



UNITED NATIONS JOINT PROGRAMME DOCUMENT

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

Joint Programme overall objective and outcome(s):

- Overall objective: **Local governance contributes to peace, development and equitable service delivery**
- Outcome 1: **Policy and legal frameworks are improved to enable local governments to deliver equitable services.**
- Outcome 2: **Local government capacity for equitable service delivery is improved.**
- Outcome 3: **Local governments are accountable and responsive to community priorities in providing equitable and sustainable services and promoting local economic development.**

Programme Duration:	5 years	Total estimated budget (2013-2017):	USD 145,618,908
Anticipated start/end dates:	Jan 2013 – Dec 2017	Total estimated budget (2013):	USD 24,396,046
Fund Management Option(s):	Pass through (MPTF)	Out of which:	
		1. Funded Budget (estimate):	USD 18,600,000
		2. Unfunded budget:	USD 5,796,046
		*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, Italy, Norway, SIDA and Switzerland.
Anticipated donor contributions (2013): USD 18,600,000

Wade

UN Agencies participating in
the UN Joint Programme on Local Governance and Decentralised Service Delivery in Somalia (UN-JPLG)

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DB

ACRONYMS

AFDB	African Development Bank	MTR	Mid Term Review
AIMS	Accounting Information Management System (for DC)	MTFF	Medium-Term Fiscal Framework
ALGAPL	Association of Local Governance Authorities in Puntland	NDP	National Development Plan
ALGASL	Association of Local Government Authorities of Somaliland	NEX	National Execution
AWPB	Annual Work Plan and Budget	NGOs	Non-Government Organisations
BIMS	Billing Information and Management System (for DC)	O&M	Operations and Maintenance
BRA	Banadir Regional Administration	OE	Outcome Evaluation
CDRD	Community Driven Recovery and Development	OECD	Organization for Economic Cooperation and Development
CMG	Community Monitoring Group	PCM	Project Cycle Management
CORPS	Community Resource Person	PCU	Programme Coordination Unit
CSC	Civil Service Commission	PEM	Public Expenditure Management
CSI	Civil Service Institute	PFM	Public Financial Management
DAD	Donor Assistance Database	PIM	Project Impact Monitoring
DANIDA	Danish International Development Agency	PL	Puntland
DDC	District Development Councils	PMG	Programme Management Group
DDF	District Development Fund	PMU	Programme Management Unit
DEX	Direct Execution	PPPs	Public Private Partnerships
DFID	Department for International Development	PSGs	Peace building and State building Goals (PSGs)
EC	European Commission	RDP	Reconstruction and Development Plan
FSP	Fragile State Principles	SC	South and central Somalia
GDP	Gross Domestic Product	SDM	Service Delivery Models
GEWE	Gender Equality and Women's Empowerment	SF	Somaliland Fund
GFP	Gender Focal Points	SIDA	Swedish International Development Agency
ILO	International Labour Organization	SIDP	Somali Institutional Development Program
INGOs	International Non-Government Organisations	SJPM	Senior Joint-Programme Manager
JFMB	Joint Financial Management Board	SL	Somaliland
JPLG	Joint Programme on Local Governance and Decentralised Service Delivery	TFG	Transitional Federal Government
JSC	Joint Steering Committee	TIS	Transitional Initiatives-Somalia
LDF	Local Development Fund	TWG	Technical Working Group
LED	Local economic development	UN	United Nations
LGs	Local Governments	UNCDF	United Nations Capital Development Fund
LUMI	Land and Urban Management Institute	UNCT	United Nations Country Team
MDG	Millennium Development Goal	UNDP	United Nations Development Programme
MICs	Multiple Indicator Clusters	UNICEF	United Nations Children's Fund
MoF	Ministry of Finance	UNSAS	United Nations Somali Assistance Strategy
Mol	Ministry of Interior	USAID	United States Agency for International Development
MoLGRD	Ministry of Local Government and Rural Development	USD	United States Dollars
MoP	Ministry of Planning	VfM	Value for Money
MoPIC	Ministry of Planning and International Cooperation, PL	WASH	Water, Sanitation and Health
MoU	Memorandum of Understanding	WDR	World Development Report
MoWDAFA	Ministry of Women's Development and Family Affairs		

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1. EXECUTIVE SUMMARY

After decades of warfare, Somalia has been undergoing a peace and national reconciliation process creating a 'development moment' with an unique opportunity to consolidate and extend the significant development achievements that have been made in many parts of the country especially in northern areas, as well as to seize the opportunity to bring lasting peace and stability to the many areas made accessible in southern Somalia, thus opening up development space there. Somalia's international partners have expressed robust commitment to assisting the Somali people in seizing the development moment, encouraging a new Somali-owned and led partnership, which will work towards a compact between the Somali authorities and the international community inspired by the principles outlined in the New Deal agreed in Busan, 2011.

With UN being one of the largest and most persistently engaged partners to Somalia it has a special responsibility to deliver on this promise and is increasingly doing so as *one UN*, emphasised by UN's Secretary General. The UN Joint Programme on Local Governance and Decentralised Service Delivery for Somalia (JPLG) has established an important platform for seizing the development moment and is also a programme that has translated many of the ambitions of the 'One UN' principles into tangible improvements in aid and wider development effectiveness.

It is against this background that JPLG, launched in 2008 for a period of five years, is to be continued for a second phase of five years running from 2013 through 2017 referred to as JPLG II. The Joint Programme, which has five partners including ILO, UNCDF, UNDP, UN-HABITAT and UNICEF, is aligned with the UN Somali Assistance Strategy (UNSAS), 2010 – 2015 and contributes to at least five of the Millennium Development Goals (MDGs). JPLG II will build on the successes achieved during the past five years and will maintain the same focus of strengthening local government as a means of enhancing the delivery of services to citizens and restoring confidence and credibility in the state. It will also improve state-citizen relations by linking local governments to their constituent communities and will engage the private sector transparently and accountably.

1.1 OVERALL OBJECTIVE AND OUTCOMES

The overall objective of JPGL II is to promote improvements in local governance quality that can contribute to peace consolidation, development and equitable service delivery. For JPLG's overall objective to be realised, a number of agents will have to promote change that can alter the *status quo* in a direction that fosters a stronger, more responsive and accountable compact between the state and its citizens in the provision of service delivery. Despite progress the current context is still characterised by limited trust in government structures at both central and local levels, which in turn means that their legitimacy is often contested. This can increase the risk of a return to instability and conflict. Moreover, the political space is still limited especially in southern areas, where radical groups restrict the voice of many, including women. There is thus a need to consolidate and enlarge the space for non-state actors in the rest of Somalia and to restore a healthy and accountable state citizen nexus.

These are some of the challenges that JPLG II will face, but during the first phase JPLG I has demonstrated its ability to partner with pro-development actors and support these in promoting peace and state building with a clear and unique focus on local governance processes. It has thus created a platform consisting of strong partnerships, robust methodologies for improving accountability of service delivery and valuable local level experiences that can inform policy making at the central level. This will also entail continued engagement with local and central level authorities, but increasingly extending beyond ministries of interior and also include sector line ministries, to ensure that future service delivery models are consistent with mandates, capacities and funding levels.

To achieve this, the programme outcomes are structured around three mutually reinforcing strategies:

1. **Supporting policy and legislative reforms for functional, fiscal and administrative decentralization that clarify and enhance the role of local government, its relationship to central government, and as a means to improve local service delivery:** Outcome 1 will focus on policy and legal frameworks

across Somalia and is initially designed to address weaknesses in current laws on decentralization in Somaliland and Puntland. These provide an incomplete account of the responsibilities and functions to be devolved to local government, ignore the fiscal implications and lack supporting regulations for implementation. These issues need to be clarified in order to resolve disputes between central line agencies and districts, and to provide a stronger foundation for local governments to move forward;

2. **Improving local government capacity for equitable service delivery:** Outcome 2 aims to address the weak capacity of most local authorities in Somalia by providing a comprehensive package of training and technical support covering basic elements of local administration. It also seeks to improve coordination between districts and the centre in planning and programming to ensure better consistency and use of resources. A third output is concerned with increasing locally generated revenues and strengthening the role and coverage of the LDF; and,
3. **Improving and expanding the delivery of sustainable services to citizens in an equitable, responsive and socially accountable manner and promoting local economic environment:** Outcome 3 focuses on improving the delivery of local services. This is to be achieved by collaborating more closely with central line departments, engaging more directly with non-state providers, and enhancing the accountability of local governments to their constituents. Another element relates to strengthening the local economy, promoting private investment and enterprise, and creating more and better job opportunities.

In all of these efforts, JPLG II recognizes the paramount importance of respecting and promoting local ownership, commitment and leadership. Without these ingredients, the prospects of sustaining gains are substantially diminished. For this purpose, JPLG II will continue seek support and political commitment at the highest levels of Government, and sustain commitments already established in Phase I with the Vice Presidents of Somaliland and Puntland nominated as Champions for Local Governance.

The JPLG II will focus geographical expansion on where the most urgent needs and opportunities materialise. This suggest an increased presence in south and central Somalia where a substantial number of districts have recently become accessible, offering a unique chance for the Programme to promote local governance for peace, stability and development, using a phased approach that recognises the comparative advantages of other development partners active there. In Somaliland and Puntland, JPLG will initially focus on thematic expansion and deepening its activities, including the Local Development Fund, which will have an increased budget envelope and become able to finance a broader menu of activities, possibly including sector categorical grants for piloting service delivery models. Only at a later stage is geographical expansion envisaged there.

