budget (2018-2019):	USD 27,507,613
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Out of which:

1. Funded Budget (estimate):	USD 23,381,471
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2. Unfunded budget:	USD 4,126,142
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\*Total estimated budget includes both Programme costs and indirect support costs

Sources of funded budget:

Donors/countries having committed contributions or expressed interest in supporting JPLG II: DANIDA, DFID, EU, Netherlands, Norway, SIDA, Switzerland and USAID.

Anticipated donor contributions (2018-2019): USD 23,381,471

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Date and Seal:

12 July, 2018



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Name: Peter de Clercq

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Date and Seal: 21 June 2018



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Name of Representative: George Okutho

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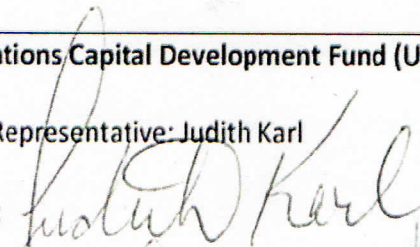


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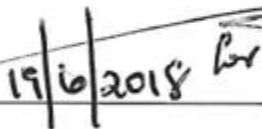
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# The UN's Joint Programme on Local Governance and Decentralized Service Delivery

Phase III

**Programme Document**

22<sup>nd</sup> May 2018

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# 1. Abbreviations

<b>ABBREVIATION</b>	<b>DESCRIPTION</b>
AA	Administrative Agent
AIMS	Accounting Information Management System
AS	Al Shabab
AWPB	Annual Work Plans and Budgets
BIMS	Billing Information Management System
BRA	Benadir Regional Administration
CA	Conflict Analysis
CAS	Comprehensive Approach to Security
CRESTA/A)	Community Recovery and Extension of State Authority and Accountability
CSI	Civil Service Institute
CSO	Civil Society Organization
DC	District Council
DDF	District Development Framework
DPPFG	District Participatory Planning and Financial Guide
FCA	Finnish Church Aid
FG / FGS	Federal Government of Somalia
FGM	Female Genital Mutilation
FMIS	Financial Management Information System
FMS	Federal Member States
GBV	Gender Based Violence
GDP	Gross Domestic Product
GEWE	Gender Equality and Women's Empowerment
HRM	Human Resource Management
ICT	Information and Communication Technology
IDP	Internally Displaced Persons
ILO	International Labour Organization
IMC	Inter-Ministerial Committee
JPLG	Joint Programme on Local Governance and Decentralized Service Delivery
LDF	Local Development Fund
LG	Local Government
LGI	Local Government Institute
M&E	Monitoring and Evaluation
MOF	Ministry of Finance
MOI	Ministry of Interior
MOIFA	Federal Ministry of Interior, Federal Affairs and Reconciliation
MOM	Municipality of Mogadishu
MOU	Memorandum of Understanding
MP	Member of Parliament
MTR	Mid Term Review
NDP	National Development Plan
NGO	Non-Governmental Organization
PBF	Peace Building Fund
PDP	Puntland Development Plan

PEA	Political Economy Analysis
PEM	Public Expenditure Management
PETS	Public Expenditure Tracking Surveys
PFM	Public Financial Management
PFMU	Programme Fund Management Unit
PL	Puntland
PSG	Peacebuilding and State Building Goals
PWD	Public Works Department
RCO	Resident Coordinator's Office
SAD	Social Affairs Department
SC	Steering Committee
SDG	Sustainable Development Goals
SDP	Somaliland National Development Plan II
SDM	Service Delivery Model
SDRF	Somalia Development and Reconstruction Facility
SL	Somaliland
SLF	Somalia/Somaliland Local Fund
SSC	Strategic Steering Committee
SSF	Somali Stability Fund
SWS	South West State
TIS+	Transition Initiatives for Stabilization Plus
TOR	Terms of Reference
TPM	Third Party Monitoring
TWG	Technical Working Group
UN	United Nations
UNCDF	United Nations Capital Development Fund
UNCT	United Nations Country Team
UNDP	United Nations Development Programme
UN-HABITAT	United Nations Human Settlement Programme
UNICEF	United Nations Children's Fund
UN-MPTFO	United Nations Multi-Partner Trust Fund Office
UNRC	United Nations Resident Coordinator
UNSF	United Nations Strategic Framework
UNSOM	United Nations Assistance Mission in Somalia
URF	Urban Regulatory Framework
VFM	Value for Money
WASH	Water Sanitation and Hygiene
WFP	World Food Programme

## 2. Introduction

Local governments are drivers for sustaining peace, building state legitimacy and essential for stabilization. More effective local governance systems that are responsive to people's need and aspiration, inclusive and resilient to crisis have an important role to play in delivering improved quality of life, reducing inequalities and forming resilient state-society relationships based on shared understanding of respective roles and responsibilities.

It is in this context that the partners of the UN Joint Programme on Local Governance and Decentralised Service Delivery (JPLG) initiated the programme in 2008. The long-term commitment of the JPLG donors and UN agencies, and the leadership of the Somali Government has ensured the success of the programme. In the initial phases of the programme the focus was on Puntland and Somaliland where there was relative peace and a foundation of local government structures to build upon. In the subsequent nine years, and through two phases of the programme, strong partnerships with the governments of Puntland and Somaliland, Federal and new member states, have been built, reaching more than 60% of the population in Puntland and Somaliland<sup>1</sup>. This partnership has enabled a fundamental change in the legitimacy, functionality, and quality of services provided by these local governments. Towards the end of the second phase of the programme the engagement in Jubbaland, South-West State, Galmudug and Hirshabele has been seen as a pivotal shift towards a country wide programme under the federal agenda.

The approach of JPLG I and II has been to incentivise good governance reform for service delivery and has as a result contributed to state-building, sustaining peace and governance reform. The third phase of JPLG will focus on reaching all areas of Somalia and Somaliland with the end objective of establishing a common local government and governance system which contributes to consolidating and advancing development results in Puntland and Somaliland while, through the stabilization agenda, bringing local governance to newer Federal Member States. Developing a joint local governance programme for Somalia entails using different programmatic approaches based on the development and stability scenarios of different parts of the country. While, based on the experiences of Puntland and Somaliland, there are valuable lessons learnt in terms of programming and sequencing of interventions the overall state building and stabilization agenda has changed from the earlier phases of the programme.

Operating in a federal context, requires coherence and coordination at all levels of government and the programme operates within a number of national and international frameworks. The Somalia National Development Plan (NDP) is the overall framework in which JPLG will operate and target interventions, however the Somalia Stabilization Strategy which describes the Comprehensive Approach to Security (CAS) provides strategic guidance to the programme interventions. While the CAS and stabilization agenda are important guiding documents for Federal Member States (FMSs) where

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<sup>1</sup> *Based on participating districts and UNFPA's population estimations of 2014*



areas are still under Al Shabab (AS) control; the Somaliland and Puntland Development plans provide localized articulation of development goals and will guide the programming in these areas.

The Wadajir Framework is the national plan articulating the stages from stabilization to local governments and integrated in the CAS strand 3, JPLG will contribute to these coordination bodies and provide technical advice and advocacy on local governance in these fora.

On the international agenda JPLG is in line with and contributes to localizing the Sustainable Development Goals (SDGs), the Addis Ababa Action Agenda on Finance for Development, and the New Urban Agenda as well as the recently concluded London Conference for Somalia.

Tangible achievements have been realised through these partnerships. Puntland and Somaliland governments have enhanced their own internal capacities to support and manage local governance, and they are today able to lead (with continued UN partnership) in the implementation of future actions. Partner local governments have functional organograms; all departments know their work; staff are paid on time; citizens pay receipted taxes; communities and citizens are asked their opinions, contractors bid; procurement committees evaluate and approve contracts; council meetings are minuted; land tribunals manage conflicts; cities build strategic visions; key social services are delivered; many more significant changes are revolutionizing local governance. In 2008, Hargeisa municipality had an annual revenue of \$2.04 million; in 2016 this had increased to 7.78 million – a 42% growth per year. Property tax in Bossaso grew from \$45,000 in 2014 to over \$300,000 by the end of 2015. In Berbera, revenues from local sources going to service delivery had increased from \$40,000 in 2014 to \$247,156 in 2016, an increase of over 600%. This demonstrates confidence of citizens in local governments and of local government ownership of their responsibilities.

In Jubbaland and South West State the Local Governments laws were passed as the first legislations passed by the state assemblies and the establishment of District Councils are on the top of the political agenda at FMS and Federal levels. The first council was formed in Hudur in 2017 with JPLG providing support to the government coordination and leadership in the process and other DC are being formed with broad support from the international community.

The results of JPLG continue to have a strong government ownership and the drive towards institutionalizing the local governance framework can be seen through the establishment of the Local Government Institute, the Expansion Strategies in Puntland and Somaliland and the focus on coordination and harmonization of interventions and legal frameworks at all levels of government.

## **3. Context**

### **3.1. The Political Landscape**

The political landscape in Somalia is constantly changing, and in this process the role of local governments is becoming increasingly prominent. In the section below some of the ongoing political processes that impact the direction and implementation of JPLG is highlighted.

#### ***Federalism and Decentralization***

The Federal Government elections of February 2017 and the agreements reached concerning federal governance structures, all highlight a need for focusing on the third level of government as described in the constitution and as part of the ongoing constitutional review process. While federal consolidation and new state formation undoubtedly represent moves in a positive direction, genuine stability, encompassing most citizens, will not be realized in the absence of functioning district-level governance structures, and collaborative relations between those district administrations and the higher levels of government.

Federalism and decentralization in the context of Somalia cannot be seen as separate processes, but rather two sides of the same discussion. The experience on decentralization of services in Somaliland and Puntland is therefore of great value to the larger process of federalism. JPLG is focused on working with all levels of government and contributing to clarifying roles and responsibilities of each of the levels of government as part of the process of federalism. At the core of the engagement is the contribution to supporting the pathway of improved social contract between government and the population through strengthening policies and capacities of local government.

The FMSs have different capacities and to a certain extent different policy frameworks and experiences in establishing and running local governments based on principles of accountability, transparency and citizen engagement. JPLG approach to supporting federalism is to enable dialogue among the three levels of government and target sectors to clarify functions and responsibilities and to facilitate articulation of a local governance system that is based on best in-country practices promotes federal principles.

The political landscape in Somalia is constantly shifting and as part of the process JPLG plays an important role to advocate for the role of local governments based on principles of good governance.

#### ***Local governments in the Somali Federal process***

The Federal Government elections of February 2017 and the agreements reached concerning federal governance structures, highlight a need for focusing on local governments as described in the constitution and as part of the ongoing constitutional review process. While federal consolidation and new state formation represent moves in a positive direction, genuine stability, encompassing most citizens, will not be realized in the absence of functioning district-level governance structures, and collaborative relations between those district administrations and the higher levels of government.

Federalism and decentralization in the context of Somalia cannot be seen as separate processes, but rather two sides of the same discussion. The experience on decentralization of services in Somaliland and Puntland is of great value to the broader national processes. JPLG engages with all levels of government and is contributing to clarifying roles and responsibilities of each of the levels of government, central federalism. At the core of the engagement is the contribution to supporting the pathway of improved social contract between government and the population through strengthening policies and capacities of federal, state and local governments.

The FMSs have different capacities and to a certain extent different policy frameworks and experiences in establishing and running local governments, to be based on principles of accountability, transparency and citizen engagement. JPLG approach, remains focused on improving local governments functions, through dialogue among the three levels of government and target sectors to clarify functions and responsibilities and to facilitate local governance system that is based on best in-country. These practical actions have implications for the federal processes and the devolution of services and state functions.

JPLG will need to be mindful that these important processes are mindful of the Constitutional review, while at the same time enabling local governments to advocate for their opinions to be incorporated into the macro political processes. Not all areas where devolution of services and responsibilities occur will have constitutional implications, and will primarily be controlled by the state governments.

### ***Comprehensive Approach to Security***

The Government of Somalia with the support from the international community has made great progress in pushing back the boundaries of al-Shabab control, however, challenges remain. Somalia is still struggling to overcome the legacy of decades of civil war – the destruction of key state institutions and the loss of capacities. The insecurities affecting many of the FMSs in Somalia is the greatest challenge to advancing peace and development in these areas and for the country overall.

The national frameworks articulate the broad understanding and acceptance that establishing district councils and local administrations and capacitating these to take part in service delivery and strengthening the social contract is an integral part of the state building and stabilization strategy. The priority accorded to district council formation by federal and state governments reflects an understanding of this basic dynamic. The reality is that building accountable and representative local governance structures will significantly improve the chances of realising stability and security.

The vision articulated in the JPLG III programme document draws on the national frameworks of the Stabilization Strategy and the Wadajir Framework, focuses on working progressively to rebuild and re-establish local governance structures in areas of the country recovered from al-Shabab control has not been realized.

JPLG's focus on targeted support to local government structures and capacities, across the range of basic functions and services that they are expected to provide, is very much in line with what is now

widely accepted as the most relevant strategy for state building in Somalia: adopting a consultative and bottom-up approach, aimed at building and consolidating local and sub-national governance structures within a broader framework of promoting inter-clan reconciliation.

### ***Governance and Stability***

The Government of Somalia has identified the unique role local governments have in strengthening social contracts and contributing to service delivery and their role in building the legitimacy of the state and improving the resilience of communities to shocks, conflict and disasters. Establishing and capacitating local governments to promote good governance is included as national priorities in National Development Plan (and associated State Development Plans) as well as the Stabilization Strategy (Comprehensive Approach to Security (CAS) / CRESTA/A) and the Wadajir Framework.

Somalia encompasses many different socio-economic, political and security contexts and the interventions for local government/governance programmes is largely contingent the context in which they operate. The development targets for the different FMS may be different in the short and medium term, but share the overall same vision of a peaceful Somalia with economic development and social inclusion:

- Puntland and Somaliland have well established Development Plans (Somaliland National Development Plan II and Puntland Development Plan) as well as a system for identifying district development priorities through the District Development Frameworks. These frameworks together with the Decentralization Policies and expansion strategies there is a clear vision for the role of local governments advancing decentralized service delivery and accountable, transparent and inclusive governance processes.
- For more fragile FMS the role of local government is articulated in the National Stabilization Strategy and the Wadajir Framework for local governance. Both recognize the importance of work around establishing security and facilitating reconciliation prior to the establishment of District Councils, but place great emphasis on the local governments role to sustain the peace and contribute to state legitimacy and sustainable development.

JPLG and UN is best placed to support the Government of Somalia to achieve local governance goals under both sets of frameworks and because of the implementation history of JPLG and the long-term partnerships JPLG is in a position to provide support to linking the two agendas towards common goals. JPLG III will support the state to achieve context specific goals for local governance as well as contribute to strengthening the capacity of government to lead coordination at Federal, state/central and district levels.

### ***Differences in fragility***

Local governments in Puntland and the new Federal Member States have different functions and capacities and they operate in vastly different realities of fragility. To avoid fragmentation of approaches it is critical that the engagement around developing and implementing of systems for local governance and government remains unified. The experience from JPLG II has showed, for example,

that Puntland State and the Federal Government has played an important role in expediting the adoption of local government systems in South West State and Jubbaland, with Galmudug and Hirshabele. Somalia is faced with the unique advantage of having developed tested and adopted a local government system in parts of the country which can easily be adopted by the new FMSs to respond the gap in local government. The systems and approaches need to be adapted to the capacity level of the new FMS and its districts; however, there is institutional knowledge from the early phases of JPLG that can support this adjustment.

### ***Somaliland: continued progress***

The political challenges in Somaliland, while markedly different from those in the south of Somalia, are none-the-less pronounced. The initial decade or so following its self-proclaimed independence saw Somaliland navigating the demands of establishing statehood, and doing so based on a consensual dispensation – a bicameral legislature with a clan-based Guurti (Upper House) and a publicly elected Lower House composed of MPs from political parties.

More recently, the political horizon has clouded somewhat. Parliamentary elections, due to have been held in late 2015, were postponed twice by President Silanyo’s administration. This failure to hold twin presidential and parliamentary elections raised doubts about the government’s continuing commitment to the democratic process, Presidential elections were subsequently held in November 2017.

The upcoming local government elections in Somaliland, scheduled will impact on JPLG’s support to local governance. On the one hand, these elections are important manifestations of the ongoing democratic transition, and present an opportunity to focus on greater inclusion (women, youth and disadvantaged); on the other hand, they pose risks. The transfer of political power may involve a substantial turnover of local government staff, and this could have varying degrees of impact on the capacity development efforts upon which the programme rests.

### ***Puntland: continued progress***

Puntland, unlike Somaliland, sees itself as a state of federal Somalia. Puntland enjoys a special status because, since its 1998 declaration of autonomy, it has made significant strides in consolidating its own governance structures and enhancing its capacities, achieving a measure of democratization through political party formation and presidential selection processes involving a peaceful transition of power.

Sadly, Puntland has been wracked by drought. It has also been affected by recent al-Shabab incursions. And, like the rest of Somalia, it faces challenges of entrenching governance capacity, building its revenue base, countering accusations of corruption, and improving the reach and depth of basic service delivery.

## **3.2. Economic and Social Concerns**

Somalia’s economy is characterised by high poverty rates (51%), low investment, stagnating productivity rates, dependency on imports and remittances, and low resilience to market shocks,

particularly commodity price fluctuations, and environmental shocks. Private consumption is contributing over 130% of GDP whereas investment made up only 8% of GDP in 2015. Imports account for more than 66% of Somalia's GDP while exports comprise just 14%, creating a large trade deficit, mainly financed by remittances and international aid.<sup>2</sup> Remittances, estimated at \$1.3 billion a year, amount to 60% of GDP.<sup>3</sup>

Inequality is high, driven by the difference in the incidence of poverty in different locations: it is close to 60% in Mogadishu, more than 40% in other urban settings, a little over 50% in rural areas, and much higher in IDP settlements at about 70%.<sup>4</sup> Rapid urbanization in Somalia is not delivering the improvements in economic growth and quality of life. Rather than moving to higher productivity jobs, rural Somalis move to equally inefficient jobs in lower income urban areas. Unemployment among young people and women remains high. The unemployed youth population (about 67% under age 30) contributes significantly to irregular migration and participation in extremist activities, including Al-Shabaab, which is viewed as another form of employment.

Agriculture, which employs over 70% of the workforce and accounts for about 65% of the GDP and 50% of export earnings, has not been able to overcome subsistence level and stimulate structural transformation. Somalia's GDP has been growing at an average rate of 3.5 percent in real terms during the period 2012 to 2016<sup>5</sup> but slowed to an estimated 2.4% in 2017, due mainly to the ongoing drought.<sup>6</sup> Given the population growth rate of about 2-3% annually, the current GDP growth trend is insufficient even for maintaining the per capita GDP at the same level.

