Dear David and colleagues -

We refer to the LPAC meeting that was held on February 18th for the Local Economic Development Somalia (LEDS) project (minutes attached\*). As you know, at the time of the meeting, a LEDS project document had already been approved by Italian Cooperation (the main donor) and various activities described in that document were already being implemented in two of the three project locations (Baidoa and Luuq). Given the on-going nature of the project, the main reason for holding the LPAC was to satisfy the corporate requirement that all projects should be internally approved, regardless of their status.

The technical approach of the LEDS project followed very closely an earlier series of projects that also received support from Italian Cooperation and were positively evaluated in an independent assessment undertaken during 2013. The meeting nevertheless decided that the project could not be approved internally without ‘major re-working.’ Having read through the comments received from LPAC members at the time and subsequent email exchanges, the main issues seem to fall into three main categories as follows:

1. The project lacked background data / statistics, especially in relation to target beneficiaries - refugees, IDP’s and their host communities in the three target districts of Baidoa, Luuq and Kismayo
2. Some members of the LPAC felt that the project activities were not adequately connected to the proposed outputs
3. Insufficient detail was provided in relation to indicators and target outputs for each of the proposed 4 outputs, including and especially output 4; the formulation of a PSG4-5 flagship project on the integration of displaced persons.

In addition, following the meeting, one member of the LPAC team proposed that the project in general was ‘over-complicated’ and could be reduced to a single output focused on infrastructure rehabilitation.

Since these comments were received, a number of incremental attempts were made to revise the project document and the associated RRF. In particular additional wording was introduced on gender and refugees and IDPs in the target locations, together with information on specific project activities that were identified during the implementation phase of the project. The RRF was revised, to show one output (divided into three subcomponents) as distinct from the four outputs contained in the original LPAC submission.

Whilst some of these changes are helpful, the final result is a confusing document that leaps from general statements of intention and indicative targets, to highly specific information relating to activities that were not foreseen - in any detail - at the time the original project document was drafted and approved by the donor. As a result it falls somewhere between a project document - with a significantly narrower technical focus than the original - and a mid-term project report. It is also somewhat unbalanced, in the sense that the on-going implementation activities enumerated in the ‘objectives’ sections and the RRF relate to Baidoa and Luuq only and do not include the third target location (Kismayo).

Most of the funds for the project are now committed, and indeed we will shortly be seeking ‘top up’ support from Italian Cooperation. So clearly it is important that we now agree a revised and final version of the project document, and ensure that it is re-submitted and approved by the LPAC.

To this end, it seems clear to us that issues i. and ii. above can be resolved without a ‘major re-working’ of the project document. Indeed, issue i. above - the lack of data on displacement - has already been addressed in a subsequent draft of the project and issue ii. - the connection of proposed project activities to project outputs - can easily be demonstrated in the original document (see table below\*\*). Issue iii. however - the lack of detail in relation to key outputs and activities - is more problematic, and we would like to ensure that we have a common understanding on this before the project document and the RRF are revised once again.

In accordance with corporate guidelines,\*\*\* the view that we took in our submission to the LPAC of February 18th was that the scope of the LPAC should be confined to appraising the original project document as submitted to Italian Cooperation. Whilst acknowledging the LPAC should have been undertaken before this time - i.e. during the formulation of the project and prior to approval by the donor - the scope of the LPAC should not extend into the implementation phase of the project and should not include details relating to specific activities and associated targets and indicators that were unavailable at the time the project commenced implementation in August 2014. The reason for this is that the LPAC is supposed to be part of the project formulation process, not part of the project monitoring and reporting process.

Regrettably however - in the comments of the LPAC and subsequent email exchanges - this principle seems to have been forgotten, with the result that information has been introduced in relation specific implementation activities - and associated targets and indicators - that were only identified following the initial ‘assessment’ phase of the project (see Section IV of the original project document). In effect this means that the latest version of the project document no longer reflects the original project design, but a significantly modified version that has been redrafted *ex poste facto* – to fit the project mid-way through implementation. This is clearly not a good practice, although some comments received seem to suggest that LPAC members would like to push the document further in this direction, for example through the inclusion of more ‘precise’ output and outcomes indicators relating the refurbishment of Baidoa hospital. The logical conclusion of such an approach is that final approval of the project document by the LPAC will not be possible until the proposed needs assessment is completed in Kismayo and a series of priority interventions identified there: an activity which is underway at the current time, some 10 months into the implementation phase of the project.

We would therefore like the LPAC to reconsider its position on this issue, and refocus on the original project document, in which the main ‘known’ activities were the local assessments that to be undertaken in each of the project locations. The argument that this leaves the project ‘too open’ and without the means to specify and measure meaningful results, can be simply countered by a minuted note from the LPAC, requiring that once the assessments have been undertaken and priority interventions identified, a more detailed RRF will be prepared and submitted to the Project Steering Committee for approval (but note the Project Steering Committee, not the LPAC). This is a normal practice in ‘process projects’ of this kind, including most local economic development projects.

If this is agreeable to the LPAC team members, a revised version of the RRF, based on specific local interventions identified through the first phase of implementation\*\*\*\*can be prepared and appended to the original project document.

Please could you let us know whether you are in agreement with this. If we are required to redraft the project document to include specific activities and indicators identified through the assessments (i.e. after the commencement of the project), the document will require further ‘updating’ and will remain incomplete pending the final agreement of activities to be selected in Kismayo.

With respect to output 4. (formulation of a flagship project on displacement) we propose to drop this from the project document altogether. Several recent developments in relation to the workings of the Solutions Alliance Group and the PSG4 and 5 Working Groups have called into question the demand for a new joint programme in this area, and even if something of this kind does go ahead, it would now seem advisable to untie it from LEDS.

With regards

Jonathan

\* See email from David Akopyan dated 20.2.15

\*\* The link between outcomes and proposed project activities was an issue in an earlier version of the project document, but was addressed in the version that was submitted to the LPAC. The connections are summarized in the following table:

|  |  |  |
| --- | --- | --- |
| Outcomes | Proposed Project Activities | Where ? |
| 1. Essential local infrastructure rehabilitated | * Technical and financial support for small infrastructure projects
 | Project Components |
| 2. Local services strengthened | * Technical and financial support for small infrastructure projects
 | Project Components |
| 3. Support provided for short and long term employment | * Local economic development strategies
* Technical and financial support for small infrastructure projects (ST)
* Support for cooperatives and social enterprises
* Local financial services
* Value Chain development interventions
 | Project Components |
| 4. Formulation of PSG4-5 Flagship Project | * Formation of PSG 4-5 SWG on Displacement
* Project concept note formulated and submitted to SDRF etc.
 | RRF |

\*\*\* see <https://info.undp.org/global/popp/ppm/pages/Defining-a-Project.aspx>.

\*\*\*\* this would include specific initiatives relating to the refurbishment of the Baidoa hospital and Abdallah Deerow Girls School, and an initiative for strengthening livelihood resilience for poor riverine Communities in Luuq.