1.2 CROSS-CUTTING ISSUES

Gender remains a central crosscutting issue for JPLG given its focus on supporting local governments in reducing gender discrimination and social exclusion. At the policy level, building on the explicit commitment of the Federal Government and UN Agencies to Gender Equality and Women Empowerment (GEWE), efforts to advance GEWE in Somalia will be tactically mainstreamed across JPLG II. JPLG II will promote gender-responsive local governance policy development, planning, budgeting and service delivery that is more receptive to GEWE issues. Gender sensitive empowerment will be facilitated through leadership training of men and women and, where appropriate, promoting the adoption of targets for women as a proportion of elected local councillors. At the implementation level, gender mainstreaming will be pursued by including measures in manuals and guidelines for each stage of the process of planning and implementation to ensure that gender issues are properly taken into account. Important here are procedures to ensure that women's needs and priorities are reflected in annual plans for non-infrastructure services.

On *human rights*, JPLG I has been instrumental in supporting the development of systems, procedures and institutions for duty-bearers to better understand their responsibilities, and rights-bearers, i.e. people to voice their demand for developmental priorities, which are captured in the District Development Frameworks (DDFs). One of the key successes of JPLG I is the level of community mobilization, particularly in relation to

women and representatives from minority groups, who are starting to have voice in the local-level decision-making process and to claim their rights. JPLG II will continue to promote human rights through the following strategies: 1) Integrate human rights into training provided to both duty-bearers and rights-holders, 2) Continue to strengthen engagement between rights holders and duty-bearers, 3) Strengthen alliances for social change in the communities, 4) Increase incentives for duty-bearers to strengthen performance in the provision of services and, 5) Continue to strengthen social accountability mechanisms.

1.3 M&E AND VALUE FOR MONEY

JPLG II will build on parts of the existing M&E system developed in JPLG I, which has managed to track input and activities, as well as being able to demonstrate unit costs especially in construction projects. From 2013 the external annual reviews will increasingly focus on the impacts of programme interventions particularly in relation to institutional development, service delivery, peace building, gender and vulnerable groups. This will include establishing and evidencing causal links of transforming inputs, activities, and outputs to outcomes, supported by clearly verifiable indicators.

This will help to make research, knowledge management and experiential learning central to the evolution of JPLG II. In addition, JPLG II proposes to establish Joint Monitoring Teams with government, and to provide a small budget to the PMU to support the new approach. Efforts will also be made to strengthen participatory impact monitoring methodologies, especially in the context of social accountability. Moreover JPLG II will adopt a value for money approach to project activity planning, feasibility studies, contracts and other programme activities to enhance results with a given level of financial support. An independent outcome evaluation of JPLG II activities will be conducted towards the end of the programme around 2017.

1.4 MANAGEMENT ARRANGEMENTS

While JPLG I management arrangements have been praised for their effectiveness and for being a model for joint UN programmes, there are still areas in need of adjustment. One is to strengthen the Programme Coordination Unit so that it can play a more stronger role in management, and will hence be renamed the Programme Management Unit. A second is to restructure the management of programme operations in Somalia in order to improve coordination and efficiency among UN partners and provide stronger technical support to host governments. All five UN Agencies are also committed to making clearer the division of responsibilities based on comparative advantages and mandate, a process that has already commenced in the framework of work plan and budget processes, but will be further accelerated under JPLG II. The Joint Programme Steering Committee (JSC) established during Phase I will continue to provide strategic guidance and oversight to the programme during Phase II. Members of this Committee will be all signatories to the Joint Programme, namely the Head of each Agency or a delegated senior officer with decision-making authority, representatives of the donors contributing to the programme and government counterparts. The programme management group will continue to be chaired by the Senior Joint Programme Manager, and members will include the Heads of UN Agencies participating in the programme or their deputies with delegated authority to advance the tasks of working towards the goals of JPLG.

JPLG will strengthen its presence in Somalia through appointing Area Managers in each jurisdiction, who will report directly to the Senior Joint Programme Manager in Nairobi and by posting more senior technical staff to Somalia. Further, all members of each field team will be relocated to a single office (for example the UNCC for logistical and security reasons) to enhance collaboration and focus more intensively on accomplishing the outputs envisaged for Phase II. In the longer term, JPLG II will prepare local institutions to take over the task of developing the capacity of selected local and regional governments.

Based on agreement of the UN organizations participating in JPLG, the pass-through fund management arrangement will continue in effect. As such, Administration of the Joint Programme Fund is entrusted to the Multi-Partner Trust Fund Office (MPTFO) of UNDP, which serves as the administrative interface with donors. At the country level, the UN Resident Coordinator, in his strategic leadership of the UN Country Team, will support the participating UN Organizations and the JPLG Programme Management Unit, relationships with national authorities and in his capacity as Designated Official. The overall programme design will be based on

the government priorities, donor strategies, UNSAS, ongoing programmatic oversight and consolidation of programme reports.

1.5 WORK-PLAN AND BUDGET

The overall programme design will be based on the government priorities, donor strategies, UNSAS, ongoing programmatic oversight and consolidation of programme reports. The work plan and scope of activities for JPLG II obviously depends on the funds available from donors and government. For this reason, an important task of the PMU and UN partners will be to continue mobilizing resources for the Programme from both existing donors and new ones, and contributions from central governments in each jurisdiction. The rate at which new funding is secured will primarily dictate the activities to be included in each AWPB, along with the priorities expressed by Somali stakeholders and the capacity of UN partners to deliver Programme outputs. The total estimated cost of all outputs amounts to some US\$ 24.3 million in 2013, and rises steadily each year reaching US\$ 33 million in 2017. The annual increase is mainly explained by the increase in investments and capacity development and the growing number of districts that JPLG plans to cover during Phase II, particularly in later years. This increase is partially offset by a reduction in spending on some items, for example the policy work on functional and fiscal decentralization, which should be largely completed during the early years.

2. SITUATION ANALYSIS

Since it was launched in 2008, the Joint Programme on Local Governance and Service Delivery (JPLG) has been operating in a challenging and volatile environment, although one that is gradually improving. Since the fall of President Barre in 1991, Somalia has been left without a national government. While several initiatives were proposed over the years to establish some form of federal government, each faltered or failed to garner the necessary support to be implemented. However, a new initiative launched in February 2012 holds greater promise. (See more below.)

2.1 CONFLICT AND SECURITY

In the vacuum that followed the fall of the Barre regime, rival factions have struggled to control regions of the country, often involving military conflict, which still continues. These factions were first based mostly on affiliation with traditional clans, but in 2000 the conflict was compounded by the emergence of the Islamic Courts Union (ICU), which formed its own military force and gradually gained control of Mogadishu and a large part of southern Somalia. After intervention by Ethiopian forces in 2006, the ICU lost much of the ground it had captured and splintered into several groups, including Al Shabaab, a radical religious movement with links to Al Qaeda, which continued the fight. Since then AMISOM - a combined military force from several African countries - has replaced Ethiopian troops and continues to slowly repulse Al Shabaab, which still controls a patchwork of other areas in south and central Somalia.

Since Al Shabaab relies on ad hoc units of conscripts and volunteers that assemble and disband as circumstances require, commentators fear that as they lose more ground, supporters will instead go underground and resort to intermittent attacks on specific targets and individuals. This is illustrated by three recent assassination attempts in Mogadishu on the newly elected (August 2012) President of the new federal parliament as successor to the Transitional Federal Government (TFG).

While restoration of control over areas of the country may make it feasible to expand development activities in more districts, the potential for violence poses a continuing threat to peace and stability. The security risks for citizens, government officials and personnel from international programmes such as JPLG, remains high in many areas, especially in southern and central Somalia, undermining prospects of working there.

2.2 DIVISION OF THE COUNTRY

After the fall of the Siad Barre regime in 1991 and in the absence of a unified national government, the country has split into three main zones, each with its own ambitions for the future. Since August 2012, the Transitional Federal Charter (TFC, 2004) was replaced with a new federal constitution, with a President elected by Parliamentarians. Whilst, the Federal Constitution encompasses principles for decentralization and efforts are made to allow each and every part of Somalia to join the Federation, the Puntland Charter (1998) and the Somaliland Constitution (2001) remains important legal frameworks especially as they specify decentralization as the core political, functional, fiscal and administrative system of governance, with significant devolution of power to the district level for delivery of local services.

In the northwest of the country, the government of **Somaliland** has managed to restore political stability and public administration over much of the territory of former British Somaliland, and strives to become internationally recognized as an independent state. It has a bi-cameral legislature, an executive led by a President and Vice-President and an independent judiciary. The country moved to multi-party democracy in 2002 and following the presidential elections of June 2010, power was peacefully transferred to the opposition. The Local Government Law of 2001 facilitated elections of councilors and mayors in 16 districts (2002). Following a recent decree, the number of districts was increased from 43 to 61, but the law recognizing these new districts still needs to be amended. The districts are classified in four categories from Grade A (regional capitals) to Grade D, based on their status, population, governing capacity, and ability to generate revenue.

In the northeast of the country, the government of **Puntland** is similarly building a central administration to support district authorities. Established in 1998, it regards itself as an autonomous member state of an incipient federal government of Somalia. Puntland has its own judiciary, legislature (House of Representatives) and executive branch of government comprising the President and his nominated council of Ministers. The President is appointed by the parliament, which is elected by clan elders. Local governments at the district level are also elected but at staggered intervals according to traditional clan procedures. Puntland is in dispute with the government of Somaliland over control of districts in the regions of Sanaag and Sool, which meanwhile seek to form a separate government of their own. These districts earlier formed part of British Somaliland but are largely populated by people from the dominant clans of Puntland.