### ***Lack of Economic opportunities – employment***

The major structural drivers underlying youth engagement in violent conflict in Somalia are high youth unemployment and lack of livelihood opportunities. The country has relatively high vulnerable unemployment estimated at 59%, and a considerable unemployment rates for persons with upper primary level of education at 20.9% and those with secondary level of education an unemployment rate of 34.6%<sup>7</sup>. Insufficient, unequal and inappropriate education and skills combined with poor governance and weak political participation continue to be an impediment in accessing employment opportunities.

However, having strong and able local governments will contribute to fostering economic growth and uplift many citizens from the cycle of poverty. Supporting the local governments in enhancing their capacities to provide vital services as well as the creation of a conducive environment for businesses and investments through appropriate regulatory frameworks and improved infrastructure will consequently lead to creation of job opportunities and economic growth.

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<sup>2</sup> World Bank. 2017. *Somalia Overview*, <http://www.worldbank.org/en/country/somalia/overview>.

<sup>3</sup> World Bank, *Somalia Economic Update. Mobilizing Domestic Revenue to Rebuild Somalia*. Washington, DC: World Bank.

<sup>4</sup> African Development Bank. 2018. *African Economic Outlook 2018*.

<sup>5</sup> World Bank. 2017. *Somalia Economic Update. Mobilizing Domestic Revenue to Rebuild Somalia*. Washington, DC: World Bank.

<sup>6</sup> African Development Bank. 2018. *African Economic Outlook 2018*.

<sup>7</sup> Federal Government of Somalia, National Development Plan 2017 -2018

### **Security and access to justice**

The security situation in Somalia impacts the lives of Somalis every day. Recourse to political assassinations and asymmetric complex terror attacks against both hard and soft targets have increased since 2013, and are a major source of insecurity in Mogadishu and across Somalia. In 2016, over half of all civilian casualties reported were attributed to Al-Shabaab. Al Shabaab exploits local (clan) grievances and takes advantage of government corruption and failure to provide rule of law and basic services to Somalis.

The limited legal framework, weak rule of law and human rights protection systems, and a lack of legitimate institutions contribute to a high level of impunity for human rights violations. The UN is supporting strengthening relationships between the Federal Government and the FMSs to reach political agreements on all aspects of the federal model for Somalia, including power-sharing, resource-sharing, and the federal security and rule of law architectures.

### ***Revenue shortfalls***

Local governments in Somalia are struggling to raise their own finances. In the North, many districts have shown significant increases in revenue collection. In the South there are only a few functioning district level governance structures to date – in Benadir and Adado. Elsewhere, the local government is represented by a handful of appointed administrators in each district, none of which have meaningful resources with which to provide services. Progress is being achieved through the district council formation processes, but resulting structures remain fledgling in nature and fragile.

The new Jubaland, South West, Hirshabele and Gulmudug States have all established functioning Ministries of Finance, which are now budgeting, controlling and accounting for expenditure, while having very limited operative administrative systems. The federal and state governments are highly reliant on development assistance funds, and have very limited capacity to transfer funds to the local governments to fill the gaps.

There is potential to raise local revenue, and JPLG III will need to capitalise on its experience in the North in supporting local governments to increase incomes through such mechanisms as property taxes and business licences – by updating databases using dedicated revenue-related software and enforcing the legal framework for tax collection. Challenges will need to be addressed: insufficient qualified staff, low capacities, lack of transparent systems, a culture of corruption – and the public's resistance to paying taxes. The legitimacy of local governments – and the confidence of the public – will depend on indicators related to accountability, rule of law, and service delivery.

### ***Debilitated institutions***

Lack of finance is not the only issue affecting institutional performance in Somalia. There is an urgent need to rebuild the local government structures – both physical and human – destroyed through decades of conflict.

Somalia's human development indicators are among the lowest in the world; the poverty incidence is 73 per cent (61 per cent in urban; 80 per cent in rural areas), with extreme poverty currently estimated at 51 per cent. Somalia lacks the capacity, in material and human resources, required to advance the priority development initiatives and provide for basic services. The institutional framework has been

fragmented; it has been unable to formulate and implement a common and inclusive development agenda. Now, the federal and state governance levels are engaged in identifying and defining their respective mandates. It is important that, in this process, the roles and responsibilities of district-level government, in development planning and service delivery, are recognised and clarified. Local governments should have an influential voice in these deliberations.

### ***Access to social services***

Access to basic social services is severely constrained in Somalia, with the result that only one in three pregnant women deliver in public health facilities, over 150,000 children are severely malnourished, only 53% of people have access to safe water sources and 25% have access to improved sanitation close to their households. Only 30% of children are enrolled in school and only 40% of these are girls. Birth registration remains as low as 3%.<sup>8</sup> The recent drought affecting large parts of the country resulted in over 6 million people needing humanitarian assistance.<sup>9</sup>

### ***Urban growth***

Somalia's major towns are among the fastest growing in the world. It is estimated that by 2030 nearly 90% of all Somalis will live in urban settlements. Currently, almost every third Somali out of the total population of 12.3 million lives in one of the major urban centres. For the two largest centres – Mogadishu and Hargeisa – the projected population by 2030 will be 4.2 million and 1.3 million respectively.

This urbanization phenomenon puts unprecedented pressure on an urban infrastructure and basic service delivery of water and sanitation facilities, security, education and health, access to jobs and markets.

The management of such urban growth, to realise potentials as well as to address problems, will be a major challenge, particularly for local governments –to create jobs, as well as to accommodate an influx of IDPs.

### ***Gender equality***

A UNDP 2015 Gender and Inequality Report on Somalia gave it a score of 0.776 (where 1 denotes absolute inequality); it ranked the country fourth in the global league table. The report found that Somalia has extremely high rates of FGM, rape, maternal mortality, and child marriage. Women are often excluded from leadership and decision-making positions; they have few choices but to remain within their traditional roles of motherhood and house-keeping – though many women support their families by also engaging in micro-businesses. Female literacy remains one of the lowest in the world.

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<sup>8</sup> UNICEF Somalia 2016 Annual Report.

<sup>9</sup> UNICEF Somalia Humanitarian Situation Report, October 2017.



Gender inequality was further exacerbated by the recurrent drought in Somalia, where women and young girls bear more of the burden because of prevailing gender roles and practices, including domestic responsibilities.

JPLG III will need to continue, and expand, a gender equality programming that is based on an understanding of the cultural, social, economic and political processes that contribute to inequality and injustice. There is a need for multi-faceted action to change cultural perceptions and expectations – and to address policies, programmes and processes, that discriminate against women and girls and so perpetuate gender inequality.

### **3.3. Relevant National Frameworks**

From its inception, JPLG has prioritized the alignment of its priorities and interventions with relevant national and international policy statements and programming principles. It will continue to do so.

#### ***Somalia National Development Plan***

Several the objectives and themes of the National Development Plan (NDP) 2017-2019 are of direct relevance to the JPLG III programme: Chapter 6 focuses on building more effective institutions and administrations; chapter 7 tackles social and human resources, related to skills development, job creation and gender equality; chapter 8 addresses inclusive politics and decentralization, security, stabilization, and the rule of law. It can then be seen that local governments must be engaged at all stages of addressing these concerns and realising these objectives. The NDP recognizes that the delivery of basic services enhances the legitimacy of government, builds public trust in local authorities, and reinforces security and stabilisation. It is in this light that the federal government is supporting the implementation of the Wadajir Framework on Local Governance.

Puntland and Somaliland also have their own National Development Plans which they will utilise together with their Government Led Expansion Strategies to ensure uniform Local Governance practices across their districts while replicating the available tools and reform programmes, laws and procedures to all the remaining districts.

#### ***The Wadajir Framework***

JPLG III will be aligned with the Wadajir Framework in ensuring that the shared principles will be applied. The Framework, propagated by the federal government in 2016, lays out a roadmap leading from ‘social healing’ (restoring trust and social cohesion) through ‘peace dividend projects’ (first steps towards good governance in practice) and ‘civic dialogues’ (paving the way towards local-level political accommodations). It culminates in the formation of district councils. Through its civic education components, JPLG will be able to play its part in informing the public about the potentials and challenges of the country’s decentralisation agenda; once district councils are formed, the programme will apply its experience in installing administrative systems and building capacities.

### ***Comprehensive Approach to Security / CRESTA/A***

Following on from supporting the development of new district councils, in addressing the needs of areas of Somalia freed from al-Shabab control, the UN's 2016 CRESTA/A framework states that its aim is to move the focus away from 'military geared strategies' and towards 'broad(er) approaches with a stronger focus on community engagement ... creating and supporting local governance'. In this regard, its focus areas are: security, policing and rule of law; governance and reconciliation; socio-economic service delivery. The connections with the JPLG strategic approach to local governance are clear – and collaboration will be called for.

### ***UN Strategic Framework***

JPLG is harmonised with the priorities for Somalia as articulated in the UN Strategic Framework for Somalia 2017 – 2021. These priorities are:

- A stable, accountable and democratic political framework at all levels of government across a federalized Somalia;
- All Somalis benefit from peace, security, justice and the rule of law;
- Effective and accountable institutions that respond to the need and rights of all Somalis;
- Resilience of all Somalis is strengthened;
- Political and socio-economic opportunities enhanced, leading to meaningful poverty reduction, access to basic social services, and sustainable, inclusive and equitable development.

## 4. JPLG II: Key Achievements

### ***Introduction***

The second phase of the programme (2013 – 2017) has seen a remarkable progress on local governance. Somaliland and Puntland have put in place decentralization policies and strategies which define the process of decentralization as well as the roles and responsibilities of the central and local governments. This demonstrates their commitment in devolving functions for improved governance and service delivery. In the newly established federal member states, local government laws have been passed and legitimate district councils established thus setting the scene for improving governance and increasing stability.

There is improved service delivery within the local governments due to the enhanced capacities of the staff and adoption of efficient systems which have increased transparency and accountability in delivery of services. The use of the systems established to implement non- JPLG funded projects and the implementation of the devolved functions by the local governments through the service delivery models demonstrates the improved competencies of the local governments.

### **4.1. Outcome 1: Policy Reforms**

#### ***Adoption of decentralization policies and local government legislation***

The decentralization policies in Somaliland and Puntland have provided the legal framework for the decentralization of functions to local governments to improve the delivery of public services. The decentralization road-maps are currently operational (for example, reviews of legislation, development of sector strategies around decentralization). The Wadajir Framework, the first national strategy around the formation of local accountable governance structures continues to guide FMSs in developing state level local governance legislation. Local Government Laws of in South West and Jubbaland States passed as the first legislation of the State Assemblies, and it has resulted in the recent launch of the district council formation process in South West and Jubbaland States.

#### ***Sector decentralisation strategies***

Sector decentralisation strategies for health, education and natural resource management, have provided clarity on the roles and responsibilities of the central and local governments on the devolved functions. In addition, the strategies have informed the revision and harmonisation of the legal framework for decentralised functions to ensure their effective implementation.

#### ***Alignment of local government policies with national frameworks***

The alignment of local government policies with national laws and on-going reforms has ensured the coherence and effective implementation of the policies by the local government for improved service delivery. For example, the local government municipal finance, human resource management and procurement policies, adhere to the national laws and international best practices.

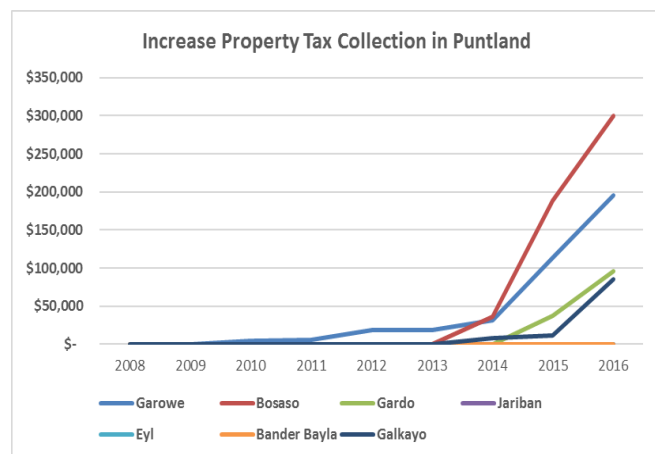
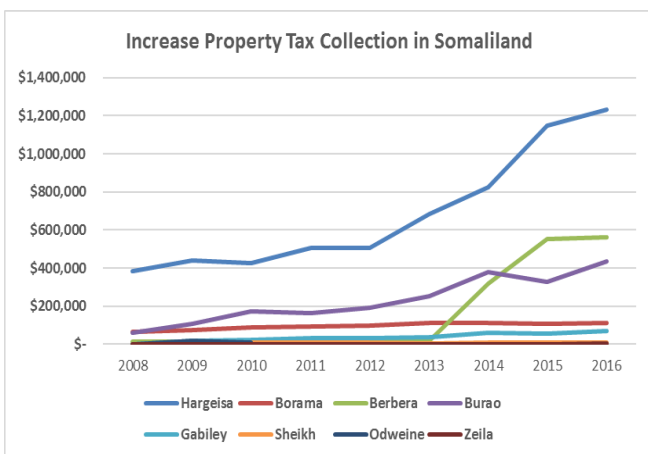
## 4.2. Outcome 2: Capacity Development

### *Improved systems and structures*

Improved systems have not only increased efficiency in the delivery of services but have also ensured that services are implemented in a transparent and accountable manner, thus improving the confidence of the public in local governments. Coordinated planning, including participatory district planning, have become central to local governments taking control and managing of their development programmes. For example, in Adado, the District Development Framework (DDF) was used by the local government for planning with JPLG, TIS+ and the Somali Stability Fund (SSF).

Improved planning has resulted in enhanced intra-government coordination and planning. Currently, JPLG is no longer the only funding source for the districts' annual work plans and budgets (AWPB). The programme provides 19% of total budget required to implement district projects, with more than 40% of required funds being provided for by the local governments and other sources.

Improved revenue collection and business registration systems have resulted in a rapid increase in the revenues collected by the local governments, which is one of the key conditions for the sustainability of the programme. The average increase of property taxation in Somaliland from 2008 till the present was 485% and in Puntland 196%. The simple fact that citizens now pay taxes is the greatest indicator that they now trust and believe in their local authorities. In Mogadishu, more than 2,500 businesses have been licensed, generating over \$250,000 in revenue and providing businesses with a formal registration – a significant change in a city which has been dominated by a war economy for so many decades. In Somaliland, revenue from business licensing has increased by an average of 25% each year. Most target districts initiated the use of JPLG-supported public procurement systems for services and projects with 100% local funding. This would not be possible without trust in simple but effective governance tools that the programme has been testing since 2010.



Local governments are now recruiting their staff based on merit, due to the improved human resource management systems. In addition, local government staff in the planning, administration, finance, procurement, social affairs and public works departments, are now able to perform their functions

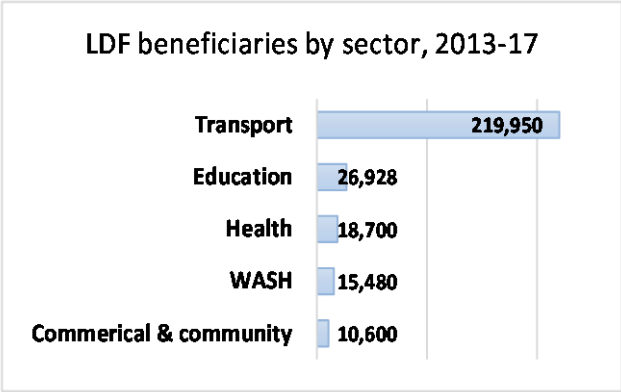
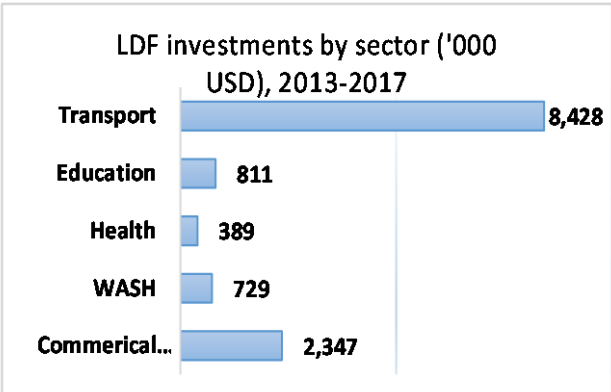
more effectively, with an improved understanding of their tasks and responsibilities through job descriptions and training. Staff structures are leaner and more effective. For example, the Benadir Regional Administration (BRA) has streamlined the number of departments from 38 to 22, thereby reducing more than 250 redundant staff from the payroll.

Local governments have created an enabling environment for businesses. The business registration process, for example in Berbera district, has been reduced from five to two days, resulting in a 30% increase in business licences in 2016 – and improved compliance with local government regulations.

**4.3. Outcome 3: Service Delivery**

***Improved local service delivery***

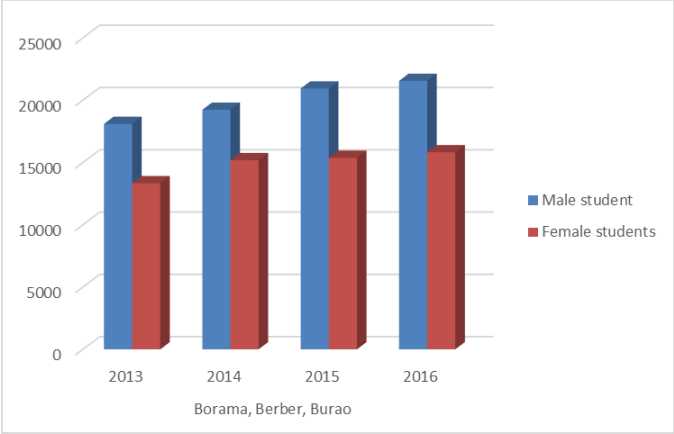
JPLG assisted Somali local governments to introduce and apply improved competency models in planning, budgeting, and procuring of local services. Practical application of these models was enabled through a system of discretionary capital grants operated under Local Development Funds in 16 local government in Somaliland, Puntland and Galmudug. Local government staff are now able to perform their duties more effectively due to the increased competencies. This has been demonstrated through implementation of 207 infrastructure projects with a total value of US\$ 12.7 million in 2013-2017. These projects included transport infrastructure, education and health facilities, WASH projects as well as commercial and community infrastructure that directly benefitted about 300,000 Somalis in the target local governments. As confirmed by independent studies, these projects resulted in better access to basic services; improved perception of local administration; improved town cohesion and urbanization; more vibrant economic activities and increased tax collection; and eventually, better peace and security. Somaliland and Puntland are currently taking the lead in the development of the five-year DDFs. This indicates the confidence in owning the process through improved competencies. The Puntland Government has committed to doubling its financial contribution to the LDF in 2018 and Somaliland’s financial commitments are also greater.