The situation in **south and central Somalia** is more complex. Recent military success in repulsing forces sympathetic to Al Shabaab allowed the Transitional Federal Government (TFG) to set up a fragile base in Mogadishu, and the newly elected President and Parliament have started operating out of the city. Given the ongoing security situation, it remains to be seen to what extent they will be able to exert authority beyond the borders of the city and the surrounding region of Banadir.

Under the TFG, a Department of Local Governance has been established under the Ministry of National Security and Home Affairs to co-ordinate the establishment of District and Regional Councils. Some progress has been achieved in setting up local governments in certain areas, including the Bay, Bakool, Middle Shabele and Gedo regions through a process of community engagement and reconciliation. But these recently established councils have weak or no links to the federal government and little capacity to play their mandated roles due to the lack of financial resources. As it stands, there are still no directly elected district councils. Instead members of the council and the administration have been selected by the community, appointed by local leaders, or are self-appointed. In some cases, community organizations have formed their own District Councils and run day-to-day administrative affairs.

The existence of separate administrations in each of the three zones inevitably complicates the design and implementation of development programmes such as JPLG. The scope of work involving policies, plans and activities has to be negotiated with each administration, and adapted to the specific conditions in each zone and the priorities of each government as partner. Programme components intended for central government ministries and line agencies have to be delivered to three different groups, rather than one. Management units have to be set up in each zone, each with its own complement of staff. All of this adds to the overhead costs of the programme.

2.3 GOVERNMENT CAPACITY

Another feature of the environment in which programmes such as JPLG have to work is the generally weak capacity of government units at each tier. This is due to numerous factors, chief among them the very low starting point after decades of conflict and violence and slow progress in implementing policies for decentralization, limited funds and weak human resources.

Decentralization. Despite the widespread commitment to decentralization in charters and constitutions, little progress has been made towards implementation. The concept of decentralization is poorly understood and surrounded by confusion as to what it implies. The term “decentralization” is widely interpreted as meaning **devolution** of powers and authority to local government. In fact, the term also covers **deconcentration** of functions from central government to their units at the regional and district levels, as well as **delegation** of tasks to other institutions. These may or may not be an integral part of government, such as parastatals, public-private partnerships, the private sector, NGOs and other organizations.

Another source of inaction evident in both Somaliland and Puntland arises from a lack of commitment from line ministries, the reluctance of some ministries and line agencies to devolve responsibilities and functions from themselves to local governments. They fear not only a loss of control and authority, but also the likelihood of staff cuts and smaller budgets.

The major constraint in implementing forms of decentralization, however, is unquestionably related to poor legislation governing the issue and up until now limited political willingness to engage on the subject. Both Law No 7/2003 in Puntland, Law 23/2002 and its 2007 amendment in Somaliland, fail to take into account the

fiscal implications of transferring responsibilities, and the need to provide necessary funding to enable local government to undertake devolved functions. This is an issue that will need to be addressed under JPLG II.

Government revenue. In recent years, central government revenue in Somaliland and Puntland has been growing rapidly. In Somaliland, it is now estimated to be USD 50 million, up from USD 10 million in 2002, and is projected to reach USD 90 million in 2013. In Puntland, government revenue is today estimated to be USD 39 million, up from USD 5 million in 2003. In both cases revenue is derived mainly from taxes on imports and exports and is reported to include substantial contributions to the exchequer from big business, although the proportions are not known. While this represents a dramatic improvement, it should be noted that these increases start from a low base and are still far short of what is needed for both routine operations and capital investment. Salaries and allowances for staff, and the costs of maintaining security absorb the bulk of central government revenues, often over 60%.

As reported in the World Bank/UN Joint Needs Assessments (JNA) 2006, levies and fees collected rarely exceed \$2.00 per inhabitant per year in rural areas and \$4.50 per inhabitant per year in urban areas. This is well below the norm for Least Developed Countries, which is between \$20 and \$50 per capita per year. This vividly illustrates the challenge facing central and local governments in Somalia in mobilizing adequate funds to pay for public infrastructure and services.

At the local government level, the situation is far worse except for a handful of municipalities that benefit from sharing import and export taxes levied at ports. For most other districts, own source revenues are meager, mostly from taxes on urban property, fees on livestock trading, user charges for some services and business licenses. Even under better conditions, own source revenues are unlikely to generate more than small fraction of what local governments need. As in many other countries, they depend heavily on fiscal transfers from central government.

Human resources. Another constraint undermining government capacity in Somalia is the scarcity of qualified human resources. In part this reflects years even decades of poor education services and opportunities for learning and enhancing skills. Even in 2012, for example, only 44% of children of primary school age in Puntland were enrolled in school. Data for Somaliland indicates that in 2006, 40% were enrolled, sharply up from only 23% in 1999, but still below levels that are needed to fund their mandates¹. Reliable data on the proportion of children graduating from high school is not available, but inevitably must be considerably lower, and those with a university degree even lower still. To a limited extent this paucity of human resources is offset by the return of Somalis from the diaspora, many of who have acquired advanced university degrees and considerable experience in government and business. These individuals may often be found among senior officials of central and local government, but they represent only a small fraction of the number needed. Another factor that compounds the problem is the frequent turnover of officials and staff, particularly at the level of local government, in part due to poor employment conditions, but also to better opportunities elsewhere and not least to political intervention.

The combination of these factors has undermined the ability of local government to deliver basic services to their constituents, a major concern of JPLG. Recent studies on functional assignments in core social services show that the service delivery mandates of local governments are either un-funded or severely under-funded in most districts. The delivery of health, education, water and sanitation are either de facto provided by local communities or the private sector, or delivered by donors and NGOs. This clearly undermines the legitimacy of the local government system as the core institution for mediating and prioritizing between competing interest and needs in delivering public goods. Central governments have little alternative but to continue broadening and strengthening the tax base if they are to ensure funding for the delivery of core services mandated to local government.

While increasing revenues to central governments widens the scope for inter-governmental transfers, the overall fiscal resource envelope is still vastly inadequate. Most of it goes to staff compensation and routine operational costs, with virtually none left for investment. Not all government staff receive salaries regularly, which undermines the ability of government to attract and retain qualified and motivated staff.

¹ *Studies on Sector Functional Assessments within Education, Health and WASH in Somaliland and Puntland*. Geopolitics for UNICEF, 2012

More fundamentally, the formula by which districts are allocated resources is by no means transparent. Part of the allocation is based on estimated revenues which the districts used to obtain from 'transport taxes', or *octroi* as it is known in south Asia, that were collected at checkpoints mainly around large urban areas. Current allocations obviously favor those districts, which had substantial traffic flows. Allocation criteria also include population and poverty estimates but their weighting is unclear, partly due to the scarcity of data. Finally, and perhaps most importantly, district representatives (most notably mayors) engage in a bargaining process with central government over allocations, which favors those with greater political influence.

2.4 ECONOMIC PERFORMANCE

Somalia is one of the poorest countries in the world, and is ranked last in terms of household deprivations in education, health and living standards.² While some areas have benefited from strong economic growth, others have lagged behind, creating large gaps between richer and poorer districts. Meanwhile, poverty remains high, as does unemployment and under employment.

There has been no official census for many years, but a UNDP survey in 2005 estimated the population of Somalia to be 7.7 million people with over 73% of the population living on an income of less than USD 2.00 per day. Approximately two-thirds of the population lives in rural pastoral areas and one-third in urban areas, a division that is closely mirrors the extent of poverty. During the period 2000 to 2002, almost half (43.2%) of the Somali population lived in extreme poverty. Extreme poverty is most prevalent amongst rural and nomadic populations, estimated to be 53% of the total, whilst among urban population the figure is estimated to be 23.5%.³ The percentage of population in Somalia under the age of 18 is estimated at 55% and the proportion of households headed by women at 40%. A large number of unemployed young men, largely illiterate, with weakened clan affiliations, are said to be easily lured into illegal activities.⁴

Urban unemployment across Somalia is estimated at 60%. Urbanization is increasing rapidly with many groups, especially internally displaced people, migrating to more developed areas in search of better livelihoods and employment away from areas of conflict. Urbanization is fuelled not just by insecurity and conflict. As in other parts of the world, other factors include sharp differences in economic performance, regional trade and the quality of urban services, not to mention the ups and downs in world prices for commodities faced by producers in the agricultural sector. People move in search of livelihood opportunities ostensibly to be found in urban centers where new productive sectors are particularly dynamic. The population of the port city of Bossaso in northern Puntland, for example, increased over the past 20 years from 20-30,000 to the current estimate of 165,000 people.

Meanwhile, both Somaliland and Puntland have seen strong economic growth over the last decade due to the comparatively stable security situation allowing an increase in private sector activity, strong inflow of remittances and increasing donor funding. Imprecise estimates put GDP per capita between USD 300 to 400 in both areas.⁵ This has contributed in part to increased government revenue throughout the five-year period of JPLG I.

Somaliland authorities will need increased revenues and aid to finance the ambitious strategies that are contained in the National Development Plan (NDP, 2012-2016). At the macro level the NDP focuses on sustainable development and poverty reduction. In doing so the NDP addresses structural and institutional challenges in order to achieve the public, social and economic transformations required. The NDP aims at creating an enabling environment that is conducive to employment generation especially among the youth, human resource development, technological advancement, effective and efficient governance, increasing competitiveness and rising income levels. This requires higher and sustained government investment in infrastructure, institutional capacity development, and legal and policy reforms. During the five-year period of the NDP, public investment priorities will include: construction and rehabilitation of the road network, expansion of airports and ports, development of the energy and water sectors, development of agriculture

² UNDP, Human Development Report, 2011.

³ UNDP and the World Bank, Somalia, Socio-Economic Survey, 2002: UNDP Human Development Report, 2001

⁴ UNDP, Human Development Report, 2011.

⁵ See for example Somaliland Ministry of Finance and Ministry of Finance, Puntland.

and industry, human resource development, environmental protection, the expansion and strengthening of service delivery, and the promotion of science, technology and innovation. The development approach of the NDP intertwines economic growth, social development and environmental sustainability. The achievement of these goals will be pursued in cooperation with the private sector, which will remain the engine of growth and development. The government will also seek to reach out to and engage the Somaliland diaspora who are already an important source of assistance, investment and know-how.

Puntland is estimated to account for one third of the total population of Somalia. In its development plans, the government has identified seven core objectives, which are being pursued:⁶

- 1) State Security and Stability. This entails a reform of the security sector in order to gain and increase confidence in the government by e.g. demobilizing and downsizing the militia and modernizing the security force;
- 2) Governance and Institutions. Improving the quality of governance is critical for sustainable peace, security, democracy and development and focus here is on good governance, justice, rule of law, accountability and transparency;
- 3) Public Finance Management. Restructuring public finance management is one of the high priorities and key will be to balance the budget to stimulate growth in the private sector;
- 4) Provision of Social Services. Emphasis is on investing in human capital and human resource development. One key element is the building human resource base for the future of Puntland through empowerment, capacity and skills enhancement, including the provision of health and education. This will also facilitate the achievement of the MDG targets;
- 5) Promotion of leading productive sectors. The three subsectors; Livestock, Fisheries and Agriculture are the mainstay of the economy and coordination in these subsectors will be strengthened and their activities will be monitored to ensure capacity building and institutionalization of programmes for sustainability. Further activities shall be harmonized with other government actions;
- 6) Infrastructure development. The economy depends on rehabilitation and maintaining infrastructure. The government is committed to rebuilding and maintaining current infrastructure as part of efforts to build her economic capacity; and,
- 7) Natural Resource Management. Puntland is endowed with many minerals and other natural resources on land and along the coast. The government will promote the sustainable exploitation of the natural resources without compromising the environment.

Little information is available on the economy of south and central Somalia, due in part to the absence of government departments collecting relevant information. Dated information from the World Bank and UNDP for the years 2000 and 2001 indicate poverty and economic indicators are worse than in Somaliland and Puntland. Due to continued conflict in the zone, the gap has probably only widened over the years since then.

Despite the growth in economic activity in Somaliland and Puntland, poverty reduction and job creation remain critical priorities for all parts of the country and a major challenge for development partners including JPLG.

2.5 THE EVOLVING POLITICAL CONTEXT

Recent political events offer a more promising future for Somalia. The Kampala Accord, Mogadishu Roadmap, Garowe I and II Principles, Galkayo Agreement, the Addis Ababa Communiqué and other related agreements set out targets for ending the mandate of the Transitional Federal Government (TFG) in August 2012 with the aim of establishing a new provisional federal government and a more representative parliament, called the House of the People of the Federal Parliament. Initially the members of parliament have not been elected, but appointed largely along clan's lines. With approval from 825 Somali leaders that made up the National Constituent Assembly in early August, the federal parliament has been charged with drafting a

⁶ See Ministry of Planning & International Cooperation: Puntland Development Plan - Effective management for progress in Puntland' January 2010

provisional constitution.⁷ On 20 August 2012 in Mogadishu, the day the mandate for Somalia's UN-backed transitional government expired, Somalia's first formal parliament in more than 20 years was sworn in.

The Mogadishu Road Map in particular, sets out firm targets with agreed timelines on the finalization and adoption of the Constitution. This is expected to address principles of good governance, including transparency and accountability and public financial management, amongst other issues. These benchmarks and commitments have previously been reiterated in international dialogues on Somalia including the London Conference (Feb 23, 2012) and the Second Istanbul Conference (May 31, 2012). Important agreements and commitments were made in relation to post-Transition arrangements. These provide an important strategic framework for JPLG II, and are addressed in greater detail in Chapter 3.

Upcoming local elections in both Somaliland (late 2012) and Puntland (2013) will likely also impact JPLG II's ability to support local governance. While obviously these elections are important manifestations of the ongoing democratic transition, they also pose risks. The transfer of political power may involve substantial turnover of local government staff, which could potentially undermine capacity development efforts upon which the Programme rests. These elections may also be accompanied by heightened tensions possibly threatening peace and security in some areas. JPLG is already engaged in discussions with key stakeholders to mitigate these risks, while also supporting the important democratic process.

2.6 INTERNATIONAL SUPPORT

Donor support to Somalia has increased substantially in recent years due to the perceived strategic importance of restoring peace and stability in the area and rebuilding the state according to principles of democratic governance. Funding to both Somaliland and Puntland has been significant and may increase, not least in Somaliland where relative stability and peaceful democratic transition of power have instilled more confidence among the international community. However, donor harmonization in Somaliland and Puntland remains incomplete. The way in which donors have traditionally provided assistance to Somalia is largely shaped by a humanitarian and post-conflict setting and is increasingly problematic from a developmental perspective. Most donors have provided assistance through the establishment of their own systems, procedures and accountability frameworks, creating different community groups, steering committees, monitoring frameworks and reporting lines that originate mainly from the needs of the donors to deliver aid quickly with tangible results. Over time and with the emergence of stronger and potentially more legitimate and domestically owned governance structures, the previous aid delivery modality has evolved into parallel systems that are not necessarily consistent with domestic ones.

JPLG I has been one of the first programmes in Somalia to begin focusing more on emerging domestic governance structures. In the long term, this is one way to strengthen the emergence of a state that is legitimate, inclusive, responsive, effective and accountable to its citizens. Other programmes may follow, and recent initiatives such as the joint DFID and Danida supported Somaliland Development Fund are also steps towards improving aid effectiveness through developing a more cohesive approach aligned to the government owned Somaliland National Development Plan. In this context it will be important for JPLG II to continue its pioneering role in breaking new ground for alignment and harmonization around domestically owned governance and accountability frameworks.

While shorter-term humanitarian approaches are vitally necessary to meet urgent and immediate needs, the JPLG approach focusing on local government has demonstrated the need to address systems, procedures and institutional capacity building in order to achieve longer-term development goals that are sustainable. This approach and others designed to strengthen institutional capacity require continuing efforts over an extended period of time, which in turn calls for Somalia's partners, including donors, to undertake multi-annual commitments⁸ that can be counted on to support and consolidate these efforts towards achieving longer term goals.

⁷ Also known as the Garowe principles, agreed in the capital of Puntland in December 2011. See e.g. Economist Intelligence Unit.

⁸ Some donors (e.g. Danida) have started making multi-annual strategy frameworks and funding commitments, but this is still the exception, rather than the rule.

2.7 ACHIEVEMENTS OF JPLG I

The JPLG I has made important progress in a number of areas, pertaining to conflict resolution and peace building, improving the policy framework shaping the configuration of local government, the development of more capable and accountable local governments, improved access to services, and the interface for government-community interactions and partnerships. In many respects JPLG I has only started this process and progress has been (and will continue to be) uneven with occasional setbacks. However it will be important for JPLG II to build on these foundations and to consolidate and extend important achievements, especially considering the current 'development moment' that has emerged for Somalia's domestic and international partners to extend peace, stability and social progress in previously inaccessible areas.

2.7.1 Policy, legal and regulatory frameworks

JPLG I has made significant contribution to raising the issue of local governance and the associated policy and regulatory frameworks on the political agenda. The Programme has produced policy papers and outlined options for improving the policy environment that could guide much needed systemic decentralization reforms. Currently the legal framework remains inadequate in both Somaliland and Puntland, whereas the new federal level constitution only includes a few broad clauses on decentralization. JPLG I has facilitated discussions on clarifying the legal framework and promoting decentralization. In Somaliland and Puntland, these discussions have been made more inclusive and now include DGs from relevant central and sector ministries as well as members of parliaments, local governments and CSOs. However while these discussions have been helpful in identifying the challenges posed by an incomplete legal framework, actual progress on developing and implementing a decentralization policy has been slow. This partly due to cross-cutting nature of decentralization, which requires careful consideration and buy-in among many ministries.

JPLG II will build on the important processes, discussion, studies and fora that have been established, but will further solicit high level political support that is capable of driving the process forward. Ongoing efforts to identify and promote high-level champions of decentralization (e.g. vice-presidents) will be accelerated under JPLG II, given the evidence on the critical importance of political commitment.

Supporting and engaging champions at the centre will also allow for better management of tensions between increasingly empowered local government and the centre. Moreover the work on developing more coherent and clearer policy framework delineating the roles and responsibilities between the centre and the local governments will also assist in building consensus on the configuration of the state as regards local-central relations. The increasing focus on the involvement of central ministries will also facilitate better engagement and coordination at central level, whereas the piloting of the service delivery models should also be seen as vehicles for promoting policy consistency in localized implementation practices. This will also entail close alignment with central level efforts on PEM and procurement.

2.7.2 Promoting conflict resolution and peace building

First of all the JPLG I has adopted a 'do no harm' policy, which has entailed careful screening of its interventions to ensure that they do not provide conflict inducing incentives. A key eligibility criterion is thus that JPLG has only entered and supported district where its presence and activities would not result in dispute and conflict. Beyond that JPLG I has taken important pro-active steps to promote security, stability and conflict resolution. Most directly, public meetings have been organized on security issues through village committees, and funding was mobilized to ensure the extension of law enforcement to rural districts, which has also improved relations between LGs and their constituent communities. These partnerships are critical determinants of LGs effectiveness in improving security, which has create a robust platform for extending such partnerships to more development areas as described in the next section. Training on conflict management throughout Somalia has also yielded significant results, and new approaches have been successfully tested in south and central Somalia, where the security situation remains complex. For example, JPLG I assisted in introducing a dynamic risk assessment methodology in Adado district.