**Application of service delivery models**

The local governments, in selected districts, have implemented their existing and devolved functions in education, health, environment, roads, solid waste management and water, through the service

delivery models (SDMs). Local governments in target districts have significantly increased their contributions to sector budgets. For example, districts in Somaliland have contributed over \$1 million to health, education and water services since 2014, and Berbera District alone has increased its contributions by 600% between 2014 and 2016. Schools supported through the SDMs in Borama, Berbera and Burao have seen enrolment increase by 15%, in part due to improvements in the learning environment (improved sanitation and dedicated gender-specific and protected latrines, more space for students following the rehabilitation and equipment of classrooms, and more motivated teachers because of salary top-ups).



**Social accountability**

Civic education initiatives have increasingly empowered community members to participate in decision making regarding their development priorities, and voicing their concerns about access to, and quality of, services. In Benadir region, women have led a campaign for local authorities to increase numbers of female teachers in the region in local primary schools, so as to encourage girls’ enrolment and better serve their needs. In a context where most public meetings were previously limited to members of the same clan (meetings to settle disputes, etc.), the civic education activities have created opportunities for diverse groups of people to come together and discuss issues of mutual concern. Through piloting of an SMS-based community scorecard in Somaliland, 416 members of community health, education and WASH committees, are now able to advocate for, and monitor, improvements in the quality of services delivered in their communities by sending monthly feedback and engaging in interface meetings with district and state officials.

## 5. Lessons Learned from JPLG I & II

JPLG has consistently invested in ongoing learning and self-reflection as a core element of its programming. The programme has been the subject of various assessments, including outcome assessments, mid-term reviews (MTRs), third-party monitoring (TPM) exercises, capacity assessments, and a gender review. These assessments, while confirming the relevance, effectiveness and impacts of JPLG, have brought out key lessons, some of which are highlighted below:

### ***Context is key to local governance programming***

While relevant across Somalia, JPLG has over the years learnt that the contextually different scenarios between the North and South have significant programmatic impacts on JPLG. To a great extent, this also explains the different levels of results attained across the regions of Somalia. While the overall objectives and outcomes of the programme are the same across the whole country, the approaches and inputs are varied, to match different contexts. For instance, this means that, while in Somaliland and Puntland, emphasis will be on consolidating gains and supporting government-led expansion, in the new federal member states, JPLG will concentrate on laying the foundations for establishing functional local governments, including support to the establishment of district councils and local government structures.

### ***Building effective and efficient institutions is a long-term and ongoing process***

Over the past nine years, JPLG has supported the establishment of strong, accountable and transparent, local governance systems capable of responding to the needs of citizens. Efforts have been put into establishing and capacitating the public works, social affairs, finance, revenue/tax, and oversight mechanisms at Ministries of Interior managed by trained and qualified staff. While Puntland, Somaliland, Adado and Mogadishu Municipality, have made significant progress in clarifying their roles and functions, and in developing systems to enable them to effectively discharge their mandates, the high turnover of staff, and change of guards of mayors and district councils, have meant reversals of certain gains made. This has required continued support by JPLG to ensure that there are no relapses in gains made.

### ***Uniform local governance system within separate contexts is feasible***

For practical reasons, the JPLG approach has been to identify and work with a select number of districts in Puntland and Somaliland. These were often called 'JPLG districts.' Over time, one or two more districts would be added to this list, based on mutually agreed criteria for selection. To a certain extent, this created a sense of privilege or exclusion. As JPLG continued to achieve progress, the programme and counterpart governments were under pressure to extend the benefits of the programme to other districts. In response to this positive pressure, Puntland and Somaliland partners developed their own government-led expansion strategies that they will use to roll out the programme throughout their territories. The programme has now adopted and tailored this approach for its engagement with the new federal member states. This means that local governance policies and systems will be incubated at the respective Ministries of Interior and accessed by all eligible districts in a systematic and uniform manner. With government-led expansion, it is important that resources from

non-JPLG programmes are aligned with these policies and systems, to reduce duplication and promote more effective use of resources.

***Peer learning and experience sharing is possible across different states***

JPLG experiences and lessons have elicited interest from the new federal member states, who are already drawing on the achievements in Puntland – they have used Puntland’s local governance law and other systems as models for their own dialogue and policy work. This has accelerated the process of adoption and development. By ensuring that the government, FMSs and FGS, assume the leadership role in transferring the knowledge and building the capacities for local governments, it has been demonstrated that this can accelerate the creation of uniform local governance systems.

***Seeing gender and social inclusion as cross-cutting issues is not enough***

Under the JPLG II programme, gender was defined as an important ‘cross-cutting’ issue. While some progress was made in highlighting gender concerns, there is now recognition among partners that, in line with the findings of the gender review, the cross-cutting nature is not sufficient to advance gender equality within and through the programme. Lessons learned from JPLG II demand that gender considerations move to the centre stage of design, including integration into the definition of programme output and outcome areas. Accordingly, JPLG III will build on the lessons learnt and will use a gender lens in all aspects of the programme. More specifically, a gender-focused outcome, with related outputs, has been integrated to respond to the shortcomings identified in the gender review.

Accordingly, JPLG III will also place increased focus on, and give greater prominence to, wider issues of social inclusion in programme design and implementation. The engagement of youth in government, for example through young graduate schemes applied in JPLG II, increases the chances of retention and paves the way for, not only increased employment of youth, but the infusion of young leaders in the emerging public service corps of Somalia’s governments.

***Value for money (VFM) needs more attention***

The MTR highlighted the programme’s relatively poor VFM, regarding administration overheads. While recognizing the high cost of doing business in delivery of quality programming in Somalia, it is accepted that measures must be put in place that do prevent unacceptably high overhead costs. This is being done by reviewing methods of delivery, reducing consultants, sharing offices, building Somali institutions for the delivery of training, and not replicating the staffing footprints of JPLG in Puntland and Somaliland. Overhead costs are increasingly coming under control and delivery is and will continue to improve.

***Governance structures and management arrangements are evolving***

Being such a broad-ranging programme, in both substance and geographical coverage, JPLG requires a strong governance structure to address ongoing programmatic issues. A review of governance structures was undertaken following the MTR of Phase II, with the objective of improving decision-making and strengthening accountability. This was not sufficiently achieved, and strategic steering committee meetings have tended to focus more on work plan allocations than on the strategic direction of the programme. There is a need to review the frequency, agenda and tools, in support of



the steering committee meetings, to ensure that commitments made are accounted for and difficulties are shared in advance. More effective and appropriate management arrangements are also needed that accelerate decision-making and delivery against agreed milestones, bringing programme management closer to programme stakeholders, and improving accountability.

Governance structures will need to evolve and adapt, with changing circumstances based on feedback from UN management, Somali partners and donors. Additionally, partnership contracts should be streamlined to improve transparency, efficiency, and the understanding of partners – reducing the number of partnership agreements.

***Some gaps need to be plugged in M&E, knowledge management and communication***

JPLG has identified gaps in the delivery of its M&E function that currently impede the programme's ability to adequately capture higher level impacts achieved through and across implementing agencies. The programme's ability to draw from, and build on, M&E data to deliver on its related knowledge management and communication functions is also not sufficiently robust. While acknowledging the programme's many achievements in the Somali context, donors have stressed the need for JPLG to 'tell a better story of its added value'.

***Improve management of Local Development Funding***

JPLG's LDF funds are highly appreciated by partner governments, who have committed to expand their own financial contributions to such funds to increase coverage. Progress has not always been smooth and payments / procurement cycles have experience delays. New measures will need to be incorporated into JPLG III to improve cash flow management and ring fence LDF funding.

## 6. Conceptual Framework

Building on the above description of the current context and challenges facing Somalia and Somaliland, as well as the lessons learnt from JPLG II, the conceptual framework describes the overall vision and mission, as well as a theory of change, on how to reach the vision and achieve the mission. The subsequent Guiding Principles section lays out the operational and programmatic principles that have guided the development and will continue to guide the programmatic decision-making processes, including the work planning.

### ***Vision and mission***

*The JPLG III core **vision** is the achievement, within Somalia and Somaliland, of local government institutions that contribute to peace and stability by effectively and accountably responding to the needs and rights of all Somalis.*

*The **mission** is to support the establishment and transformation of local government through capacitated institutions, legal frameworks, policies and practices that are accountable, inclusive, and gender-equal that support the effective delivery of services which contribute to improving the well-being of men, women and children.*

### 6.1. JPLG's Theory of Change

#### ***Assumptions***

**Local governments as enablers of peace and stability:** when provided with the right capacity and supported to apply principles of inclusion, accountability and transparency, local governments can improve service delivery and community wellbeing. This contributes to a reduction in inequalities and inequality-based conflict. When local governments are held to account and listen and respond to people's needs and aspirations, trust in the local government and the State can be built. This contributes to increased government legitimacy and means that communities do not look elsewhere to have their needs met. This legitimacy creates a strong foundation for ongoing reconciliation and peacebuilding efforts to be sustained.

**The provision of public services underpins the social contract:** The availability and quality of services are a key measure of governance, and they strengthen the accountability and social contract between government and communities. Improved service delivery creates opportunities to address root causes of fragility and catalyses broader transformation of the communities by strengthening relations between local officials and the public. Interventions that strengthen the provision of public services can mitigate cycles of violence and may provide an entry point for longer-term 'pro-poor' political and

economic change. The provision of basic services can break the inter-generational cycle of poverty, increase economic opportunity, and promote cooperation across social dividing lines.

Strengthening the social contract between state and people is key to building societal resilience against conflict and setting societies on a more stable course to sustainable human development. A stronger social contract is more likely to guarantee justice, equality, dignity, basic security, peace and inclusive economic recovery. It supports adherence to the rule of law, which in turn provides peaceful consensual mechanism to manage contestation and avoid conflict escalation.

**Decentralized service delivery through local governments is more effective and efficient:** Provided local governments have adequate capacities and functional responsibilities, by their proximity to the population, they are well placed to address local preferences, needs and rights. Measures for accountability and transparency in government actions can also be enhanced by devolved decision making around service provision. Bringing expenditure assignments closer to revenue sources can result in better allocation and utilization of local resources.

**Local government weakness can be tackled by building their capacities while providing them with incentives for change:** Emphasizing the role of local governments in delivering public good and services and managing conflicts without paying attention to their needs for capacities (including financial resources) and for incentives to change their ways will result in entrenching ineffective and corrupt practices and increase the likelihood of return to conflict.

**Inclusiveness and participation have an intrinsic value:** Participation in governance has a legitimizing value which strengthens the social contract between citizens and government. Public participation in governance gives the local government representatives feedback, which can be used to enhance development, peace and stability. The instructive value of participation lies in the act of contributing in the process, creating ownership for the actions, and improving sustainability of the outputs. Another dimension is that participation in governance processes underpins the substantive equality between citizens. Opportunities for voice, and actual participation in decision-making about the allocation of social resources that are made widely available across all social groups and strata, including women, youth and other marginalized groups, create and strengthen the feelings of justice and fairness – and build trust and confidence in the social institutions, as well as enhance social cooperation and social cohesion.

**Integrated interventions accelerate the transformation to peace and development:** Addressing root causes of fragility and violence and building resilience requires supporting local processes and intuitional capacities capable of identifying and manage complex web of issues such as linking poverty with marginalization, social fragmentation, gender equality as examples. Mechanism and reductionist approach that treat problems in isolation are less effective.

### ***The change logic***

- If JPLG supports the development of a Somali government-led programme that targets federal, state and district-level institutions involved in local governance and decentralized service delivery;

- If technical and financial inputs are provided to these structures based on a strong understanding of the Somali context, their institutional needs and democratic governance practices that promote federalism and decentralization;
- Then, JPLG will be able to bring positive changes in two interrelated areas that support effective local governance and strengthen government legitimacy: 1) the enabling environment for legitimate and functioning local governments, and 2) local government’s systems and capacities for equitable service delivery and an effective and accountable response to the needs and rights of all citizens.
- If these outcomes are achieved, then local governments will be able to improve the wellbeing of all community members – in a way that is perceived as fair and just, build their legitimacy, improve social cohesion, strengthen the social contract, and contribute to stabilization, peace and security in Somalia. This will contribute to the achievement of UNSF Outcome 2.3: *Strengthened local governance through the provision of basic and public services will contribute to peace and stability*, and also NDP Priority 2: *Peace, Security and Rule of Law*, and the Comprehensive Approach to Security (CAS).

**The model**

**JPLG theory of change**



## 7. Guiding Principles

### 7.1. Programming Principles

The programme is premised on principles, as well as areas of strategic focus and innovation. Together, they serve to consolidate the efforts of the last two phases of the programme by deepening the quality of governance practised in established areas such as Puntland and Somaliland, and by establishing strong foundations for local governance and decentralized service delivery in emerging federal states.

#### ***Somali-led local governance***

A cornerstone principle of JPLG, is that it aims to promote Somali ownership and leadership of the programme and its activities. As such, Phase III of JPLG will support the Somali governments to implement their own local governance programming, based on the principles of federalism, as well as the Puntland and Somaliland governments' desires to expand the programme into all districts. Each state government will guide the full range of programme actions, through ensuring individual state representation on the JPLG Strategic Steering Committee for Somalia. Similarly, local government training institutes will reflect the federal structures of Somalia. In support of this principle the programme will aim to brand initiatives jointly with Somali counterpart governments. In accordance with the special agreements Somaliland will retain their own management structures.

#### ***Building a uniform system***

The programme will leverage the work undertaken in Puntland and Somaliland, building on the lessons learned, to guide work in the new FMSs (Jubaland, Hirshabele, South West State, Benadir and Galmudug) to develop a local governance programme for Somalia that uses uniform systems and approaches and promotes collaboration between states and with the Federal Government – recognizing that levels of investment will not be the same across districts, and that resources cannot come from JPLG alone.

Under JPLG III, the programme will prioritize policy and legal reforms at state level that can serve all districts, thereby maximizing programme investments. Work will strive to support all states in an equal manner when the enabling pre- conditions are in place.

#### ***Political economy and conflict-sensitive programming***

To address emerging challenges, respond accurately to changes in the environment, and fine-tune programme activity based on shifting conditions and local specificities (contextual adaptation), it is essential that the programme adopts a political economy and conflict lens to programme design and implementation. This approach is needed across Somalia and Somaliland to ensure relevance and impact as well as to enhance wider 'Do No Harm' objectives of, for example, planned support to district council formation.

On its own, JPLG is unlikely to secure, or develop the level of expertise in political economy analysis (PEA) and conflict analysis (CA) required to generate timely and actionable information about

programme intervention areas. In this context, modalities for co-developing or sharing PEA and CA products with other agencies with this expertise (e.g. CRESTA/A, UNSOM, Somalia Stability Fund, Interpeace, Saferworld, etc.) will be utilized.

### ***Gender mainstreaming in operations and programmes***

Gender remains a central issue for JPLG, given its focus on supporting local governments in reducing gender discrimination and social exclusion. At the policy level, this will mean building on the explicit commitment of the Federal Government and UN agencies to Gender Equality and Women's Empowerment (GEWE). JPLG III will promote and aim to deliver gender-responsive local governance policy development, planning, budgeting and service delivery, that are more receptive to gender equality issues, while promoting more equal participation, voice and representation of women and girls' in decision-making. Mainstreaming is the responsibility of each participating UN agency for the specific components, with the oversight from the JPLG programme

### ***Human rights-based approach***

A human rights-based approach identifies rights holders and their entitlements and corresponding duty-bearers and their obligations, and it works towards strengthening the capacities of rights-holders to make their claims and of duty-bearers to meet their obligations. JPLG I and II have been instrumental in supporting the development of systems, procedures and institutions, for duty-bearers (local government) to better understand their responsibilities, and rights-bearers (those served by local government) to voice their demand for developmental priorities, which are captured in the DDFs. JPLG III will continue to promote human rights through the following strategies:

- Integrate human rights into training provided to both duty-bearers and rights-holders;
- Continue to strengthen engagement between rights holders and duty-bearers;
- Strengthen alliances for social change in the communities;
- Increase incentives for duty-bearers to strengthen performance in the provision of services;
- Continue to strengthen social accountability mechanisms.

### ***Advocacy for local governance***

JPLG is the largest and longest running local governance programme in Somalia and will support the government to develop a consistent advocacy strategy in relevant reform and constitutional processes to ensure that advances made in establishing local governance systems and allocating functions across all three levels of government, a comprehensive approach to advocacy is needed. The Wadajir framework provides a good starting point for this, but it needs further elaboration on the approach to integration of local governance beyond the formation of district councils. Advocacy efforts should where possible focus on bringing different partners from the UN, donor community, NGOs and the government behind the same vision and pathway to achieve the objectives.

### ***UN delivering as one***

The ongoing UN reforms demand for closer unity and greater coherence. JPLG has a long experience of working together. These foundations will be strengthened with closer line management and stronger demarcations of responsibilities.

### ***Context adaptation***

JPLG III follows the federal structure of Somalia, with Somaliland as a special arrangement. A number of areas in Somalia and Somaliland will warrant different programming approaches, and localized factors that will determine the context-specific approaches to be adopted. These include conflict, security, accessibility, level of capacity, level of development, and revenue generation capacity.

Jubaland, Galmudug, Hirshabele and South West State, have similarities that will inform the approach and lead to similar local governance programming. The programme will align with the overall Wadajir Framework and aid architecture for coordination, and it will focus on building systems for local governance that can be implemented across the states as the district councils are up and running. Structural and operational provision will be made for the FMSs to manage roll out of local governance structures in a manner that harmonizes with specific features of their own situation.

Mogadishu and the wider Benadir region requires comprehensive support for the development and entrenchment of municipal governance structures, policies and approaches. JPLG III will support the development of a strategy for Mogadishu to improve local government. The strategy will recognize the specificities of the largest city and the federal capital and respond to the needs of a city experiencing rapid urban growth. Lessons learnt from the Mogadishu approach, will have a potential to be expanded to other urban areas.

Puntland has demonstrated great willingness and capacity to assume more responsibility for financing and directing support to district administrations; designing JPLG Phase III provides a strategic opportunity to undertake a gradual and measured recalibration of programming in districts already served under previous phases of the programme. As part of the government-led expansion strategy, support will be provided to more districts. There is also commitment to show leadership in the process of building a uniform local governance system for Somalia through knowledge, mentoring and engagement with new FMSs.