These efforts will be further accelerated under JPLG II through inclusive DDF processes, social accountability tools, civic education and conflict management training.

2.7.3 Partnerships with communities and the private sector

While local governments have been a key entry point for JPLG I's interventions, the Programme has also facilitated strong, dynamic and organic links with non-state actors. This has been a key ingredient in restoring peace and building a stronger state-citizen nexus. Mayors, councilors and the local administrations have increasingly been reaching out to their constituents, by offering concrete platforms for substantive participation in policy formulation and project prioritization, as well as partnerships in implementation. One avenue to promote this has been the District Development Frameworks, which has enabled communities to engage in the planning process. This is not only framed as a bottom-up process in which demands are voiced and partially reflected in the DDFs, but as a means for managing expectations on what LGs (and by implication JPLG) can reasonably be expected to deliver. JPLG I has also helped local governments to explore better ways to promote the *co-provision* of services, since most local governments for the foreseeable future will have to rely on other service providers to meet expectations. The planning process, including well-attended open council meetings, has set new standards for transparency and inclusive decision making, which has been complemented by civic education on citizens' rights and responsibilities. Moreover the consistent use of community monitoring groups has also demonstrated the potential for improving social accountability, and recent attempts to link such groups to more robust institutional structures, such as village and district councils, creates opportunities to develop sustainable mechanisms for enhancing accountability of these institutions. JPLG II will build on this experience to better align DDFs to policies and plans developed at the central-level.

The JPLG I has also facilitated substantial engagement between local governments and the private sector through both training and implementation of all aspects of contractual management, including specifications, procurement, implementation and quality assurance. This initially took place in the context of the district-based Basket Fund and subsequently the LDF. In Somaliland and Puntland, JPLG has more recently worked intensively on creating an enabling environment for public private partnerships and local economic development, efforts that will be further expanded in JPGL II.

2.7.4 Capable and accountable local governments

JPLG's focus on local government is unique among programmes in Somalia. During Phase I, most local governments supported by the Programme have seen substantial improvements related to revenue generation, planning, budgeting, project management, expenditure control and implementation. JPLG I has successfully complemented capacity development, technical advice and funding into a package that has allowed local governments to take on the role of development organizations, with increased accountability, transparency and inclusiveness vis-à-vis their constituents.

In many instances JPLG has pioneered approaches that radically change the perception among councilors, administrative staff and citizens on what local governments are meant to deliver and how they can develop into vibrant institutions for mediating competing interests in a process characterized by dialogue and transparency, rather than confrontation and conflict.

Many challenges still face local governments in fulfilling this role, including inadequate policies, legislation and regulations, and the fragile political environment characterizing much of south and central Somalia as well as areas in both Puntland and Somaliland. Despite improvements, significant challenges remain in service delivery, which needs to be improved in districts already covered by JPLG I, and extended to new ones, where feasible. JPLG II will thus focus on both consolidation and expansion, especially the latter in newly accessible districts in south and central Somalia.

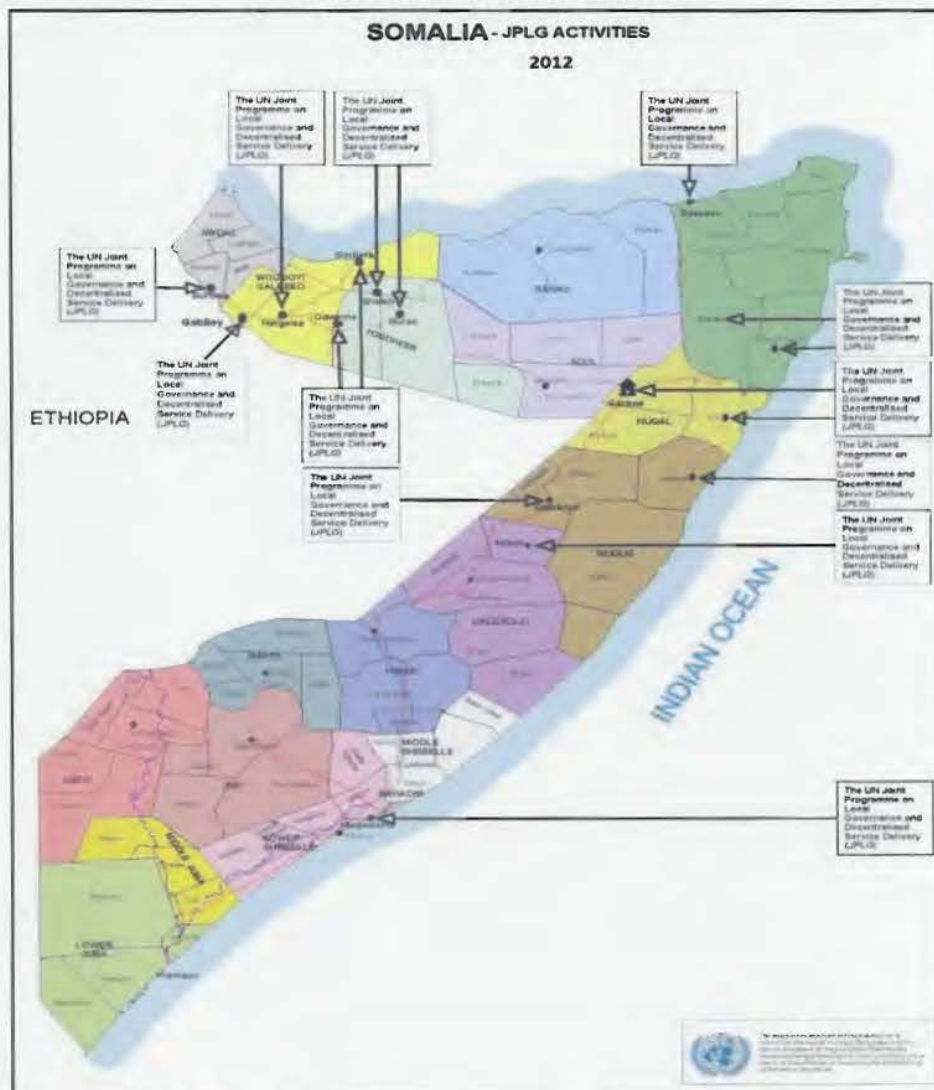
2.7.5 Service delivery and reach of JPLG

At the local level JPLG has been rebuilding public confidence in the legitimacy of state institutions partly by restoring and expanding the decentralized provision of physical infrastructure and delivery of public services, particularly in health, education, water, sanitation and economic infrastructure. This has been based on community and local government priorities, with due consideration for the gender and poverty implications.

In Somaliland and Puntland, JPLG now provides assistance in close to 100% of grade A and B districts. In Somaliland, these are Berbera, Borama, Burao, Gabiley, Hargeisa, Odweine and Sheikh, and in Puntland they include Bossaso, Gardo, Garowe, Galkayo, and three new districts, Bandarbeyla, Eyl and Jariban. Political and security considerations have forced JPLG to suspend operations in Galkayo. Most of these districts meet jointly agreed minimum standards and thus have access to the Local Development Fund (LDF), whereas those that do not can access support for capacity development.

In south and central Somalia the JPLG I has used a phased approach in an even more granular fashion enabling it to respond to a fluid context. With the support of JPLG, basic local governance interventions and rehabilitation work have been implemented in the 16 districts of the Banadir regional administration (BRA). Consultations have also taken place between JPLG, the MoI and the BRA to define opportunities and options to expand the scope of JPLG activities and also to operate in other regions of south and central Somalia. Since 2012, work has also started in Adado district; about 400 kilometers to the north-east of Mogadishu and the first DDF and District AWPBs were recently completed, which allows a few prioritized projects to be funded.

FIGURE 1. JPLG ACTIVITIES IN SOMALIA



2.7.6 Complementing other initiatives, ensuring coherence and aid effectiveness.

JPLG I has provided substantial added value and complementarity to support from other development partners. This has manifested itself in a number of areas, including public administrative reforms, public financial management, capacity development for central and local government, and service delivery. Here the JPLG has consistently applied a local governance perspective, which has ensured that the many national plans, strategies and procedures produced, are better anchored in the realities facing local authorities and that more effective links are created between central and local governments.

The LDF has also provided valuable lessons on how to improve local public expenditure management by combining capacity development with the provision of grants that have enabled local authorities to combine both training and practice, with encouraging results, that will feed into ongoing PFM work at the central level. Moreover strong linkages to the central level, for example with the Ministries of Interior and Finance In Somaliland and Puntland, has ensured that the LDF concept is gradually being mainstreamed and used as a mechanism for central governments to innovate around intergovernmental fiscal transfer systems and the associated accountability and governance frameworks. Again this will inform and complement wider PFM reforms, if and when they gain momentum.

3. STRATEGIC FRAMEWORK AND RATIONALE FOR JPLG II

The strategic framework and rationale for JPLG II is derived from a number of sources. Among them are lessons and guidance from the international community on working in fragile states, the evolving political context in Somalia, the findings of the MTR and other studies completed during Phase I.

3.1 INTERNATIONAL EXPERIENCE FROM FRAGILE STATES

A first source of guidance in designing JPLG II is the collective experience gained from other fragile states like Somalia. Two reports are particularly useful here: a) *The World Development Report on Conflict, Security and Development*, and another from the OECD titled *Engagement in Fragile States*.⁹ Both studies, particularly the latter, reviewed the work of international actors in countries such as Somalia.

3.1.1 *The 2011 World Development Report*

The key findings of the 2011 World Development Report are that threats to development generated by organized violence and conflict cannot be resolved by short-term or partial solutions in the absence of legitimate institutions that provide all citizens with equitable access to security, justice and employment.¹⁰ International engagement in countries facing conflict and violence must be early and rapid to build confidence, yet sustained over longer periods, and support endogenous efforts and institutional building. Failure to engage also carries substantial costs, as evidenced by Somalia where instability is estimated to have incurred costs of up to USD 55 billion during the last two decades. International development partners should address issues on several fronts, including: (a) make country strategies more focused on the fragile nature of institutions; (b) strengthen partnerships on development, security and justice; (c) increase attention to jobs and private sector development; (d) realign results and risk management taking note of the fact that inaction or slow action can outweigh the risk to donor resources; and (e) seek reduced volatility in financing to ensure sustained, long-term support to institutional development.

Points to note here for JPLG II are the importance of encouraging private investment and job creation, ensuring the prompt disbursement of funds for approved local projects, and urging donors to commit funds for the Programme over multi-year periods.

3.1.2 *OECD Report on International Engagement in Fragile States*

A recent OECD evaluation of donor assisted development programmes in Somalia found that “while there was broad agreement over key issues, there was a difference between international and national actors on the degree to which the principles (of engagement) had been aligned to and had effective impact.”¹¹ The first three OECD Engagement with Fragile States Principles (FSPs) were found to be the most problematic. In particular, the study found that:

Without sound upstream contextual analysis (FSP 1), the failure to identify potential drivers of conflict, instability and crisis would make it difficult to prioritize prevention (FSP 4) and lead to inappropriate downstream interventions which could subsequently “do harm” (FSP 2). Additionally, there is a high level of mutual mistrust among all actors that compounds the challenges of engagement across all of the FSPs.¹²

⁹ OECD, 2011. *International Engagement in Fragile States. Can't we do better?*

¹⁰ The Report on operationalizing the 2011 WDR on Conflict, Security and Development is a report by the Development Committee, Joint Ministerial Committee of the Boards of Governors of the World Bank and International Monetary Fund on the Transfer of Real Resources to Developing Countries) with reference number DC 2011-0003 dated April 4, 2011.

¹¹ OECD, 2011, pp 11 – 12.

¹² OECD, 2011, p 12.

The points mentioned in the OECD report reinforce policies and strategies already being implemented under JPLG I. Notable is the emphasis on state building as a central objective through capacity development of local government, the promotion of a non-discriminatory and inclusive approach to participation in development planning, the introduction of District Development Frameworks, joint in-country meetings such as JPLG's semi-annual review sessions, and positioning of staff in the field to improve communication with local counterparts. The emphasis on multi-year funding from donors is reiterated in order to enhance predictability and confidence in local government and programme interventions.

3.2 POST-TRANSITION COMMITMENTS RELEVANT TO JPLG II

3.2.1 *The London and Istanbul conferences*

At the London Conference (Feb 23, 2012), Somali leaders and the international community deliberated on the underlying causes of instability and the symptoms in Somalia. The international community made a commitment to inject new momentum into the political process and to help build stability at the local level, particularly in newly accessible areas. Agreement was also reached on the establishment of a Joint Financial Management Board (JFMB) to increase transparency and accountability in managing public revenues as well as commitment to increased international support to build legitimate and peaceful authorities, and improve services to people living in these areas. Some of the issues relevant to JPLG II are shown in Box 1.

BOX 1. AGREEMENTS REACHED AT THE LONDON CONFERENCE IN FEBRUARY 2012	
1.	Agreement to end the Transitional Federal Institutions mandate in August 2012 in accordance with the Roadmap and associated agreements;
2.	The need for the international community to support dialogue with Somaliland and the successor to the TFG;
3.	The recognition of the urgency for Somalia to fund its own public services, using its own assets for the benefit of the people and addressing corruption;
4.	The establishment of a Joint Financial Management Board (JFMB) to increase transparency and accountability in managing public revenues as well as international development support;
5.	A call to respect for human rights to be at the heart of the peace process, and in particular to take action to address the grave human rights violations against women and children;
6.	Increased international support to build legitimate and peaceful authorities, and improve services to people living in these areas;
7.	Expansion of Programmes into newly liberated areas, the implementation of the Mogadishu Recovery and Stabilisation Plan; this includes promoting effective and accountable local administrations, and dispute resolution;
8.	Programming to be in accordance with the New Deal for engagement in fragile states;
9.	Endorsement of a set of principles to guide international support to local areas of stability in Somalia; and,
10.	Agreement that the long-term reconstruction and economic development was dependent on a vibrant private sector, and that a combination of international development support and diaspora finance could help foster private sector development. ¹³

These agreements help to support JPLG strategies and activities which have been adopted during Phase I and are to be continued under JPLG II, particularly items 2), 3), 6) and 10). Item 3) may be optimistic, given the limited government revenues available, especially at the local level, but helping districts to enhance the generation of own-source revenues is already being pursued in JPLG by UN Habitat. If and when the Joint Financial Management Board (JFMB) (item 4) is established, JPLG will need to collaborate with this institution to ensure local governments are well versed in the procedures and regulations it may promulgate. Item 7) on

¹³ London Conference on Somalia: Communiqué, 23 February, 2012.

expansion into newly liberated areas is already under discussion and is reflected in plans for JPLG II. (See below.)

The London conference also resulted in a set of principles to guide international support for the development of stable areas in Somalia, as opposed to purely humanitarian relief aid. These are summarized in Box 2.

BOX 2. PRINCIPLES FOR INTERNATIONAL SUPPORT (NON-HUMANITARIAN) TO LOCAL AREAS OF STABILITY IN SOMALIA¹⁴

1. **Access:** The security situation must allow development partners access to identify the support needed, provide it, and monitor and evaluate implementation. Communities should recognize their responsibilities in providing security to implementing partners;
2. **Ownership:** Local communities should determine priority interventions, and play a role in implementation and oversight. By responding to local needs, this should increase the incentive for stability. Initiatives should also align with developing national frameworks;
3. **Representation and legitimacy:** Local representatives must commit to an aim of becoming representative of citizenry in a given area, also by striving to be able to deliver services, including human security;
4. **Transparency and accountability:** Resources provided to local areas should be used and accounted for in a transparent manner. The costs of local stability work should be shared with local people, with community agreement and oversight of revenue use;
5. **Inclusion and rights:** Traditionally marginalised groups (particularly women and minorities) should be included in decision-making. Representation should also consider local power dynamics;
6. **Conflict sensitivity:** When supporting new areas with the potential for local legitimacy but lacking widespread recognition in Somalia, the principle of “do no harm” is critical. Political economy and conflict analysis must be a pre-condition for new interventions;
7. **Reconciliation and peace building:** Local representatives should commit to peaceful resolution of local tensions and disputes with all parties to the conflict in Somalia. International actors should encourage and facilitate cooperation between sub-national entities, their neighbours, and relevant federal ministries;
8. **Flexibility:** Interventions should be based on in-depth understanding of local circumstances, and tailored to context. An incremental approach to support should be used wherein, rather than waiting for ideal circumstances, the level of assistance provided is matched to risk, capacity, and context;
9. **Integration:** Each area will require a differentiated approach that integrates political, security, and development elements. Humanitarian aid should continue to be provided based solely on need, but issues around protection and the resettlement of refugees, internally displaced persons, and host communities should be considered;
10. **The role of a central authority:** Local representatives should acknowledge and support constitutional norms and promote respect for existing legal frameworks and central institutions;
11. **Partnerships:** Interventions should build and strengthen strategic partnerships between local institutions, civil society, the private sector, and between different Somali areas;
12. **Sustainability:** Support should be provided in a way, which meets immediate needs, but allows the continuation of benefits over time. Building the capacity of local people and institutions to engage with political processes, deliver services, and address threats will be critical. New initiatives should learn from and build on existing work and analysis; and,
13. **Coordination:** Support provided to local areas of stability by various international partners should be given in a coordinated and coherent manner, promoting collaboration where possible.

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Most of these principles serve to validate the policies and strategies being pursued under JPLG. Reconciliation and peace building is one of the first components to be introduced during the early stage of support to a district. The pursuit of transparency and accountability, and the inclusion of marginal groups are

¹⁴ Annex C, London Conference Communique, May 31, 2012.

means used to build ownership of JPLG innovations in planning and implementing projects. Linking districts to central authorities is part of the process of enabling them to deliver better services through technical support and funding. Flexibility is built into the process of participatory planning. Sustainability is a goal that will be pursued more vigorously under JPLG II by enabling local institutions to take over training, capacity development and other tasks initially performed by JPLG.

3.2.2 *The Istanbul conference*

The commitments made at the London Conference were reiterated at the Second Istanbul Conference on Somalia, *Preparing Somalia's Future: Goals for 2015*. In particular, the Conference emphasized that in the post-Transition period, programming must be focused on "re-establishing the state and local institutions and administrative structures, based on and complementary to the current Roadmap including the newly recovered areas."¹⁵ The Conference called upon the international community to consider further ways and means of stabilizing and securing emerging areas of stability and sustaining these through governance programs.¹⁶

The Conference also emphasized the need for large-scale multi-year predictable financing for both infrastructure projects and activities to enhance the resilience of Somali communities. The Conference recognized the importance of harnessing the skills and capacity of the private sector and the Somali diaspora. Participants agreed on the need for capacity building in the public and private sectors, and welcomed the negotiations on the JFMB as well as the establishment of a multi-donor Trust Fund for post-Transition financing. Also important will be the need to determine the linkages and complementarity between stabilization and local governance programmes in south and central Somalia, in which JPLG II will play a role.