In Somaliland, there is local demand for a distinct programme component fine-tuned to address the specific contextual needs of a region that has already benefitted from focused JPLG support, to expand and deepen local democratic structures in new districts, similar to the approach in Puntland. The programme will also leverage the unique revenue mobilization capacities of districts in Somaliland to calibrate the level of financial support provided to established local authorities.

All Somali partners are calling for JPLG to support districts in Sool and Sanaag regions. While the programme clearly recognizes the need and potential benefits such an expansion will deliver to citizens, guidance will be required from partner governments, donors and UN leadership to enable this to happen.

## **7.2. Operational Principles**

### ***Strengthened programme governance structure***

Programme structures will be reviewed regularly to improve functionality, efficiency and improve strategic direction while ensuring the programme is held to account, reporting strengthened and directly linked to annual work plans and detailed budgets.

### ***Value for Money***

As a large-scale governance programme, operating in a complex and cost-heavy environment, JPLG is committed to adopting the most appropriate and effective value for money (VfM) strategy possible. Key to realizing this commitment is the establishment of a clear definition of what VfM means for the programme and the context in which it operates. Within the first year of implementation external experts will be requested to develop tools to improve VfM in both administrative, operational and programme actions. These tools will become an integral part for planning, financial control and reporting.

VfM will form an integral part of JPLG III: an explicit commitment by the programme to demonstrate more transparency and accountability – and to ensure the maximum benefit from the resources utilized. The programme will introduce a VfM cycle, with a cost-effectiveness and a cost-benefit analysis, which will help to ensure that the agencies allocate and manage resources to maximize development impact.

VfM will be used in the planning and delivery of the programme activities. Factors of leverage and replication will be key considerations in the identification of activities to be implemented, ensuring significant potential for expansion or scaling-up, thus increasing the effectiveness of the programme. An example will be using the JPLG interventions as a stepping stone to greater support for government initiatives, in particular for the service delivery.

Planning for the implementation will ensure that the sequencing of activities is supported through measurement of productivity, against which each agency will be held accountable. For the procurement, the programme will ensure transparent and competitive procurement practices based on international. In addition, the costs for activities and outputs will be compared to those of similar programmes implemented within the same context, thus enhancing the efficiency of the programme. The programme will promote the institutionalization of the tools and systems developed; this will enhance ownership and sustainability.

In relation to the programme management, JPLG III will look for greater transparency and accountability for both programmatic and financial reporting. Currently, programmatic reporting is not linked to the financial reporting. JPLG III will adopt a more detailed financial reporting, to reflect expenditure against approved work plans. For the allocation of resources between operational and direct programme costs, a ceiling ratio of 30:70 will be applied.



The programme will also expand the use common resources, such as office space and support staff. This will avoid duplication, reduce costs, and increase efficiency in the utilization of these resources. Regarding staffing of the individual agencies, the current structures will be reviewed in line with value for money principles.

### ***Coordination and cooperation***

JPLG III will promote harmonization of all processes and practices for more effective programme delivery. The participating UN agencies will commit to maintaining coordination mechanisms to ensure effective implementation, management and utilization of resource. The programme will promote cooperation between national and sub-national entities, their constituents to enrich understanding of local needs and the delivery of services within a coherent and productive framework. Work will collaborate with other programmes on capacity building, policy reforms and PEA or CA efforts.

The coordination mechanisms vary from state to state, but JPLG III will first and foremost support the government to take the lead in coordinating development actors who contribute to the local governance agenda. In the newer FMS (Galmudug, Hirshabele, Jubbaland and South West) the coordination mechanisms under CRESTA/A CAS Strand 3 is an important entry point to ensure the linkages between local stabilization and peace dividend activities and more long-term institution building.

In Puntland and Somaliland development partners coordination forums are key entry-points and JPLG will advocate for a stronger involvement of the local government in these fora. JPLG III will also support the government assess the capacity and develop an appropriate coordination capacity at the district level around the implementation of the District Development Frameworks.

Because of the complexity of the programme the different scope of programming in Puntland and Somaliland on one side, and newer FMSs on the other, JPLG presence and coordination covers several of the NDP working groups.

- Pillar working group 1: Inclusive Politics:
- Pillar working group 4: Effective Institutions:
- CAS Strand 3/ CRESA/A:
- Somaliland and Puntland Aid Coordination forums

### ***Predictability and accountability***

All programme partners should commit to predictability of funding and focus areas. Considering the long-term nature of local governance transformation and capacity development it is critical for the success of the programme that partners are committed to engaging in the funding and implementation in the long run. Certainty of a minimum annual allocation through the local development fund (LDF) allows districts to undertake multi-year planning and budgeting. Furthermore, these principles of good governance, embedded in the public expenditure management processes, improve overall trust and accountability between the people and their local governments.

### ***Ringfencing LDF budgets***

Unpredictability of expenditure and scheduling of disbursement of LDF has been a challenge for JPLG, due to the numerous checks and balances in the process. While it is important that the LDF is an integral part of the programme, managing the LDF budget as a separate stream will ensure cash flows and provide predictable fund flows for local governments. The programme will aim to ensure that at minimum 20% off all grants are ringfenced. This percentage will increase the greater the resource mobilization.

### **7.3. Pragmatic Programming**

The programme logic and its thematic focus remain relevant for local governance in all areas – Benadir, Galmudug, Hirshabelle, Jubaland, Puntland and Somaliland. Implementation and depth of engagement will vary dependant on context and funding. In Puntland and Somaliland, work will focus on deepening reforms, operationalizing policies, and supporting governments to lead in expanding the coverage of the programme. In the new Federal States, together with the Federal Government, in the first few years work will focus on building basic, functional institutions.

#### ***The established north***

JPLG has a proven record of work in Puntland and Somaliland. Somaliland’s demands for recognition and its refusal to work with the Federal Government requires JPLG to have distinct management structures, work plans and fund flows. Somaliland has taken the core philosophies of JPLG to the most advanced levels, and demonstrates strong ability to lead in implementation.

Puntland is also significantly advanced. Unlike Somaliland, the state of Puntland does see itself as an integral part of Somalia, and it has already invited leaders from the south to demonstrate what reforms and systems have been put in place in Puntland’s local governments. Puntland’s clear demonstration, that it is willing to lead by example, is of great value for JPLG III, and it will continue to be utilized in programming for the new states.

Like Somaliland, Puntland is concerned that the expansion of work in the new states will reduce the attention of the programme (both technical and financial) and reduce its voice in how the programme is implemented within Puntland. This concern is valid, and the programme teams will need to strive as much as possible to ensure that sufficient funding, attention and voice, is in place to reassure these governments.

Both Puntland and Somaliland are committed to the “government led expansion plans’, empowering local institutions and ministries to take JPLG systems into new areas. Much of the capacity building will be provided by the new Local Governance Institutes, and LDF funding will continue to utilize the inter-government fund transfer systems. Both governments have committed to increase their financial allocations alongside JPLG funding – a strong sign that JPLG is of value.

In these areas, the JPLG III programme teams will move away from the ‘coal face’, or frontline implementation, and increasingly provide quality assurance, technical guidance, advice and funds to

enable the governments to do this work. The use of national window systems will first be trialled in a more systematic manner in these areas, where fiducial risks are lower and examples for other parts of Somalia can be refined.

The Somali Federal Government, Puntland and Somaliland, have all demanded that JPLG provides support to districts in Sool and Sanaag. A solution to this demand is needed. One of JPLG's best strengths is that the programme tangibly links (financially, programmatically, and in terms of authority) local governments with the levels above – creating stronger unity and expanding the authority of the state governments. To engage with districts directly, in these disputed regions, will undermine this core principle and will provoke hostile responses from Somaliland and Puntland, two of JPLG's longest standing partners.

### ***New states***

JPLG's primary principle is the programme will work with, 'representative' local governments. To date, JPLG has helped the states to agree to legal frameworks for local governments and to launch participatory processes to form new representative district councils.

JPLG III's focus in the new states will draw upon the experiences from Puntland and Somaliland and provide targeted support to help accelerate the creation of basic functional institutions. The baseline is close to zero. In some cases, there exists a semblance of interim local government structures: usually, appointed individuals (by both Federal and State) who are supported with external resources or rudimentary taxation systems (normally road taxes). The primary urban centres, predominantly Mogadishu, Baidoa and Kismayo, do have some form of local governments in place with revenue being generated. However, no standards exist, staff structures are not optimal, revenue is minimal, the distinctions between Federal, State, and local governments are far from defined, as these cities host Federal and State governments, and representative systems are poor or non-existent.

JPLG aims to support districts in a unified and comprehensive manner. It is important that responses of the UN family and partners are well-coordinated, realistic and done in conjunction with the state governments. JPLG will prioritize support to selected Grade A districts, as well as large urban centres in the new federal states (typically regional capitals). The districts will have representative authorities in place and have functional links with state authorities.

JPLG (alongside Rule of Law) will work with the new leaders to establish designs of structures, agree terms of reference, install basic administrative procedures and infrastructure, train on standard procedures and public outreach. By working in regional capitals, this work will be closely linked to the new federal states, and it can set examples for other districts within the regions.

Mogadishu Municipality is by far the most advanced local authority (outside of Puntland and Somaliland) with functioning staff, revenue and provides services. As outlined in other parts of this document, a more comprehensive approach will be required to help lift Mogadishu to higher levels in a challenging environment of rapid urbanization and continued insecurity.

It is important to note that work will not be linear. Representative functional local government is a direct threat to al-Shabab. State governments are still in the early days and are prone to changes and restructuring; and access will remain a challenge. Counterpart government ministries are improving but still have a long way to go before they will have the structures, policies, culture and capacities to lead programme actions, compared with Puntland.

JPLG envisages working in all federal states; implementation will vary according to the local working environments.

## 8. The Programme

The next phase of JPLG will focus on creating an enabling environment for improved service delivery and greater stability, through improved legal, policy and system frameworks – building the knowledge of those working in and with local governments. Greater attention will be given to the inclusion of the marginalized and women. The programme aims to achieve three outcomes: the first, in policy and legal frameworks; the second, on enhanced capacities; the third, on more inclusive local governance.

### 8.1. Policies and Legal Frameworks

#### **Outcome 1: Policy, legal and regulatory frameworks on local governance finalized**

Policy and legislative frameworks for functional, fiscal and administrative decentralization clarify the role of local governments and their relationship to federal/central and state governments, with a view to attaining improved service delivery and stability.

In the past few years, Puntland and Somaliland have enacted policies and legal frameworks in support of local governance. The Municipality of Mogadishu, and all new Federal States of Somalia have also made progress in framing local government legislation and by-laws. With the various constitutions and legislation as a starting point, it is important that all governments agree to the divisions of responsibilities between the tiers of government: how they will be financed, by whom, and which structures are best placed to deliver what results. It is essential that such processes are firmly grounded in their respective constitutions, interlinked with constitutional review processes, produce realistic results, and are sensitive to conflict dynamics.

In the new FMSs, a primary question concerns what is the appropriate division of responsibilities, functions and tasks, among federal and state governments and local governments. A second issue will be how these functions will be financed and by whom. A third concerns administrative structures, organization and staffing, at the different levels of government.

#### ***Output 1.1 Policies, laws and strategies for decentralization are drafted to clarify the division of functional responsibilities among central/federal, state and local governments.***

JPLG III will take forward the work launched during the previous phases of the programme to assist governments to design and implement policies, laws and supporting regulations, for fiscal decentralization governing the allocation of fiscal resources among federal, state and local governments in four dimensions:

- Expenditure assignments of public service functions;
- Local government own-source revenue mobilization;
- Sub-national borrowing and debt;
- Vertical balance of local government expenditures and revenues.

In doing so, JPLG will closely collaborate with the World Bank and other actors in the implementation of comprehensive national public financial management (PFM) reforms, ensuring specialized expertise and complementarities in sub-national PFM. Broadly speaking, JPLG III will deliver its support to decentralization through:

***Supporting uniform and harmonized legal and policy frameworks***

Puntland and Somaliland have made considerable progress in the development of policies and legal frameworks related to decentralized local governance. This work is not complete and, as identified by the ‘decentralization road maps/decentralization policies’, it will require continued review of legislation, policies and fiscal arrangements. This will be continued with a view to promoting:

- Harmonization of frameworks to ensure consistency across the multiple areas involved;
- Development of frameworks that clarify roles, of local government and improvement of inclusivity.

In the new states, as well as the in the Municipality of Mogadishu, new legislation will need to focus on local governance and decentralized services that are both harmonized between and among governments and reflected in Somalia’s Constitution.

The programme will continue to help Somali governments draw on the experiences of Puntland. With these new States (and BRA) the programme will focus on capacitating the administration to consult on, and approve, policies and legal frameworks required within their respective mandates, including;

- Local government law;
- Decentralization policy;
- Participatory planning and expenditure management procedures (using the District Participatory Planning and Financial Guide);
- Local government human resource management policy;
- Public finance management policy;

While the adoption of other legislation in the FMSs is expected to advance more slowly, as few ministries are fully staffed and the scope of their respective authority remains to be clarified, JPLG III will assist the federal government to establish frameworks on decentralized local government that the states will utilize for consistency and harmony within their local governance legislative frameworks. In Somalia, these frameworks will be compatible with the existing Federal Law No. 116 on Regions and Local Government.

***Introducing and enhancing systems in new FMSs***

Inter-governmental fiscal transfer systems in the new FMSs are in a nascent state. At present the fiscal relations between the new FMSs and their districts are either not defined or ill defined, inequitable, and implemented in an ad hoc fashion. Using its experiences in Puntland and Somaliland, and other models, JPLG III will support FMS governments to design, introduce and launch implementation of the

relevant policies and laws to help establish predictable and equitable resource allocation systems that allow decentralized services delivery.

A consultative process will be developed with state-level Ministries of Finance, Planning and Interior, as well as with relevant sector ministries, to arrive at politically acceptable, realistic, effective and efficient fiscal decentralization arrangements. During the first stage, priority will be given to ensuring clarity in the allocation of expenditure and revenue assignments, including own-source revenue generation, as well as horizontal and vertical balances.

JPLG III will promote the principles and, where feasible, utilize the 'on treasury' and 'on budget' Country Systems Roadmap for Somalia of April 2017. While this may not be feasible in Year 1 and Year 2 of JPLG III, it is foreseeable that in the later years of the programme these systems, principles and practices, can become the norm in the programme's support to fiscal transfer systems in Somalia.

Where fiscal decentralization provisions are already in place in Puntland and Somaliland, policies and regulations will be reviewed and upgraded, commensurate with a local government's improved capacities in order both to make existing systems work and to ensure they are compatible with the anticipated services to be provided.

JPLG will strive to empower partner government ministries to take a stronger control of internal procurement and fund disbursements. The programme will review ministry systems and help develop action plans which will enable governments to utilize directly programme funds, while ensuring transparency, value for money and controlling corruption.

To implement these core functions, local governments are collecting own-source revenues; others retain a share of the customs dues collected from their areas of jurisdiction; while many receive state government transfers. Though nascent, systems and capacities for planning, budgeting, managing and reporting for resources, are emerging, especially in the JPLG participating districts.

JPLG will help districts to progress towards enhanced financial sustainability by creating more space for effective and efficient sub-national PFM management that will, in turn, allow them to expand their fiscal space for service delivery. This support focuses on:

- Improved local revenue collection;
- A transparent, timely and equitably distributed block grant;
- A discretionary development grant that finances infrastructure investment and incentivizes capacity improvement;
- Strong planning, budgeting, accounting and reporting systems that allow local governments to perform effectively, and governments to monitor their performance.

### ***Implementing policy and regulatory frameworks for strengthened service delivery***

Over the past few years, the delivery of services has been piloted in education, health and water, in some target districts in Puntland and Somaliland. These pilots have provided a wealth of experience

and knowledge that will, under JPLG III, be applied to enhance the devolution of financing and delivery of services by local governments, with shared responsibilities of the state line ministries. The pilots have shown that a clearer demarcation of roles and responsibilities between the state and local governments is essential; as do adequate dialogue to discuss the challenges that hamper effective service delivery. Finalization and implementation of sector decentralization strategies developed under JPLG II in Somaliland and Puntland and harmonization of decentralization policies with sector strategies in the emerging FMS will be critical in this effort.

Additionally, attention will be paid to ensuring that processes are well managed and coordinated within and across sectors. JPLG III will provide support to state-level and local governments to effectively manage a process of resolving policy questions and ensuring that decentralized functions are adequately financed, thereby strengthening sectoral service delivery.

### ***Managing fiscal decentralization***

Building on the progress made so far in Puntland and Somaliland in adopting fiscal decentralization strategies, JPLG III will continue supporting the relevant government institutions to implement the Fiscal Decentralization Strategy Action Plans already in place.

In new FMSs the state ministries have inadequate financial and human capacities with which to develop guidelines for local service delivery, and support and ensure local government adherence to existing systems. Fiscal decentralization is fragmented across three reforms: one on decentralization; the second on PFM; third on the civil service. In close coordination with the relevant federal authorities, JPLG III will focus on strengthening capacities for the management of fiscal decentralization at the state level, and with attention to limiting corruption.

In Somaliland, JPLG III will focus on three areas: strengthening the capacity of the Ministry of Finance, the Ministry of Interior, and line ministries, to oversee fiscal decentralization and the management of transfers; establishment of mechanisms for providing coordinated and consistent implementation of PFM reforms; establishment of a framework for a continuous, substantive and structured dialogue on issues of fiscal decentralization between central and local governments.

### ***Developing the organizational structure of local government***

Administrative decentralization follows from the agreements on functions between federal, state and local government. Because of the JPLG I and II programmes there has been significant progress on the development of harmonized organizational structures for district administrations in both Puntland and Somaliland. The structures follow the grading of the districts, and the functions assigned to them are in line with decentralization policy.

Organizational structures and work unit ToR exist in both Puntland and Somaliland. These are being revised in line with the changes in their responsibilities described in sector strategies, as well as in the overall legal and policy framework guiding local governments.



For the new FMSs, work has started on establishing these structures, and an agreement on the grading of districts has been reached between all FMSs and the FGS. With support of JPLG II, the assemblies of SWS and Jubaland have passed State Local Government Laws consistent with the FGS Law of Regions and Local Government. This will be followed by the remaining FMSs. These efforts have demonstrated a political commitment to the federal and state constitutional principle of ‘subsidiarity’, which guides the decentralization process in Somalia – and means that key functions, such as service delivery, will become the shared responsibility among the federal, state and local governments.

The SWS law is an example that, by utilizing the extensive knowledge gained from years of hands-on experiences working in Puntland and Somaliland, JPLG has a role that is seen to be relevant. Utilizing this experience and practical tools that have been fine-tuned by Somalis for Somalis, JPLG has been able to help SWS fast forward the process of enacting their Local Government Law – a process that took a considerably longer in Puntland and Somaliland. Applying this principle – including continued peer-to-peer learning among and between the FMSs – JPLG will be central in delivering the FMS mandates.