These commitments, agreements and principles agreed by Somali partners and international development actors provide a strong foundation on which to build the strategic framework for JPLG II and reinforce the rationale for components of the Programme to be included during Phase II. Strengthening accountable and responsive institutions, particularly at the local level is seen to be key to consolidating peace and enhancing service delivery. The role of the private sector is also seen as important, as well as long-term predictable financing, and technical and diplomatic support from international actors for the post-Transition period.

3.2.3 *JPLG principles of engagement*

In approaching its work in Somalia, JPLG has adopted a number of principles, which have guided the programme and continue to be revised and adapted as evolving contexts and developments require. These will continue to provide the basis for engagement and programming and are summarized below.

- **International engagement in fragile states:** Implementation of the JPLG incorporates principles advocated by the OECD such as: take the context as the starting point, focus on state building as the central objective, do no harm and act fast and stay engaged;
- **Harmonization:** Harmonization of all processes and practice for more effective programme delivery.
- **Coordination.** Maintaining effective coordination mechanisms to ensure efficient and effective implementation, management and utilization of resource;
- **Cooperation and working together:** Cooperation between national and sub-national entities, their constituents including the private sector to enrich understanding of local needs and delivery of services within a coherent and productive framework;
- **Learning-by-doing:** This is a core element of JPLG's approach for sustained capacity development, complemented with formal training, on-the-job training and mentoring;

¹⁵ The Second Istanbul Conference on Somalia, *Preparing Somalia's Future: Goals for 2015*, Istanbul II Declaration, Istanbul, 1 June 2012, para 13.

¹⁶ The Second Istanbul Conference on Somalia, *Preparing Somalia's Future: Goals for 2015*, Istanbul II Declaration, Istanbul Turkey, 1 June 2012, para 15.

- **Capacity development linked to investment:** A local development fiscal transfer mechanism (LDF) allows districts to access funds for investment in service delivery projects.
- **Predictability:** Certainty of a minimum annual allocation through the LDF allows districts to undertake multi-year planning and budgeting;
- **Transparency, Accountability and Participation:** Principles of good governance embedded in the public expenditure management processes improves overall trust and accountability between the people and their local governments;
- **Simple, Action and Solution Oriented:** Systems, processes, tools and procedures are designed to be simple and context specific while ensuring attention to accountability, efficiency and quality;
- **Ownership and institutionalization:** The full engagement and endorsement of government partners and other relevant stakeholders (including the private sector, communities and civil society) aims to ensure ownership and the ultimate adoption as a national practice;
- **Criteria for selection of target districts:** Criteria for selection of target districts includes recognition by the UN (those that existed in 1991); accessibility for UN staff based on DSS criteria; a district council in place; one that operates a basic financial management system; and one whose selection will not provoke disputes over boundaries or armed conflict;
- **Common approach and practice across agencies:** Adherence to common practice in key areas including procurement, recruitment and remuneration of local partners and consultants;
- **Respect for people's rights:** An emphasis on equity and inclusiveness particularly of women and minorities;
- **Promotion of peace:** All interventions to be based on conflict analysis with the aim of ensuring that Programme interventions promote peace, and do not favor particular clans, entities or other groups;
- **Labor considerations:** An emphasis on creating decent work opportunities, and promoting minimum quality standards and conditions of employment; and,
- **Value for money:** Programme activities to achieve value for money, entailing assessments of the Programme's effectiveness, efficiency and economy.

3.3 JPLG EXPANSION IN SOUTH AND CENTRAL SOMALIA AND OTHER AREAS OF THE COUNTRY

As the security situation gradually improves, JPLG II will expand operations over the next five years to other parts of the country, particularly in south and central Somalia, where the Programme has so far carried out only minimal interventions. Expansion is called for not only in response to widespread demands from government and donors, but also to support the new Federal government, and to achieve longer term objectives of replicating and mainstreaming innovations introduced by the Programme.

3.3.1 *Criteria for including districts in JPLG*

During Phase I, JPLG defined a number of criteria and requirements to be met before starting work in a district. Among others, these included:

- a) The district should be stable and not within territory that is subject to disputed control or authority;
- b) Central government in the relevant zone must agree to the best of their ability to maintain safety and security in the district to permit programme operations;
- c) The district must be one recognized as such in 1991 at the time of the fall of the Barre regime;
- d) A legitimate local council recognized by central government must already be established in the district as the client and recipient of JPLG support;
- e) Central government in the relevant jurisdiction must formally approve JPLG intervention in the district; and,
- f) The district administration must be capable of performing basic tasks, such as planning, budgeting, financial management and delivery of some services.

In applying these criteria, JPLG I targeted larger more urban districts in category A and some in category B. However, in order to work in south and central Somalia, and districts elsewhere in categories C and D, JPLG II

will need to relax some of these and other criteria. Instead, new criteria may be needed, for example to reflect logistical considerations such as physical access and communications, capacity to absorb funds, and more importantly the exceptionally high cost of operating in less secure areas in accordance with the security requirements of UNDSS covering armed escorts and accompanying medical personnel.

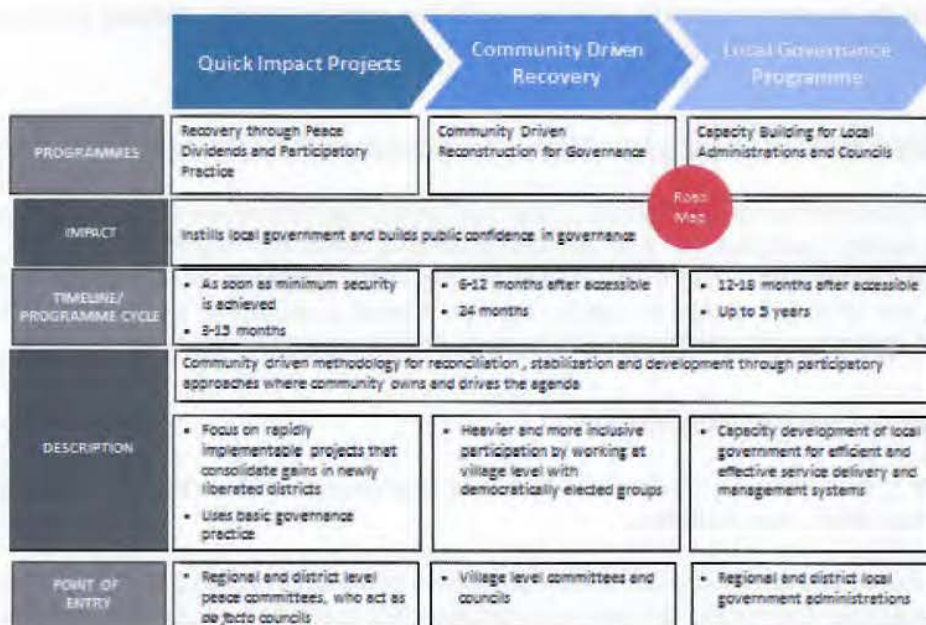
3.3.2 Expansion in south and central Somalia

The strategy for expansion will not simply entail applying the same approach used in Phase I, but will be adapted to match the widely different conditions prevailing in other areas. In newly accessible areas of south and central Somalia, JPLG in collaboration with the TIS¹⁷ and CDRD¹⁸ projects is evolving a three-phased approach designed to coordinate support from each programme. This approach is summarized in Figure 2.

In phase 1, TIS works with existing organizations, whether they are at the level of the community, district or region, to draw up a list of priority investments to be financed through a large one time grant. The emphasis is on big infrastructure projects that can be implemented over a short time period, although other activities are also eligible, and will likely include the (re-) construction of district offices. The aim is to demonstrate quick results as a peace dividend. Few attempts are made to develop institutional capacity other than through the experience of groups getting together to identify and prioritize projects. A service contractor handles all procurement and execution.

In phase 2, which may begin soon after TIS starts, CDRD works for a period of two years with urban and rural communities comprising at least 300 households. The aim is to build capacity for planning and implementing small-scale development projects in consultation with village councils or other grass roots structures where they are to be found. Communities are allocated a uniform grant of \$15,000 for financing their projects.

FIGURE 2. PROPOSED COMMUNITY DRIVEN RECONSTRUCTION AND DEVELOPMENT TOWARDS LOCAL GOVERNANCE¹⁹



¹⁷ Transitional Initiatives for Stability

¹⁸ Community Driven Recovery and Development

¹⁹ National Strategy for Reconciliation and Stabilization in the Newly Accessible Areas of south and central Somalia, Draft, 20 May 2012. Work in progress and sections are going to be updated continually over the next three months.

In Phase 3 JPLG 2 will build on earlier initiatives under TIS and CDRD to strengthen the capacity of district government using an appropriate mix of activities developed under JPLG I and described elsewhere in this document. However, JPLG may also participate in earlier phases to conduct an assessment of local capacity and resources, and provide training on appropriate topics such as civic education, good governance, security and safety, and the like. The Programme may also assist CDRD in building the foundations for a legitimate local government, where it has yet to be properly established, with which JPLG 2 can collaborate in the future. In cases where the local government has yet to meet requirements for access to grants from the LDF, JPLG II will apply the procedures used for the Basket Fund under JPLG I, in which procurement and disbursement of funds is handled directly by a UN JPLG Agency.

3.3.3 Mogadishu and the Banadir region

In Mogadishu and the Banadir region, JPLG II will adopt another approach due to the special circumstances there. As the seat of the Federal Government of Somalia, JPLG II will emphasize support to the new administration on a range of issues related to the formation and operation of key ministries responsible for local government. Among other matters, this will entail clarification of the status and functions of the Mogadishu municipality and regional governments such as Banadir. Since these issues may take some time to resolve, JPLG II will meanwhile offer training and capacity development to the municipality and the Banadir administration in response to requests. Initial discussions suggest these may include technical support to develop a strategy for service delivery, but is not expected to involve financial support from the LDF, since other sources of funding are anticipated.