#### ***Supporting local government employment and human resource management***

Poor local government recruitment practices have led to organizational underperformance, tension – and even conflict. The momentum towards decentralization is promoting improved local government human resource systems and processes, which are in turn lay the foundations for a professional, motivated, well orientated and skilled workforce capable of delivering basic services to citizens.

In 2013, the Ministries of the Interior in both Puntland and Somaliland, supported by JPLG, developed Local Government Employment Regulations and Procedures. The resulting Human Resource Management Manual for Local Government is used for training and has been adopted.

Improving human resource management is a vehicle for recruiting and retaining women in local government employment and is a pivotal policy tool. A significant number of women leave local government employment after a short period and fail to rise through the ranks to senior positions. More women building a career in local government would ensure that the needs and priorities of women are adequately addressed. JPLG III will support a review of the implementation of HRM policies in Puntland, Somaliland and Municipality of Mogadishu (MoM)/BRA, and the development of such for Jubaland, South West State, Galmudug and Hirshabele. Work must focus on the recruitment and retention of qualified women.

#### ***Output 1.2 National and sub-national mechanisms are established and strengthened that lead dialogue on policy and legal reforms related to local governance and decentralization.***

With the support of JPLG II, the governments of Puntland and Somaliland were empowered to assist local governments in providing structured financial and operational support for service delivery. This constituted a significant change in both the quantity and quality of service provision. These changes were guided, in some cases, by sector strategies to determine which tiers of government would be

responsible for which functions. This important work is coordinated through Cabinet Committees under the Champion's Offices, chaired by the Vice Presidents (of Puntland and Somaliland).

Puntland and Somaliland will need continued support, to ensure that a cross-section of ministries, civic organizations, women's groups, disadvantaged groups, actively contribute to the development of local governance. The successes of Puntland and Somaliland will serve as examples for the new federal states. JPLG III will aim to work with the new states in developing coherent systems for all parts of Somalia within a federal context.

The process of development of legislation, policies and systems is as important as the product. It is essential that communities can actively contribute, to improve understanding, achieve sensitization, and ensure cultural compatibility. Such consultations will involve a range of institutions, from community forums, to businesses, district councils, within and between state ministries – and structured discussions at a national level between states and within federal government bodies.

JPLG III will support mandated government institutions to play an active part in advocating for the role of local governance and the principles of decentralization in relevant policy and legislative forums.

#### ***Dialogue and consultation on decentralisation***

Decentralization is not sufficiently understood across Somalia and Somaliland. To strengthen inclusive policy processes, and the adoption of publicly understood and supported plans, the programme proposes to create spaces for dialogue on decentralization and for clarifying functions in service delivery.

During 2010-2014, consultations and forums enabled stakeholders in Puntland and Somaliland to develop consensus and build trust around a regulatory framework for the establishment of a decentralization process and the provision of a platform for the resolution of challenges and bottlenecks.

Such forums will continue to be essential in achieving consensus and building trust, as local government and service delivery provision expands to the emerging FMSs. Special attention will be needed to ensure that these local government forums are mindful to the federal constitutional process. Furthermore, JPLG III will support the enhancement of the interactive and consultative planning process that has demonstrated success in strengthening communication and ensuring accountability among various levels of government.

#### ***Inter-ministerial coordination***

Policy and legislation on decentralization involve many line ministries of the federal government, state and local authorities, and many stakeholders. They raise complex issues that require widespread discussion. These processes require a political commitment from the highest levels of government. Importantly, in Puntland and Somaliland, JPLG has worked with governments to secure the appointment of the Vice Presidents as Champions for Local Government, thereby helping to move the process forward and ensure sustainable political will.

In JPLG III the securing of similar Champions in the new federal member states will be pursued. The timing of this initiative is critical and, working closely with the UN's state formation programme, discussions between JPLG and government authorities on this topic have already commenced.

### ***Supporting district council formation***

JPLG II jointly with state and federal Ministries of Interior played an integral role in helping the implementation of the Wadajir Framework, with a focus on district council formation. JPLG's work focused on helping to empower the ministries to lead this work and coordinate with interested parties such as Finnish Church Aid. JPLG has also offered some interim financing to accelerate implementation (with funding from the UN's Peace Building Fund). Within JPLG III the programme will continue to assist the governments lead in this area, focusing on policy, oversight, monitoring and quality control.

## **8.2. Local Government Capacities to Deliver Services**

**Outcome 2: Local governments' have the capacity to deliver equitable and sustainable services, promote economic development and peace.**

Building on the successes and lessons from previous phases, JPLG will consolidate, harmonize and systematize, its capacity enhancement approaches – bearing in mind the different contexts under which it operates. In Somaliland, the focus will be to empower Local Government Institute (LGIs) as drivers of capacity building initiatives. In Puntland, and the new states the programme will work with the Ministries of Interior and other partner ministries to streamline capacity development initiatives while, putting in place mechanisms to operationalise the recently approved National Local Government Capacity Development Policy (see Annex 3). It will focus on supporting capacity development beyond JPLG districts and apply capacity development lessons from Puntland to boost the new FMSs and BRA.

In the new federal member states, the program will build local governments' capacity to deliver equitable services, deepen stabilization and contribute to economic recovery

In JPLG II, the programme supported service delivery models for selected sectors to test the capacity of selected districts (in Puntland and Somaliland) in managing devolved functions. JPLG III will focus on supporting the transition from service delivery models implemented by a few districts to more sustainable local government-led delivery of basic services across grade A and grade B districts. JPLG III will prioritize critical sectors: health, education, water, waste management, civil registrar services, and land management. Disaster management and social protection have also emerged as important in building local resilience, given the recurring droughts, displacement and social exclusion, which characterize many parts of Somalia and Somaliland. Many of these services directly relate to the achievement of the SDGs. To the extent that the SDGs have been 'localized' through the NDP, local governments, as key stakeholders in the NDP, are well positioned to make important contributions to the implementation and monitoring of these goals. The coverage, depth and scale of JPLG's engagement in SDMs will be directly interrelated to funding available.

***Output 2.1: Structures and systems for good local governance, planning and programming are functional***

In Puntland, Somaliland and partly in Mogadishu Municipality, JPLG has put in place structures and systems for good local governance in terms of planning, budgeting, procurement, financial management, urban regulatory plans, human resource management, land dispute resolution, and service delivery. In addition, continuous and wide-ranging training has been provided to local government employees to help them provide the mandated services. This capacity injection has greatly enhanced the efficiency of local governments and resulted in increased and more equitable service delivery.

To further institutionalize capacity development, public expenditure management (PEM) – a comprehensive framework covering all core district functions – was developed and tested in Puntland and Somaliland. Following extensive consultations with key stakeholders, the framework has been reviewed and repackaged as the District Participatory Planning and Financial Guide (DPPFG). It outlines district planning and budgeting, budget expenditure and expenditure management, financial accounting and reporting, auditing and M&E functions.

The planning and budgeting exercise is critical for districts, and it will remain so under Phase III: support for the development of the 5-year district development plans and annual work plans. This process allows all stakeholders to come together to identify the development priorities and objectives of the districts and the main interventions needed to achieve them. Under JPLG III, the programme will further strengthen the planning system to improve the participation of women, youth, and other marginalized groups such as IDPs, so that district plans better reflect their needs and priorities.

JPLG III will introduce new innovative systems for revenue administration, such as mobile tax payment mechanisms using Zaad/Sahal, and including planning and forecasting, collection and management, alongside the Accounting Information Management System (AIMS) and the Billing Information Management System (BIMS). This will serve to enhance revenue collection efficiency, improve accountability and transparency, and expand the local government tax base. The programme will revisit the management and collection of existing local government tax and non-tax revenues in terms of valuation and fee rate determination, with due regard to cost recovery considerations, collection, enforcement, accountability and grievance resolution. A simplified banding system will be introduced and implemented to enhance fairness, enable growth, and streamline the cost of assessments as well as appeal and complaint procedures.

Single and unified accounting system across the country is important for improved accountability, transparency and better management of public funds. In JPLG II, the program supported installation of Financial Management Information System “FMIS” in both Somaliland and Puntland. World Bank provided the FMIS software, while the program also supported the setup of ICT infrastructure necessary for the system to function. The goal is to gradually link local governments into FMIS to ensure financial management uniformity of the country.

As the financial position of local governments improves, JPLG III will design innovative systems, based on digital finance applications, to introduce advanced financing vehicles and investment structures to pool financial resources at the sub-national level, and explore access other types of capital for service delivery and infrastructure investments, including diaspora funds.

Beyond investing in systems and structures that directly support local government capacity to deliver services, JPLG III will also ensure support for local government quality control systems, particularly as they relate to the oversight of service delivery by non-state actors intervening within their jurisdictions.

In Puntland and Somaliland, the programme will support the government-led expansion strategy by facilitating the roll-out of developed systems and capacities to other districts. The target is to have fully established structures and systems in place in established districts in Puntland and Somaliland. In the new FMSs, a partial implementation is envisaged, which, in line with the Wadajir Framework, establishes and strengthens systems and structures that both facilitate local government service delivery and contribute to building more sustainable peace.

The programme will continue to engage with local government associations, with a strong focus on advocacy, knowledge management, peer learning, and the promotion of good local governance across Somalia and Somaliland. It will also advocate for the establishment of an umbrella local government association to better promote good local governance between and across FMSs. Funding for local government associations is not envisaged in the years to come, but they will remain an important partner for dialogue and implementation.

In support of linking levels of government and adherence to a national system the programme will work with Federal Ministry of Interior, Federal Affairs and Reconciliation to enhance the governments capacity to monitor the development of local governments and evaluate the quality of the progress being made. These M and E systems will support local, state and federal authorities to guide and manage development.

***Output 2.2: Local Government Institutes (LGIs) are delivering standardized curriculum on local governance***

The evolution of JPLG's support to local government capacity development has occurred in tandem with the improved capacity of government institutions and formation of state structures. The Federal Member States' MoIs, and the Federal Government's MOIFAR, have agreed on the structure through which local government capacity development will be delivered across Somalia. A feasibility study conducted in late 2014 established that several relevant capacity development interventions had been undertaken by various stakeholders to date in Somalia to address the myriad local governance and service delivery challenges facing local governments during the stabilization phase. While many of these interventions were found to be useful, they were not coordinated and, as a result, it was difficult to draw sustained value from them.

Near the end of JPLG II, Local Government Institutes (LGIs) were established in Somaliland and Somalia to bring together a range of training components under a common curriculum for local governments. These institutes will provide coordinated and standardized training to local government officials, both technical and elected political leaders, as well as other relevant stakeholders (e.g. local development committees, service user committees, etc.), so as to enhance local administration, governance and service delivery, for the benefit of the Somali people.

Building on the successes and advanced agreements for a common capacity development plan, JPLG III will support the full functionality of the Somalia and Somaliland LGIs, with a view to enabling them to provide effective and sustainable training and improved knowledge management. A uniform curriculum for core functions of local government will support the federalisation process by ensuring that local government staff in one state have the same skill set as those in a neighbouring state. The Federal Member States will lead the implementation and adapt strategies based on local needs. The focus will be on utilizing local training providers to the extent possible and adapting the modules based on state policies and strategic plans, and not to create standalone training institutes (for clarity, the institute is not a physical structure but a network of competent training service providers using standardized approaches). Through this approach, the programme will ensure that local government staff are provided with quality training that is delivered in an effective manner across Somalia and Somaliland.

The primary recipients of local government training will be local government staff, elected local leaders, local user committees (e.g. for schools, health centres, water facilities), members of local government associations, and others stakeholders considered necessary. The respective roles of the Federal Government, State Governments and Districts in providing training to local governments, are outlined in the National Local Government Capacity Development Policy and in the Strategic and Operational Frameworks for LGIs.

JPLG III will support the institutional capacity building of the LGIs to ensure they meet high governance and management standards, and that they gradually expand their roles as the custodians of the curriculum for local government in Somalia and Somaliland. In line with the strategy and operational frameworks for LGIs and the National Local Government Capacity Development Policy, the programme will provide technical and financial support to each of the levels of government to perform their respective tasks and functions.

### ***Somalia LGI***

The structure of the LGI will reflect Somalia's federal arrangement and will fall under the ambit of the Federal Government Ministry responsible for local government. The LGI will have a central office and regional coordinators in each State and be governed by a multi-stakeholder Governing Board.

The Governing Board will be responsible for:

- Approving the LGI's training work plans and curriculum;
- Overseeing the LGI's operations;

- Ensuring that the LGI operates in line with the Federal Government’s policies, legislation and development frameworks;
- Advising the Federal Government Ministry responsible for local government on local government training and capacity development.

The LGI approach to capacity-building which involves a number of stakeholders (LGI staff, MoIFAR, the LGI Governing Board, the Municipality of Mogadishu, FMS, districts, and other local governments, NGOs and CSOs and development partners), means the programme will need to invest in effective coordination of the efforts of all these stakeholders. An LGI draft curriculum can be found in annex (6).

### ***Somaliland LGI***

Somaliland has an established Civil Service Institute (CSI), which supports capacity development for civil servants at a central level. The MoI and CSI have committed to integrating a local governance component into the CSI’s work by establishing a department of local government. This is a cost-effective solution and, overall, it is expected to lead to earlier results, since it is building on a well-established institution that will share the same administration and operational set up.

JPLG will support the Somaliland School of Local Governance to deliver a comprehensive curriculum for local governments across the region. Specifically, it will support:

- The growth of institutional capacity;
- Curriculum development;
- Oversight mechanisms (quality control).

Within five years there will be an established curriculum for local government in Somaliland and the CSI School of Local Governance will be delivering core local government trainings to all districts.

### ***Output 2.3: Fiscal arrangements are strengthened and expanded for service delivery and local investment***

Whereas JPLG III is not intended primarily as a service provision program, the capacity development initiatives aim at improved accountability and for local governments to support service delivery. Limited funding is provided through the local government system to capacities and systems for service delivery and to stimulate a formalized inter-governmental funds transfers between state and local governments. Financing of service delivery has two interrelated aspects: infrastructure (capital) and recurrent expenditure (current operational expenditure). JPLG designed a Local Development Fund (LDF) mechanism with a discretionary fund to test and strengthen the capacities for sub-national Public Financial Management (PFM) that also involve enhancement of own source local revenue mobilization and development of inter-governmental funds transfer mechanisms for locally prioritized service delivery projects. So far, the only donor funding systematically transferred through the local government systems is the Local Development Fund (LDF) for service delivery infrastructural support.

In Puntland and Somaliland, both the state and local governments contribute towards the LDF, which provides capital grants to local governments. Secondly, JPLG II piloted sector grants through sector development models (SDMs), to cover recurrent service delivery expenditure in Puntland and Somaliland, with varying levels of local government and state contributions.

JPLG will adopt a strategic approach to supporting service delivery by establishing a **ring-fenced** financing mechanism for local governments that combines discretionary and conditional grants for capital and recurrent expenditures, with the integration of a strong performance component. The programme will need to plan well in advance anticipated LDF payments and ensure that adequate cash flow is set aside to meet these envisaged payments. The programme will support the establishment of the Somalia/Somaliland Local Fund (SLF) based on the following principles:

- The fund is intended as a catalytic tool for reforms and testing capacities through the financing of capital and recurrent expenditures for service delivery;
- Allocations will be performance-based, considering the relative needs of the beneficiary local governments and reflecting the equalisation aspect;
- The fund will aim both to generate additional funding from non-JPLG budgetary sources and to become the intermediary for all local infrastructure funding;
- All qualifying local governments can apply for funds;
- Qualification for each grant category will be defined in the relevant management framework, as agreed between the JPLG III programme and relevant government counterparts and/or donors.

Funds will be duly disbursed in three broad categories:

- **Small LDF grants:** For local governments in the initial phase, where capacities/minimum conditions for implementation of the LDF modality are not in place. Such cases will require more state/JPLG support for the implementation of locally identified service delivery infrastructure investment projects (\$50,000 - 100,000 per district per year).
- **Traditional LDF grants:** These are accessible to established local governments meeting the minimum conditions for implementing LDF, with a performance-based allocation (\$250,000 - 350,000 per district per year). In Puntland and Somaliland, the LDF modality will continue with a view to formalizing a fiscal transfer system, where the states progressively contribute a higher proportion of LDF.

There is recognition that some local governments now have significantly larger internal revenues, consequently diminishing the intended reform incentive impact of an LDF contribution. JPLG III will institute an LDF graduation procedure for such local governments to gradually phase out LDF funding and reallocate it to new districts. The graduation procedure will have the following objectives:

- Recognize the progress and achievements of the participating local governments through graduation;
- Attempt to facilitate access of the graduated districts to other sources of finance;



- Improve the allocative efficiency of the LDF budget envelope by assigning the development grants to where they can produce maximum impact;
- To the extent possible, address horizontal inequalities between local governments; and increase the LDF coverage within the limited budget envelope.

Graduation decisions will be taken, based on a clear set of criteria, including the LDF relevance in relation to the district budget, as well as district performance, duration of LDF participation, quality of audit results, and level of development. The graduation procedure will allow a larger number of districts to benefit from the LDF funding, while maintaining required technical assistance for graduated districts. Local governments that are eligible for traditional LDF grants will not also be eligible for small LDF grants, and vice versa.

- **SDM funds (sector grants):** With guidance from relevant sector ministries and JPLG agencies, targeted funding will be made available to co-fund local governments' recurrent/overhead budgets to support selected service delivery areas – in line with devolved functions. JPLG III will use sector grants to help relevant state ministries to play a more active role, not only in policy guidance and oversight, but also in extending resources for sustained service delivery with local government contributions of own-source revenues. The approach will require commitments from both state and local governments to contribute to recurrent service delivery expenditure in a systematic and predictable manner, in line with the Fiscal Decentralization Strategy established in Puntland and Somaliland, and as will be introduced in the FMSs under JPLG III. This funding mechanism will progressively be **phased out**, as inter-governmental transfers and local revenue sources are developed, with targets for domestic financing set on an annual basis. Other programmes will also be requested by governments to invest in and use the systems established by JPLG.

The fund design will include provisions for financial sustainability, using a two-pronged strategy:

1. Incorporation of components related to public goods and services into the inter-governmental fiscal transfer mechanism between the states and districts, with a higher proportion of financing coming from state governments; (it is recommended that, based on consultations, Puntland and Somaliland should contribute at least 30 per cent of the overall LDF budget);
2. Transformation of the fund into a revolving sub-national pooled financing mechanism for local capital investments; this will be primarily revenue-generating, based on technical assistance, ordinary and reimbursable grants, and concessional lending for project preparation and financing – ultimately leading to a phase-out of central/state governmental resource provision.

JPLG and partner governments will promote the LDF as a reliable and effective mechanism for financing local government services and investments. It will encourage other development partners and funders to consider the use of the LDF mechanism as a conduit for local government financing and to align their approaches with the LDF systems and procedures.

### ***Own-source revenues***

Building own-source revenue generation capacity is among the key achievements of the JPLG programme to date, both in Puntland and Somaliland. The programme has had significant success in this area. Similarly, it supported the development of a local government financial management manual. As a result, Puntland and Somaliland can plan, budget, procure and implement, projects linked to district and urban development plans. Service delivery has greatly improved as local governments have begun to unlock resources available. Improved service delivery due to maximized revenue generation capacity has built trust and confidence between communities and local leaders. However, own-source revenue generation capacity varies significantly among the districts, and Grade A districts, with an expanded domestic revenue base, have tended to benefit the most.

JPLG III will apply a three-pronged approach to improve the local revenue generation capacity:

- Supporting the upgrade and development of effective and transparent revenue administration systems;
- Restructuring existing sources of own-revenues and unlocking new sources of income;
- Leveraging non-public finance for local service delivery.

JPLG will implement this approach in line with ongoing public finance management reforms to ensure synergies. In the new states, given the specificity of the districts in focus, the programme will adopt a tailored three-step methodology for capacity development in relation to revenue generation. First, in districts where local government structures are in place, the programme will apply lessons learned from Puntland and Somaliland in establishing revenue administration and management systems. Second, in FMS, which have recently established Ministries of Finance that are now budgeting, controlling and accounting for expenditure, the programme will interlink with local governments as well as the federal level. Third, in Mogadishu, the largest Somali conurbation with all the attendant complexities in public administration, JPLG III will adopt specific interventions that address revenue generation and management challenges in the city. Finally, experiences gathered from these Somalia-wide processes will provide feedback to inform state-level and national-level tax reforms implemented in co-operation with the World Bank/IMF and others.

### ***Output 2.4: Target districts have well-defined development strategies, plans and systems, to accommodate rapid urban growth***

Urbanization across Somalia continues at a high rate, driven by migration, conflict and climate change. The impact of the recurrent drought and erratic rains has led to a massive influx of displaced people to urban centres. Furthermore, the years of political crisis, lost development and a lack of livelihood opportunities has exacerbated the widespread rural-urban migration as well as economic migration. Urban centres are central places where basic social services such as water, health, education, public transport and roads are available. Additionally, they function as centres of local government,

economic hubs, and sometimes light industry. The average annual urban population growth of Somalia is extremely high, around 4.1%.<sup>10</sup> Mogadishu is one of the fastest growing cities in Africa, with a growth rate between 2005 to 2015 of 6.2%, which does not take into account the displaced persons.<sup>11</sup> The unregulated growth of the urban centers has led to new conflicts over scarce resources such as water and land and the limited provision of basic services. This has given local and state authorities new challenges regarding integrated urban planning in order to “make cities and human settlements inclusive, safe, resilient and sustainable (SDG 11).

For the past five years, JPLG II has worked closely with the Ministries of Public Works in Somaliland and Puntland and has built local government capacity in integrated urban planning processes. An Urban Regulatory Framework (URF) was developed and adopted by the National Urban Planning Committee in Somaliland and the Council of Ministers in Puntland. Implementation of URF was successfully tested in Gabiley and Bossaso in urban master plan development and city extension strategies respectively. Strategic urban development plans are also aligned with the revised District Development Planning Framework (Garowe, Burtinle). The programme, in collaboration with BRA Urban Planning Department, also developed a spatial strategic plan for Mogadishu that is linked to planned city extension, metropolitan infrastructure and integration of IDP. The approach has been focusing on setting up of a functional Urban Planning and Engineering Services Department as outlined in the revised institutional structure for BRA in 2016.<sup>12</sup>

Given the high rate of urbanization and the associated challenges, JPLG III will develop specific interventions to address urbanization and its spatial challenges, and building upon the achievements made in BRA, Somaliland and Puntland.

- **Urban Profiles** would consist of accelerated, action-oriented assessment of urban conditions including strengths and opportunities, focusing on priority needs, capacity gaps, and existing institutional responses at local and national levels. The consultation typically results in a collective agreement on priorities and their development into proposed capacity-building and other projects that are all aimed at urban poverty reduction and displacement. This profile will also feed into the district development frameworks as well as the annual work plans and budgets discussions.
- **Urban Visioning** involves bringing together high-level decision makers from the public and private sector and representatives from civic society in the discussion on possible alternatives to manage urban growth, that is sensitive to specific needs of men and women, girls and boys, security consideration against the background of reconciliation of the individual interests, technical opportunities and constraints, as well as political objectives. Urban visioning will be closely linked with public engagement in strengthening local government accountability.
- The **Urban Regulatory Framework (URF)** is both a policy document and a practical guidebook on administrative and technical aspects of spatial planning, masterplan development; land use plans

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<sup>10</sup> IOM, Dimension of Crisis on Migration in Somalia, Working Paper, 2014

<sup>11</sup> UNFPA, draft Somalia population report 2005, Population Estimation Survey 2014

<sup>12</sup> See: Towards Mogadishu Spatial Strategic Development Plan: Urban Analyses / Urban Development Challenges / Urban Strategic Planning: Launched on 31 October 2016

and land management tools, providing principles of sustainable development and management of all land.

- **Land Management and Administration Systems**, such as by-laws, building permits processes etc., in order to guide and regulate urban development

Through these activities, the programme will focus on capacity building to improve municipal planning capacity by streamlining DDF with spatial planning and improved coordination among local government and state government stakeholders to enable them develop strategies, plans and systems for managing urban growth. Participatory urban planning methodologies will be applied during the strategic development phase that will promote the participation of the range of stakeholders, including vulnerable communities in an inclusive manner.

In the first three years the programme will concentrate on enhancing the capacity of Mogadishu, to manage the urbanization process in line with national development plan and the new strategy and vision of Mogadishu to integrate more than half a million IDP's and identify and implement suitable solutions that address the increasing housing shortages for the urban poor and displacement. Also during the same period, the achievement of JPLG II in Puntland and Somaliland will be consolidated, supporting the government-led expansion strategy to reach out to more districts through development of training modules for technical staff of local governments through LGI and support of the establishment of functional urban development planning units at Ministries of Public Works. In addition, support the Ministries of Public Works in contributing to achieving SDG11 by developing a National Urbanization Strategy that would provide a framework for cities and enhance inclusive urbanization that would contribute to peace and stability.

JPLG will apply lessons learnt to other large urban centers such as Baidoa and Kismayo as outlined in the National Development Plan for Somalia.

The programme will link with other relevant programmes, such as Durable Solutions, the World Bank's Urban Development Project, and the ongoing TIS+ initiative, with the objective of aligning systems, avoiding duplication, creating synergies, and ensuring sustainability.

***Output 2.5: Local Governments deliver improved services in collaboration with central / federal, state governments and non-state actors.***

***Transition from service delivery models to local government-led service delivery***

Since 2014, JPLG has taken a systematic approach to building local government capacity to deliver basic services, as recommended in the Puntland and Somaliland decentralization policy roadmap. The roadmap outlined a process for piloting decentralized service delivery in select districts, based on a clear strategy and the transfer of functions, funding and personnel to target districts. This would then be rolled out into a full-scale implementation plan for decentralization of service delivery functions to A and B districts.

Under JPLG II, the programme has made an important contribution to the implementation of the roadmap by supporting the development and testing of the SDMs in the areas of education, health, water, natural resource management, roads, and solid and biomedical waste management, in Puntland and Somaliland. Through the SDMs, the programme has succeeded in generating broad support for the decentralization of basic services, at all levels of government. State sector ministries, particularly health and education ministries in Somaliland have demonstrated high political commitment for decentralized service delivery to ensure that quality, efficient and more responsive, services are provided to local communities. Similarly, district councils have increasingly taken ownership of their service delivery responsibilities, and are now making substantial contributions to health, education and water services in their areas. The districts of Boroma, Burao and Berbera, alone, have contributed close to \$1 million towards health and education services from local sources since the start of the SDM experience, with Berbera District increasing its contribution to education services by almost 400% between 2014 and 2017.

The challenge going forward is to draw lessons from the SDM pilots to implement the remainder of the decentralization roadmap. The programme will translate investments in the policies, capacities and inclusive practices, needed for equitable service delivery, into an expanded and more sustainable approach to local government-led service delivery across Somalia and Somaliland.

First, there is a need to more clearly articulate the distribution of functions and responsibilities between federal, state and local governments, to service delivery. While the development of education, health and natural resource management sector decentralization strategies in Somaliland is a step in the right direction, JPLG III will work to extend these to the remaining priority sectors in Somaliland and Puntland. Beyond these strategies, the programme will help clearly define the division of functions and responsibilities in other key documents, including local government laws, decentralization policies and action plans, as well as sector guidelines such as the Health Sector Strategic Plans. The programme will prioritize alignment between these policy instruments from the start in FMSs, to strengthen the enabling environment for decentralized service delivery.

Second, districts need a more sustainable source of funding if they are to deliver on their service delivery mandates. Districts implementing the SDMs have demonstrated that they are willing and able to direct significant amounts of locally generated resources towards service delivery. While this is laudable, they will need to mobilize external funding sources to complement their efforts to meet the expectations and needs of the populations they serve. These can come in the form of inter-governmental fiscal transfers or funding from sector ministries. JPLG III will advocate for inter-governmental fiscal transfers to be intensified, particularly for high-performing districts such as Berbera and Garowe. In addition, the programme will work more closely with sector ministries to help them to increase their financial and technical support to local governments. By ensuring that decentralized service delivery features more prominently in their sector strategies, target ministries will be better positioned to advocate for funding from donors and central government coffers to support local government-led services. JPLG agencies and donors can also leverage their sector programmes outside JPLG by advocating for greater investment by sector ministries and donors in

decentralized service delivery. JPLG will not be the principle channel for service delivery funding and aims to be the seed to stimulate others to use local governments.

In Puntland and Somaliland, JPLG will make judicious use of sector grants to ensure that districts currently implementing services with JPLG support are able to maintain a continuity of service. Memorandum of Understanding (MoU) will be entered into with participating states and local governments to establish the framework for administering these grants. The programme will progressively reduce its support to these districts, while encouraging donors, states and local governments to commit to increasing their contributions to service delivery recurrent expenditure. As more districts take on their service delivery functions, sector ministries will receive increasing levels of support from the programme to improve their growing policy guidance, technical assistance, and oversight role. This will also serve as an incentive for sector ministries to mobilize more funding for local governments.

In emerging FMSs, the programme will primarily invest in the policy environment and in strengthening local governments' structures, systems and technical capacities, to deliver services.

JPLG II has invested in building the capacity of district Social Affairs Departments (SADs) and Public Works Departments (PWDs), to oversee service delivery. However, this remains insufficient to address the significant gaps in technical knowledge required for districts to fulfil their functions. Alongside the devolution of functions and financial resources, sector ministries should deploy human resources to these district departments. Service delivery needs to be firmly embedded in the district planning process, with strong engagement from sector ministries from the outset. Similarly, local government should be at the heart of sector planning and budgeting exercises. Social infrastructure investment priorities should clearly feature within the DDFs and annual work plans, and recurrent service delivery expenditure should be better linked to these investments.

Without the buy-in and support of all stakeholders, the decentralization roadmap will not be fully realized. The programme therefore has an important role to play in sensitizing, convincing and motivating, different tiers of government, sector ministries, donors and implementing agencies, about the value and potential of local governments in delivering basic services. A focused advocacy strategy will be developed to strengthen their engagement and support and to facilitate the deployment of greater functions, technical and financial resources, towards local governments.

### ***Emergency management, disaster preparedness and social protection***

Introduction note: The actions described below will only be taken forward if sufficient funding is mobilized, as it represents a new area of engagement.

Somalia remains a country subjected to recurring, severe drought and famine due to the impacts of climate change and conflict. It is likely to remain so for the foreseeable future. In their mandates (LG Law No.23 in Somaliland and LG Law No.7 in Puntland), local governments currently deal with all type of emergencies and disasters, including drought. In Somaliland, for example, the mayors and the district councils' sub-committees coordinate these activities with the regional and national bodies.

Considering the vulnerability of Somali local institutions with regard to such disasters, and the insufficient capacity to respond to these emergencies, there is a strong strategic rationale, as well as clear stakeholder demand, for JPLG III to enhance the overall emergency preparedness and response capacity of local government structures throughout the country.

More generally in Somalia, local communities and local governments are called on to assist the extremely poor and vulnerable populations, such as orphans, the elderly and those living with disabilities. Local governments are under pressure to ensure social security and services to the increasing number of people who have settled in the towns, those forced to move from areas affected by drought, conflict and the Somali refugees returning from neighbouring countries. The protection of all such groups against shocks, the ability to help them to manage risks, and provide them with opportunities to overcome problems of inequality, vulnerability, exclusion and resilience – these are all important challenges that local governments can and should help to address.

The Ministry of Planning, Investment Promotion and Economic Development, and the Ministry of Humanitarian Affairs and Disaster Management, with UNICEF and WFP, are driving the process for the development of a social protection policy and initial operational mechanisms. JPLG III will support this process, particularly in coordination, facilitation, and capacity support, for the implementation of the policy and delivery of any related safety nets, with a focus on districts marked by recurrent shocks, both natural and man-made, including conflict-related displacement, rapid urbanization, and unpredictable weather patterns.

This will be further supported by a focus on disaster preparedness and management, with JPLG assisting local governments to:

- Support the planning and delivery of services that are more sustainable, relevant to the local context, accessible to all, risk informed, and quicker to adapt to shocks and stresses;
- Integrate drought relief measures into local government systems for planning, and strengthen their resilience and adaptive capacity to climate change;
- Lead district-level early warning and response mechanisms, including strong information provision lines with communities;
- Better coordinate development, disaster preparedness, and response efforts.

JPLG III will focus on establishing local government systems, structures and processes that can serve as vehicles for the provision of shock-responsive, predictable social protection and resilience investments.

### ***Infrastructure delivery services***

The provision of infrastructure services, such as project preparation, procurement, contracting and management, remains a core responsibility of the local governments in Somalia. In JPLG II the programme has enhanced the technical capacities of the local governments to deliver a range of infrastructure services, as well as established the requisite systems and structures in Puntland and Somaliland.

Through JPLG III, the capacity of the public works departments in the new FMSs and local governments will be enhanced; in addition, the two levels will be helped establish collaboration to share experiences and synergize delivery mechanisms; for example, through access to shared contracts and equipment hire pools. Labour-based technologies in the delivery of infrastructure services will be promoted in the new FMSs; the capacities of the ministries of public works at the state levels, and the private sector, on this approach will be strengthened. Efforts will be made to ensure that local governments' infrastructure investment projects apply labour-based methods which contribute to substantial job creation and ensure that a large number of small and micro-enterprises will be involved in project execution.

In addition, the community contracting approach will be promoted for the implementation of infrastructure projects as a tool to ensure public voice and participation in initiatives impacting on their own local development, to build credibility and confidence in local governments, and promote dialogue among people who may have suffered the effects of conflict.

### ***Business licensing services***

Businesses by law are required to be registered; in addition, they are to be also required to be licensed to operate and ensure they adhere to the regulatory requirements. This gives local governments the authority to suspend and cancel a licence for failure to comply with specified terms and conditions. Business licensing is also an important stream of revenue for local governments, increasing resources for service delivery.

JPLG III will support the establishment of a database for capturing information on existing and new businesses, linking with existing JPLG automated systems for billing. Awareness creation among the business community on the importance of registration and paying for licensing will be conducted. In addition, JPLG III will provide technical assistance in setting different regimes befitting the various categories of businesses. The absence of a harmonized taxes/fees regime negatively impacts on business and results in the application of 'blanket' taxes/fees, without considering the appropriate regime for the different categories of business. These punitive requirements, merely for taxation purposes, lead to cases where some businesses will pay more in taxes than they make. The harmonization of the taxes/fees regimes will address the challenges as well as facilitate an enabling environment for businesses.

### ***Municipal civil registrar services***

Introduction note: It has been foreseen that JPLG should provide more support to local governments who are providing civil registrar services to their citizens. This area of technical support will only be taken forward if the programme is able to raise annual funding beyond 25 million per year.

In Somaliland, a desk review and rapid appraisal consultations with key municipal civil registrar stakeholders was conducted in March 2014. The review indicated that the civil registrar function is not clear, and the law does not specify the roles and responsibilities that local councils should perform in maintaining a core municipal civil registry. This function is also easily confused and subsumed with the



national registration function that took place in Somaliland regions and districts in 2014/2015 under the Ministry of Interior.

Wherever these services are provided by district local governments, a lack of uniformity in practice makes the need for a municipal civil registrar manual imperative in Somalia and Somaliland.

JPLG III will support municipal civil registrar services, including update of a civil registrar manual, and training to bring about more standard systems in recording births, marriages and deaths, and residency status. Legal instruments that can be used to establish and protect the rights of all citizens of a local government area will be formulated. A database for information and statistics will be developed that can be used by stakeholders in planning and delivering services. JPLG III will promote the use of standard municipal civil registration documents and establish a clear mandate for district administration within the existing legal and policy frameworks. The capacity of district administrations to provide better civic registrar services to local communities will be improved. The programme will also work closely with agencies such as UNICEF that provide technical assistance to district civil registration staff and currently subsidize birth registration costs for children under-5 years in many districts across Puntland and Somaliland.

### ***Land registration***

Municipalities have the mandate to consider applications for land legalisation by individuals. While there is no functioning land registry in existence, people may legalise their interests in land through applying for a building permit. If they wish to acquire legal title to land, they must apply to local authority for a certificate that will record their entitlement (commonly referred to as 'ownership', though under the Constitution all land is officially owned by the state). The usual form of such a 'land legalization certificate' is a building permit, which suffices as evidence of legal ownership. These processes particularly disadvantage the poor and IDPs.

The lack of proper procedures – and the capacity – within the institutions responsible for the land legalization certificates has resulted in inefficiencies in the issuing of permits. JPLG III will support local governments in ensuring the systems for issuing permits are streamlined thus increasing transparency and accountability for increasing revenues for the municipalities.

### **8.3. Public Engagement**

#### **Outcome 3: Local governments demonstrate improved engagement of citizens, with an emphasis on women and marginalized groups**

The aim of JPLG III is to promote citizen engagement, gender equity and social inclusion, through efforts to strengthen key local governance policies, structures and processes. Barriers to women's advancement in public administration, denial of opportunities for citizens, particularly traditionally marginalized individuals and groups, to take part in, and benefit from, local decision-making, all serve to undermine the principles of equal opportunity and social justice that are the bedrock of inclusive development and democratic governance – while retaining a driver of conflict. Gender equality and

social inclusion speak to the quality of local governance, the extent to which district authorities represent the needs, concerns and priorities of all those under their jurisdiction, how they demonstrate accountability and build trust with those they serve, mitigate conflict, and ultimately strengthen their legitimacy.

Multiple strategies are required to promote equality and inclusion, restore public confidence in local government institutions and enhance the sustainability and responsiveness of public policies. While elements of gender and inclusion will be reflected in other JPLG pillars, as a cross-cutting element of policy, capacity and service delivery, they are described here as a stand-alone outcome focused on three outputs: gender equality, social inclusion, and citizen engagement and accountability.

***Output 3.1: Representation of women in local government institutions (councils and administrations) increased***

***Women in district councils***

There is gross inequality between men and women in Somalia, in terms of sharing of power and decision-making at all levels. Somali women hold a small percentage of government or legislative positions, and they are not afforded the same opportunities as men to engage in politics and deliberate on key issues.

2016 was a year of political construction in Somalia, with the Somali women's political participation receiving much needed attention. On 28 January 2016, the Federal Government announced an electoral model, with 30% seats reserved for women in both Houses of Parliament. Women also received a 50% deduction in the registration fee to stand for political office. An advocacy campaign was conducted to increase women's representation in the Federal Parliament. The role of women's activist groups has also been of vital importance in advocating for women's rights, particularly politically.

From 2017 onwards, the political processes will have a strong local government focus through the formation of district councils in Jubaland, South West State, Galmudug and Hirshabele. Local elections are also foreseen in Somaliland and Puntland. JPLG, as a leading advocate for gender responsive governance, will take lessons from the national political processes, as well as from experiences with the promotion of women's representation in local government from Puntland and Somaliland. Based on the lessons learnt, a context-specific strategy will be developed.

Recognizing that the process of s/election of district council members varies between states, it will be important that the support to increasing the number of women council members is state and district specific, to provide the right support and sensitization at the right time. JPLG III will provide training and mentoring support to potential women candidates for local councils. To ensure targeting of interventions in the two years leading up to a district s/election process, the focus will be on sensitization about women's role in local government and on building support for gender equality. JPLG III will support a cadre of male and female 'Gender Champions' that are able to advocate for an increased participation and a more significant role for women in local governance. Subject to electoral cycles, a target minimum of 30% of women in leadership positions by the end of the 5-year programme

cycle will be set, although the fundamental target for increased women's representation in public service is when its gender composition reflects the society it serves.

The period immediately after s/election will be supported by a capacity development strategy specifically targeting women council members, to enhance their capacity and to provide a network of support within and between local governments. The recently conducted Gender Review of JPLG II has highlighted that women who are s/elected at local levels face barriers to getting their voices heard, and in representing the priority needs of their communities. The capacity development will aim specifically at targeting this challenge. The actions for the promotion of gender equality in the district councils will be developed in FMS-specific action plans, based on the context and the political process.

### ***Women in local administration***

Key challenges to achieving gender equality in the public administration are similar to those in the private sector. Both men and women have low levels of education and skills, but women more so. Barriers for women also include a traditional clan system; a lack of technical and financial resources; systemic discrimination in the recruitment process.

Even when women do reach decision-making positions, there are still challenges. The prevailing environment is all male and non-inclusive. The physical infrastructure of government offices is poor and, in most cases, there are no separate bathrooms, prayer and eating rooms. There is no equality in pay, promotion or career development, and women are not protected from sexual harassment, bullying and GBV in the workplace.

Practices around the recruitment and human resource management should be strengthened to ensure greater transparency. Women do not receive equal access to training, they lack champions and mentors, and they are not sufficiently protected from sexual harassment or gender-based violence. In Somalia's post-conflict environment, gender is often crowded out by other governance priorities.

Despite the efforts of JPLG II in supporting the mainstreaming of gender equality in the local government employment legislation (in Puntland and Somaliland), there is still much to be done with regard to HRM policies and initiatives, such as women-friendly work environments and gender sensitive districts employment practices.

To respond to the challenges of women in the workplace, JPLG III will support the development of an appropriate regulatory framework to support local government to respond to gender inequalities in:

- Human resource functions, such as staff recruitment and retention, and the prevention of, and response to, sexual harassment;
- Planning, budgeting and procurement processes;
- Workplace environment (e.g. availability and quality of female-only toilets, prayer rooms, eating spaces, breastfeeding rooms).

The Local Government Human Resource Management Regulations that were adopted in Puntland and Somaliland include references to the need to ensure that gender equality is promoted and respected in all HR processes. JPLG III will continue to support the development of FMSs-specific HRM guidelines and the appropriate implementation and oversight mechanisms. The HRM for local government in Somalia will be in line with the overall Civil Service regulations, which emphasize important principles and practices such as uniform conditions of work, non-discrimination and transparency – all of which create good opportunities to promote gender equality. In implementing the HRM it will be important to turn principles of non-discrimination into a more gender balanced reality.

***Output 3.2: Communities (particularly women and marginalised groups) engage with local government and hold them accountable for their actions***

Wider identity-based issues of social inclusion that intersect with gender equality considerations include questions of age, clan, ethnicity, language and location. Exclusion based on these and other identity issues is crucial in many parts of Somalia today. Traditionally marginalized groups include women, youth, people with disabilities, IDPs, ethnic minorities such as Somalis of Bantu origin, those not part of the Somali clan system, and those in the ‘very poor’ wealth category. Many of these groups are disempowered, lack access to basic services, and are excluded from public decision-making. They are also often the most vulnerable to shocks and stresses, as illustrated during the 2011 famine in Somalia, which disproportionately affected minority and marginalized populations.

Somali youth, of both genders, despite representing a growing majority of the population, suffer from severe marginalization in national and local decision-making processes. There are critical issues relating to, disempowerment, marginalization and disaffection which often affect male and female youth differently. If left unaddressed, such issues will threaten to undermine the social and political reconstruction in Somalia - objectives to which JPLG seeks to contribute. Success in the building of local governance systems depends on creating trust of people in their political leaders and public institutions.

***Social inclusion***

A first step in promoting the greater participation of women, youth and other marginalized groups, in local governance processes would be to focus on deepening local government’s understanding of who constitutes a marginalized group, since this will vary from one district to another, and their capacities to respond to their needs. The programme will develop guidelines on how to identify and include vulnerable and marginalized groups in the district planning process, with the aim of strengthening inclusive planning processes, so that women, minorities and youth (girls and boys), have a greater role and a voice. DDFs and annual plans should increasingly address the unique needs and priorities of these populations.

As with gender equality, the programme will mainstream social inclusion in local government laws and policies, such as human resources management, to increase the presence of women and other excluded groups in paid positions at all levels, and to enhance their ability to work effectively. The importance of giving women, youth, IDPs and minority groups, a voice will be integrated into capacity

strengthening initiatives for mayors, executive secretaries, district councillors, and community monitoring groups.

Similarly, JPLG will focus on building the awareness raising among vulnerable and marginalized groups on their rights and responsibilities in local governance, as well as in developing their skills and awareness of opportunities for engaging in local governance. Greater inclusion of women, youth and marginalized groups in local governance will be achieved through civic education efforts that target these populations, as well as broader efforts aimed at raising awareness and support among local government, community members and civil society, for equal participation of women, male and female youth and other marginalized groups in decision-making. JPLG III will build on the lessons learned and resources developed in JPLG II to further embed civic education activities and deepen their impact, particularly in emerging FMSs. These efforts will be more government-owned, reflecting the readiness of state authorities and district councils to promote more public participation and to improve on service delivery in their localities. They will serve to bring state-owned civic education strategies supported under JPLG II to life. JPLG will scale up the use of digital technologies to reduce participation costs and support more inclusive and accessible spaces for citizen engagement and dialogue with local authorities

Social media can also play a facilitating role, particularly when it comes to youth engagement and offering space for males and females to mobilize around local governance concerns, and it will be used to positively engage youth. JPLG will also build partnerships between local government and youth programmes operating within districts to create economic opportunities and support constructive youth mobilization and involvement in local governance. The programme will capitalise on all these opportunities to promote greater awareness and engagement with, and for, vulnerable and marginalized groups as a means of promoting social inclusion and strengthening local government institutions.

### ***Social accountability***

Civic engagement efforts are not only critical for incentivizing and facilitating processes for public involvement in defining and agreeing the priorities in district plans and budgets; they also serve to stimulate public participation in monitoring of local government performance, thereby strengthening accountability in service delivery and in the management of public affairs. Social accountability is an important process through which people can engage officials on the gaps in the availability and quality of basic services, on their management of public resources, and the implementation of district plans. Together, they can tackle inefficiencies and corruption, as well as the allocation and effectiveness of local government programmes and services.

Under JPLG II, the programme focused exclusively on service delivery accountability, using an SMS-based community scorecard to gather feedback and stimulate dialogue between citizens and local government authorities. The programme will expand on this scorecard experience using mixed ICT and interactive radio approaches, to engage a broader cross-section of community members, especially members of traditionally marginalized groups. This will be particularly relevant in FMSs where access issues are of concern. In high performing districts in Puntland and Somaliland, where local

governments are allocating and executing large investment budgets, and can deliver services and have good financial records, JPLG III will pilot the introduction of new social accountability mechanisms such as public expenditure tracking surveys (PETS). This is a social audit tool that allows citizens to trace the flows of resources (financial, in-kind, human) from government offices to service providers (such as schools and health clinics) to identify effective allocation of resources, to assess if funds are used as intended, and determine the extent to which resources reach the target groups. In addition to empowering citizens to 'follow the money', PETS can serve as a powerful anti-corruption tool. In the context of JPLG, PETS can be used to monitor the implementation of specific aspects of the DDF, with support from civil society groups.

## 9. Management Arrangements

JPLG works across a wide range of thematic areas in Somalia and Somaliland. As a result, the programme will not be able to meet all needs in all places; it will require constant adjustments, linked to budget allocations with a need to ensure value for money, improve impact, and remain relevant to the local context. Earlier management structures had challenges, as much of the strategic direction of the programme was project activity led.

The new management structures will be reviewed and adapted over time, and changes will require endorsement from the principal body, the Strategic Steering Committee.

The new structures aim to achieve:

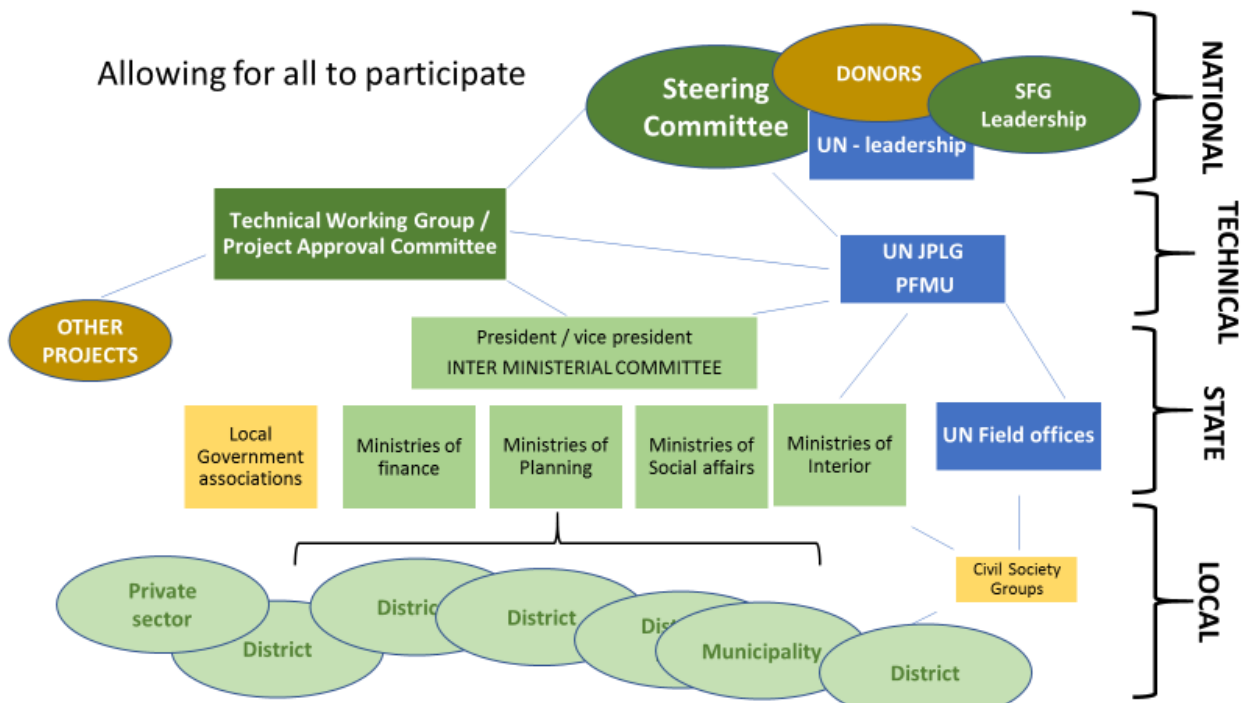
- Greater strategic guidance;
- Improved programme accountability;
- Stronger controls on overhead costs;
- Improved political commitments;
- Ensure the programme is implemented by the best skill sets within the UN family.

Somaliland will continue to maintain its own steering committee, with membership of senior UN personnel, donors and government ministries, but will operate in the same manner as those being laid out below.

### 9.1. Engagement of Stakeholders

Being such a wide-ranging programme, aimed at empowering the lowest level of governance, it is important that many stakeholders can present their inputs for programme decisions. Key parties including local, state and federal governments (with a range of ministries/departments within each structure), partner NGOs/projects, donors, the UN family, and civil society. Previous steering committees aimed to include this broad family. This watered down the quality of discussions and undermined the strategic nature of the intended Board of Director function.

The new management will now be interwoven with aid architecture and project work. Four essential levels must be able to provide inputs into a national local governance programme. The table below, sets out four distinct layers: district/municipal, state, technical, and, national (Benadir Municipality will to be treated as a state).



Each level will be supported by the UN teams working in close partnership with government bodies.

**Local:** The bulk of JPLG’s work targets local governments and hence their inputs are essential. Their size, number and simple diversity makes this difficult. It is envisaged that local governments will have four means of interaction:

- Consultants deployed through State Ministries of Interior, with UN support;
- Leadership – directly with Ministries of Interior and local government associations;
- Sectoral ministries linkages;
- Linking district planning processes with state and national planning processes.

**State governments:** The Somali constitution places the responsibility of local governance at the level of Federal Member State. Hence the bulk of policy, legislation and technical partnerships is delivered through state governments. Two principle partners need inclusion in programming:

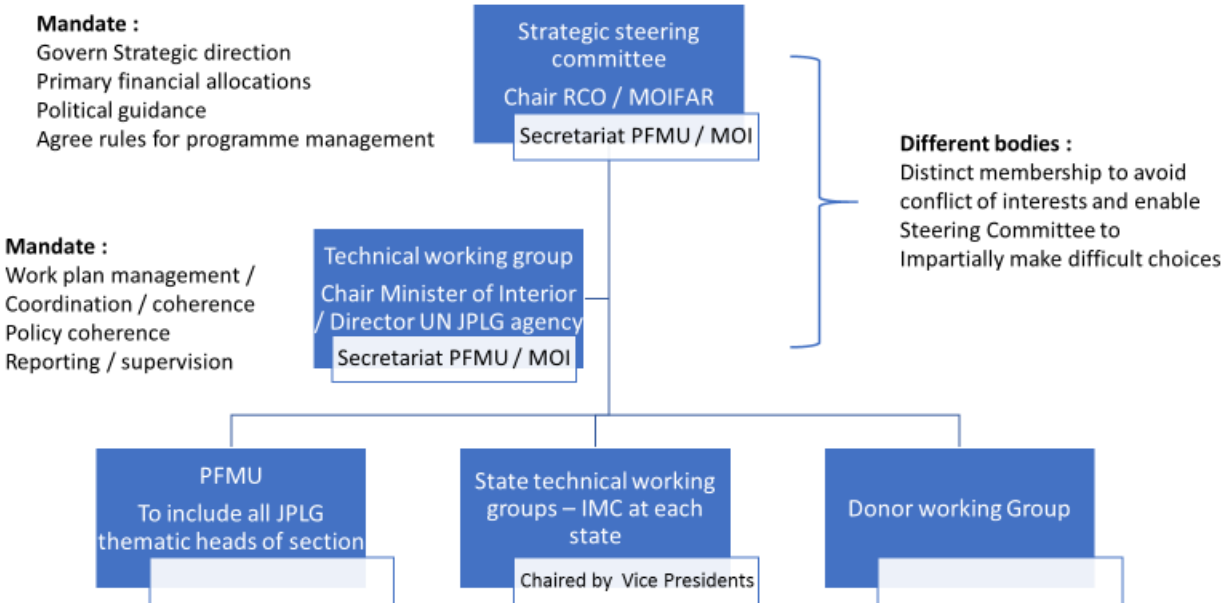
The experience of Somaliland and Puntland is relevant to overcome sectoral silos. This was achieved through inter-ministerial committees (IMC), chaired by vice presidents. This approach – where feasible – will be replicated in the new federal member states.

Within each state, most of work with local governments is implemented and / or led by the Ministries of Interior. These ministries are therefore a primary partner for the JPLG. It is therefore essential that the ministries are closely integrated into management arrangements and planning.



**Somali national structures:** as with states, there is a need to ensure that both strategic oversight and practical implementation and management functions are enabled but separate. The Federal Government, with State governments (MOIs), and UN agencies, in line with the aid architecture will comprise the technical working group.

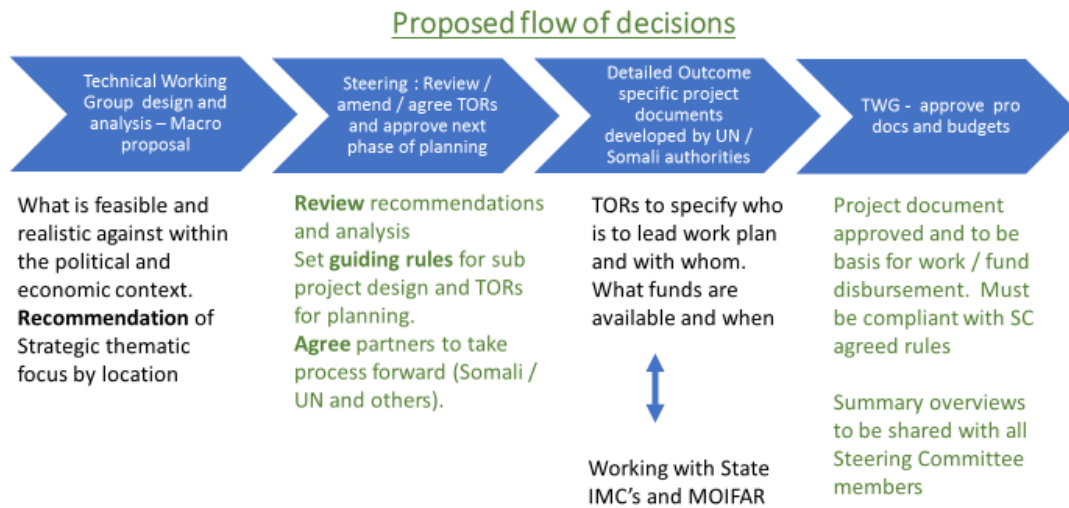
At the most senior level the programme will be managed by the Strategic Steering Committee (SSC), which will make all principle financial, operational and programme decisions.



**9.2. Principle Governance Structures – Strategic Steering Committee (SSC)**

This will oversee the programme document, its reviews and adjustments, setting of the rules of programming, advocacy for political/financial support, and the review of progress reports. The SSC will meet twice a year. The committee will be chaired by the Federal Minister of Interior, and the UN’s DSRSG. Its membership will be JPLG’s donors and heads of UN agencies from the JPLG family. The committee will be facilitated by the JPLG PFMU and staff from MoIFAR.

The programme will develop work plans for two and a half years. These will then form the basis of more detailed annual and quarterly work plans, budgets and reports on performance/expenditure. In this way the SSC meetings will be able to focus more on substantive discussions relating to local governance, while being able to have access to detailed work plans and reports. The SSC will be entitled to request detailed presentations on key thematic areas when needed.



### 9.3. Detailed Programming – Technical Working Group (TWG)

Most of programming will occur in the states. The State Champion’s Offices, IMCs and Ministry of Interiors, will be the primary partners for the programme.

The state programming will be reflected in national decision-making forums (aligned to air architecture) through appointing members to the TWG. The national TWG will ensure that state work plans are aligned to JPLG’s strategy, compatible with one another, national policies and can realistically be delivered.

### 9.4. Programming Rules

The JPLG and partner governments will only be able to undertake work plans within financial limits and criteria agreed by the SSC. Core overhead/central programme costs are to be set by the overall programme budget and subsequent amendments to ensure the budget reflects actual funding in hand.

Against the approved log frame funding will then be allocated for programme delivery. The first two-year allocation is already set out in the programme budget. Any realignment will require SSC approval.

JPLG aims to use government systems and the national window. Subject to developments in the PFM environment. These funds will be subjected to lower overhead charges of the UN agencies. Oversight costs will be budgeted in detail for improved transparency and greater value for money.

## 9.5. Programme Fund Management Unit (PFMU)

The PFMU will be made up by the technical managers from JPLG's agencies, ILO, UNCDF, UNDP, UN-Habitat and UNICEF. Each of these managers has been recruited based on their levels of expertise and thematic skills. These skills are central to the quality of the programme.

The PFMU will perform a wide range of functions:

- Management of programme
- Secretarial support to the Strategic Steering Committee
- Joint chair for the Technical Working Group
- Design of all technical assistance deployed
- Oversight and control of all funding disbursed
- Central to the planning and designs for programme delivery
- Reporting, oversight
- External and internal communications
- Procurement and contracting

Thematic leads will assume oversight and responsibility for UN JPLG engagement in all areas related to the specific competency.

By the end of 2018 (funding/work space permitting) the PFMU will be relocated to Somalia/Somaliland.

The budget and programme structure also anticipates that field presence throughout Somalia will be maintained.

In the new states, small liaison technical teams will be deployed. To keep costs under control the team's models of the north will not be replicated.

## 10. Monitoring and Evaluation Framework and Reporting

The monitoring and evaluating of JPLG III will move beyond a focus on project monitoring, towards monitoring of outcomes, linking field monitoring to strategic objectives, and specifying indicators to measure outcomes and impacts.

It will be monitored throughout and reviewed substantively on a semi-annual basis – and evaluated in accordance with the requirements of the UNCT Somalia. To ascribe the appropriate importance to these processes, and to facilitate synthesis and interpretation of progress and performance, M&E will be guided by:

- A logframe (M&E framework) that defines the outcomes and outputs along with associated indicators and means of verification;
- A Monitoring & Evaluation Plan that schedules all major communications and M&E activities, such as surveys, studies, assessments, reviews, evaluations, and specific M&E capacity-building exercises;
- A Monitoring & Evaluation System that contains common tools and templates (as far as possible) applicable to the participating UN organisations and their implementing agents/sub-contracts; for example, assets and inventory control, financial and narrative report formats, risk logs and field monitoring forms, and a common system for generating feedback and lessons.

The final M&E Concept and Plan will be submitted for endorsement by the TWG and approval by the SSC.

There are four programme reporting mechanisms:

- **Monthly updates and reports:** an internal tool for monitoring programme activities for the TWG – timely updates with details on budgets, locations, participants, and challenges encountered.
- **Quarterly reports with work plans:** monitoring programme activities at output/outcome level; communicating programme progress (narrative and financial) and challenges; for submission to external stakeholders and part of the MPTF SDRF reporting system – and an important tool for SSC meetings;
- **Annual reports and work plans:** to promote better understanding of resource usage against work plans and how to improve performance, using JPLG and MPTF templates; focusing on systems developed and behaviour changes that the programme has achieved; complemented by success stories illustrating impact;
- **Ad-hoc field visit reports:** on monitoring visits and coordination activities, documenting notable examples of successes or need for corrective action.
- **Communications tools:** updated web site, brochures, newsletters etc

In addition to the above reporting tools, JPLG will also carry out periodic reviews. Under JPLG III, the following reviews will serve to assess the programme's progress, achievements and challenges:

- **Bi-annual reviews:** Organised with national counterparts to review progress and adjust plans on a bi-annual basis. The reports will include an analysis of programme results, VfM studies, impacts of interventions, particularly in relation to institutional development, service delivery, peace building and gender. These will inform the second stage of work plans.
- **Final evaluation** (close to the end of 2022): A final output-to-outcome-to-impact evaluation based on all prior reporting, monitoring and other documents – as well as independent assessments. It will evaluate the extent to which JPLG is contributing to the results anticipated in this programme document, and the extent of change in development conditions associated with local governance and service delivery. It will focus on results, impact and VfM, including support for PSGs and the SDGs, and it will consider the effectiveness, efficiency and impact of interventions and the sustainability of results. Importantly, the differing lessons based on the different contexts in Somalia will also be captured in relation to programme design, implementation arrangements, management and partnerships.
- **Thematic reviews:** Given the rapid evolving situation in Somalia, the SSC may call for other thematic reviews and assessments.

#### ***Third party monitoring***

The programme will continue to encourage third party monitoring. Such linkages will help strengthen control mechanisms and verify outcome data and information collected by JPLG agencies.

#### ***Support Somali Government oversight***

As indicated in outcome one above the programme will support Somali institutions to build their own abilities to oversee local governance, to guide their assistance and that of others. This work will be done in close coordination with CRESTAA and other relevant local governance actors.

## 11. Communication, Advocacy and Knowledge Management

The overall communication objective will be to demonstrate and advocate for progress towards the programme's vision: accountable, inclusive, gender-equal and democratic local governance structures and practices.

JPLG III's communications strategy will target specific audiences both inside and outside Somalia. It will promote the results and impact of JPLG activities (undertaken by the five UN agencies) and communicate how the synergy of this collaboration creates an added value that strengthens local governments and leads to increased confidence, recognition and trust in government institutions.

The strategy will promote the impact of JPLG activities through the identification of tangible positive change in Somali lives through support to government-led, decentralized, accountable and transparent, service delivery. It will improve communication and coordination between the five UN agencies, and it will increase access to information on JPLG activities through the website.

JPLG communications will amplify the work of the tiers of government and, as they relate to decentralization and service delivery, will advocate amongst all audiences, including the FGS, state governments, local governments and other partners – for the expansion of inclusive local governance, decentralization and service delivery, by Somalis and for Somalis.

JPLG communications will reach out to opinion formers and influential figures (beyond the government and media) to create further buy-in to inclusive local governance by important stakeholders such as civil society organisations, associations, as well as private sector. Specific messages will be developed for each group, to inspire interest, highlighting JPLG's collaboration with Somali partners in support of inclusive local governance, decentralized service delivery and economic development.

Communication tools and activities, such as the JPLG quarterly e-newsletter, communications brochure, snapshots/success stories, maps and graphics (of where JPLG works and what JPLG is doing), and press releases, media campaigns (using the VOA/BBC Somali services), will all contribute to increased engagement with the public – and this will embed the JPLG III programme results within the broader context of the Somali state-building project.

The JPLG management information system will be used to communicate accurate and current programme information on the programme progress, achievements and challenges, and will feed into communication products with the potential to contribute to effective resource mobilization.

The JPLG communications focal point will work as a hub for the five UN agencies, to enhance the coordination of JPLG information being received, and for packaging it into a range of quality communication products for specific target audiences. The JPLG communications focal point will produce a one-page guideline for the documentation of a JPLG activity – describing how best to not only record the activity, in both words and photographs, but also to highlight its impact. It is envisaged

that the strong expertise within UNICEF will be utilized to guide the communications officer within JPLG ensuring quality and maximising the resources within UNICEF and more broadly of the UN.

Special attention will be given to ensuring that external communications work is done jointly with Somali governments in both English and Somali. Branding will need to reflect the Somali institutions and donor needs.

## 12. Financial Management Arrangements

### ***Pass-through mechanism***

Based on agreement of the UN organizations participating in JPLG, the pass-through fund management arrangement will continue to be in effect. As such, the administration of the Joint Programme Fund is entrusted to the UN Multi-Partner Trust Fund Office (UN-MPTFO) of UNDP that was restructured in 2015, and which serves as the administrative interface with donors.

At the country level, participating organizations and the JPLG PFMU will be supported by the UN Resident Coordinator (UNRC) in his strategic leadership of the UN Country Team and relationships with authorities. The UNRC will provide strategic oversight of the programme, and ensure that participating UN organizations meet their obligations. The involvement of the governments, donors and other stakeholders, in deliberations concerning fund-related activities in the country remains crucial.

### ***Administrative Agent***

In its role as Administrative Agent (AA), and on behalf of the participating UN organizations, UNDP through the UN-MPTFO will be responsible for:

- Receiving contributions from donors;
- Administering funds received in accordance with the Agreement, including the provisions relating to winding up the Joint Programme Account and related matters;
- Disbursing funds to participating UN organizations in accordance with the Steering Committee / Joint Programme Document and Annual Work Plan;
- Consolidating reports provided by each UN agency, including final reporting;
- Any other functions as outlined in the Agreement.

### ***Agency staffing and core costs***

The programme aims to make a commitment of a maximum of 30% overhead charges (please see Annex 2 in budget notes). This will vary from one agency to another, as those managing large grant tools will have lower overhead costs (e.g. UNCDF), while agencies taking the lead on operational support, and the programme 'foot print' in the new FMSs will incur greater overhead costs.

The target is 30%, and variations will be reflected in agency and programme budgets – and will require authorization from the SSC. In the event of the programming being fully-funded, lower overhead costs can be envisaged.

The staffing and operational costs for all agencies and the PFMU will be reviewed and rationalized based on the programming budget, as well as on a determination of the value added by each on the programmatic side. This will be in line with the new proposed structure and will be enhanced by the introduction of accountability on reporting to the SSC against the work plans and approved budgets.



Multi-year planning and budgeting are proposed, with quarterly/half yearly reviews that will further ensure that areas of linkage and/or synergy are a constant. Frequent reporting against the work plans and budgets will help in the detection of non-performance for subsequent corrective action.

Unit costs (to the extent possible), and harmonization of other expenditures such as consultant's fees and mission costs, will be agreed in advance, and all agencies will be held accountable in respecting them. Joint missions, and the cost sharing of staff and offices, will also be heightened with a view to improve value for money.

Guidelines for staffing will include but not limited to:

- The programme budget and agency contribution to the desired outcome;
- The necessity of the programme posts in line with objectives of greater government ownership;
- Whether the post is required or the output is deliverable by short-term experts;
- Whether the post should be locally or internationally recruited;
- Whether the duty station should be in Nairobi or Somalia;
- Reporting lines clearly defined for purposes of promoting accountability;
- More detailed accounting formats to improve oversight of HR management and programme expenditure;
- The allocation of staff cost between programming and human resources.

### ***Accounting, Indirect costs and fees***

To demonstrate transparency in accounting, the AA will comply with standard UN regulations and create a separate ledger account for JPLG III. All funds received will be deposited to the Joint Programme Account and recorded by the Administrative Agent. Funds channelled to participating UN organizations will not be recorded as income. UNDP, as both Administrative Agent and a participating UN organization, will therefore have two ledger accounts for the Joint Programme, one for receipt and disbursement for the full programme and a second to administer UNDP's own work within JPLG.

Each participating UN organization will assume full programmatic and financial accountability for the funds disbursed to it by the AA. Each will also establish a separate ledger account for the receipt and administration of the funds disbursed to it by the AA. Each will also participate in the design, on-going programmatic implementation, and oversight of the programme. Accordingly, they will be entitled to deduct indirect costs on contributions received according to their own regulations and rules, taking into account the size and complexity of the particular programme.

Indirect costs of the participating UN agencies will be recovered through programme support costs, which will not exceed 7%. In accordance with the UN General Assembly Resolution 62/208 (2007 Triennial Comprehensive Policy Review Principle of Full Cost Recovery), all other costs incurred in carrying out the activities for which an agency is responsible under the Fund will be recovered as direct costs. The AA will issue a financial report and final certified financial statement to donors and participating UN organizations on its activities.

## 13. Sustainability

The results of JPLG I and II clearly indicate that a degree of sustainability is being achieved in the more advanced local governments. This is demonstrated in the way the institutions function, elections are held, revenues generated, and expenditure is planned for and reported against. It is, however, unrealistic to anticipate that local governance structures – or indeed state and central ones – will become sustainable and continue to progress without targeted external support.

Sustainability is a multi-faceted concept, and after such a sustained period of conflict, division and corruption, local governance in Somalia and Somaliland will need continued technical support.

There are four ways that sustainability will be addressed in the JPLG III:

First, institutional sustainability is ensured through the design of the programme, which relies on national systems, procedures and institutions, as well as on direct and indirect involvement of national partners in the implementation of programme activities. Various oversight and coordination mechanisms, spearheaded by government counterparts at the federal and state levels, including the offices of Decentralization Champions, Inter-Ministerial Coordination Committees, Local Government Forums, and other arrangements, will ensure the institutional sustainability of the programmatic interventions introduced under JPLG III.

The programme will deliver a solid institutional foundation through continuous policy dialogue and policy, legal and regulatory frameworks for decentralization, local governance and service delivery, to be designed during the lifetime of the programme. Importantly, all systems and procedures for core PFM processes and service delivery will be integrated in the government regulations and guidelines to become part of a normal operational routine. The breadth of the stakeholders and partnerships, at local, state and federal levels, will also help ensure the programme's institutional sustainability by generating traction for project activities and approaches through their direct and indirect engagement.

The oversight of the project by the FGS (with special arrangements for Somaliland) will guarantee that the programme is well integrated in, and aligned with, the overall implementation process for the Somalia National Development Plan and Somaliland National Development Plan II.

Furthermore, the programme design explicitly incorporates provisions for institutional sustainability of certain components, such as the Local Government Institutes or the Local Development Fund. It is envisaged that, with the JPLG III support, the government will develop a capacity to manage these facilities, allowing their handover and transformation into government-owned and government-run institutions.

Second, technical sustainability is ensured through multiple layers of quality assurance carried out at three levels: by participating agencies directly responsible for such activities; by programme represented by the TWG and PMU; by government counterparts – local, state and federal – who will

validate and refine the technical solutions developed by the programme. The participating agencies will tap into their global resources and networks to provide specialized expertise for quality assurance. This will ensure that all technical solutions developed by the programme are based on a thorough analysis, reflect recognized good practices, and are at the same time adapted to, and contextualized within, the specific Somali environment.

Third, financial sustainability is ensured through the programme's progressive compatibility with, and integration in, government financial mechanisms and systems and through partnership networks. The programme is designed in a way to be compatible with public and private financial mechanisms, such as emerging discretionary and conditional grants to local governments, and private finance arrangements for production/co-production of required services.

In addition, the programme makes explicit provisions for improved financial sustainability of local governments and public service delivery using a two-pronged approach. One is to improve the allocative and productive efficiency of public budget application by developing the capacity of local governments to utilize available financial resources in a more effective and efficient way that eliminates leakages and wastages, while at the same time better addressing public needs and expectations. The other consists of focusing on fiscal space expansion through improved revenue administration and mobilization of additional public and private resources for service delivery and investment.

The approach to financial facilities at the heart of the programme, such as the Local Development Fund, is another way of ensuring financial sustainability of the programme. It is envisaged that co-financing of the federal/state and local governments of the LDF will be gradually increasing as their financial position improves to allow their eventual transformation into revolving sub-national pooled financing mechanisms that will not only use ordinary grants but also reimbursable grants and, in the future, loans as well.

At the same time, JPLG III will continue to coordinate closely with other programmes and projects implemented by the UN system, multilateral and bilateral aid institutions, to ensure synergy of thematically similar programmatic interventions and related financial flows to achieve the best VFM.

Fourth, political sustainability is based on the thorough alignment of the programme design and objectives with the Somali national priorities, including the Somalia National Development Plan and Somaliland National Development Plan II, as well as its positioning at the centre of governance who will co-chair the Steering Committee. A broad and inclusive policy dialogue facilitated by JPLG III will incorporate and reflect various dimensions of local governance that will ensure the political acceptability and buy-in of stakeholders at the national and sub-national levels into the local governance agenda. It will ensure that policy, legal and regulatory innovations introduced with JPLG support, are grounded in a firm political consensus, owned by political elites, and have strong public support.

Lastly representative, accountable and service orientated functional local governments are is central stability and sustainable peace in Somalia.

### **Government leadership**

The programme is implemented with and through government bodies at all levels. In areas where operations are most established and systems are being used, increasing amounts of implementation will be transferred to relevant government bodies. Against the central PEM models clear action plans to transfer responsibilities for each component will be initiated in both Somaliland and Puntland.

## **14. Annexes**

1. Logical Framework
2. JPLG budgets
3. National Local Government Dev Policy
4. DRAFT LDF Graduation guidelines
5. DRAFT New LDF modality for new FMS
6. Training Modules overview