3.3.4 Other areas of the country

In other areas where the political and security situations are challenging and meet criteria for inclusion in the Programme, JPLG II will apply an approach like that described for similar areas in south and central Somalia. An important factor here is the level of risk and security as determined by UNDSS. High risk, requiring stringent security arrangements, may preclude JPLG from operating there, due among other factors to the high costs of meeting these requirements.

In stable and secure districts, which have already established some form of local government that is recognized by central government, JPLG II will tailor support according to local conditions. Since most of these districts are likely to be classified in C and D categories, they will not be able, and should not be expected, to perform the full range of functions mandated for local government. Accordingly, JPLG II will design a more modest package of technical support and capacity development, including a simplified form of the PEM guidelines, referred to as PEM Lite.

3.3.5 Timing of expansion to new areas

The formation of the new Federal Government of Somalia calls for prompt response and support from the international community. Accordingly, in expanding coverage of the Programme, JPLG II will give priority in the first two years to south and central Somalia. Meanwhile, JPLG II will consolidate and deepen support to the governments of Somaliland and Puntland and the districts in which it is already working there. From the third year onwards, JPLG II will also start expanding in these two jurisdictions as well. All plans for expansion, however, are contingent upon the Programme being able to mobilize adequate financial support from the donor community, governments themselves and other potential sources.

3.3.6 Exit strategy

In due course, once intergovernmental fiscal transfer mechanisms are functioning and revenue streams are adequate for financing service delivery mandates, JPLG II will consider terminating technical assistance to certain districts. In order to determine at what point to terminate support, JPLG II will formulate a set of criteria and design instruments to assess criteria. Among others, these will cover for example:

- The level of ownership and commitment of the council and administration to principles of good governance in conducting the affairs of local government;
- The level of competence achieved by the administration in conducting the affairs of local government, particularly the delivery of services, as determined by periodic evaluations of performance;
- The prospect of their being able to sustain operations in a competent manner as reflected by the above criteria, and,
- The level of satisfaction expressed by citizens on the performance of the local council and administration as measured by periodic surveys.

To be able to exit a district, JPLG II will need to provide a wide range of technical support described further in chapters 4, 5 and 6, and to make vigorous efforts to promote ownership, commitment and accountability. Once JPLG terminates direct support, local administrations will still be able to access technical guidance from local institutions with capability to offer and respond to demands for capacity development from the districts. These institutions will receive support during JPLG to enable them to offer periodic refresher courses for staff, and training for newly appointed or elected district mayors and councilors after each election. The district will also still be eligible to receive grants from the LDF as long as they continue to meet relevant conditions.

Over time, through consolidation and expansion to an increasing number of districts, JPLG II will be able to make a substantial contribution to the consolidation of peace, stability and development.

3.4 ASSESSMENTS IN SOMALILAND AND PUNTLAND RELEVANT TO JPLG II

The Functional Assessments for basic service sectors of education, water, health and WASH for Somaliland and Puntland commissioned by UNICEF under JPLG I had a number of pertinent findings and recommendations that are of direct relevance to JPLG II²⁰. Key findings include:

- a) In both Puntland and Somaliland, there is clear agreement within the Ministry of Interior and Sector Ministries for the need to update local governance laws to assign clear functional assignments with local administrations for service delivery, as well as increasing coordination between sectors and local governments;
- b) JPLG II needs to enhance alignment to costed medium-term National Development Plans and be fully consistent with their vision, mission and objectives;
- c) There is a need for clarification of sector laws, policies and strategies including costing as it relates to local service delivery;
- d) There is a need to develop a preferred service delivery model for education, health, water and sanitation in Puntland and Somaliland, and then to identify various sources for financing;
- e) There is a need to link macro-fiscal work with bottom-up expenditure plans;
- f) In Puntland, a Medium-Term Fiscal Framework (MTFF) is urgently needed to allow realistic bottom-up expenditure planning, as well as to strategically target internal and external resources;
- g) In both Puntland and Somaliland, JPLG II should develop the capacity of central and local administrations to develop revenue generation policies and implementation strategies, to be aligned with evolving PFM Reform efforts and respecting the comparative advantage of the partners involved;
- h) In both Puntland and Somaliland, the current fiscal transfer mechanisms need to be reviewed to improve transparency and fairness as well as to remove horizontal and vertical fiscal imbalances;

²⁰ Geopolicity Inc. *Study on Sector Functional Assessments within Education, Health and WASH in Somaliland*. Nairobi: JPLG, 2012. And a second report on Puntland.

- i) The dearth of population and social economic data undermines the creation of a fair formula for planning, resource allocation and targeting;
- j) There is a need for integrating a “whole-of-government” approach in the cycle of policy development, planning, budgeting, service provision/delivery and monitoring;
- k) There is a need to strengthen the link between the DDF and central policies;
- l) The LDF can be redefined making it more flexible to accommodate the different operating environments in Somalia;
- m) JPLG II needs to be more focused on sustainability and scaling-up needs to be based on internal and external resources; and,
- n) JPLG II’s M&E system will need to better track overall outcomes and impact by more systematically utilizing all available data such as the MICS, the sectoral MIS systems and the economic assessments done by e.g. ILO. Other more scattered datasets may be found from sources such as the Somalia Water and Land Information Management unit; Food Security and Nutrition Analysis Unit, Health Management Information System, and the Essential Package of Health Services. This in turn will require a more carefully calibrated knowledge management plan.

Most of these points reiterate issues already raised in the MTR and recognized by JPLG staff. In terms of JPLG’s three main pillars, items a), c) and h) need to be addressed under policy reforms for decentralization. Items b), f) g), k) and l) relate to capacity development for local governments, while items d), m) and n) refer to service delivery issues.

3.5 KEY FINDINGS OF THE MID TERM REVIEW AND OUTCOME EVALUATIONS OF JPLG I

The overall objective of JPLG I was: “Local governance contributes to peace and equitable priority service delivery in selected locations”. At this macro level the MTR found that JPLG had made a substantial contribution to entrenching peace and stabilization through supporting the emergence of more accountable and legitimate local governance institutions that can peacefully mediate between competing and at times opposing demands. This is the core achievement that the JPLG II will seek to further consolidate and entrench.

Within this overall objective, JPLG I aimed to achieve two specific objectives, namely: (i) communities have equitable access to basic services delivered through local governments; and (ii) local governments are accountable and transparent. The instruments and outputs to achieve these goals include (a) policy reforms, (b) institution building and capacity development, and (c) the delivery of public services.

According to the MTR and Outcome Evaluations, policy papers and legal drafts have been prepared, but implementation of reforms and enactment of new legislation has been slow. Prospects for further progress are hindered by a lack of agreement among ministries of central government in Puntland and Somaliland, while discussions have barely started in southern Somalia. This is one area that will be given increased attention in JPLG II through technical support for the drafting of policies and legislation on decentralization.

JPLG has pursued development of institutional capacity primarily at the district level through the adoption of principles of Public Expenditure Management (PEM). The Programme has helped Ministries of the Interior (MOIs) in each zone to develop systems and procedures for supporting and supervising district authorities. JPLG is playing an important role in promoting Gender Equality and Women Empowerment (GEWE) in local governance. However, as mentioned in the MTR, progress is impeded by an array of potential barriers and discriminatory practices. Achievements have been limited so far to relative improvements in government policies and women’s participation in political life as well as in facilitating inclusiveness of women in decision-making governance structures such as the village council, again consistent with the MTR recommendations-

In terms of service delivery, JPLG has begun to deliver funds for investments in public services, mainly for small-scale infrastructure projects, which have been much appreciated by recipient communities. However, the amount of investment has so far only been a small fraction of total Programme resources, and only partial provision has been made for recurrent costs of operation and maintenance of these facilities. Nevertheless

the improved planning, implementation and accountability frameworks that have emerged around these investments are important building blocks for stronger local governance structures. Going forward the JPLG II will address the recommendation of the MTR to review the menu of activities that the LDF may fund, as well as increasing the overall fiscal envelope available to districts. This will be complemented with capacity development in PEM for the councils and administrations, to enable them to plan for their own as well as external resources in a more discretionary way. Also to address a key recommendation of the MTR, the JPLG II will introduce new improved planning and budgeting processes to be applied to improve participatory planning, public accountabilities, social auditing as well as link communities to local governments through village committees.

One of the most striking comments in the MTR is that, compared with 19 other country-operated UN joint programs, the management arrangements for JPLG are among the best designed and are a critical factor accounting for the program's success. To further improve these arrangements, the MTR offers a number of recommendations, which include transforming the Programme Coordination Unit (PCU) into a Programme Management Unit (PMU), clarification of the double accountability of UN agency staff assigned to the JPLG, and a number of other steps.

Both studies conclude that the JPLG is extremely relevant for Somalia and shows how local solutions can help to promote peace and development in the country. The authors, however, recommend that JPLG II should be designed as a territorial approach to peace, state building and development, based on districts and centered on local governments. They claim this is the only way to ensure that each UN agency intervention will eventually be driven by Programme design, not vice versa. Measures to respond to these recommendations are incorporated in the design of JPLG II.

The MTR made a number of recommendations related to the Programme design, scope and activities, institutional outputs, sector outputs, geographic coverage, programme financing, gender, programme management, monitoring, evaluation and reporting, and value for money. The Programme Management Group (PMG) agreed to just over half these recommendations, many of which are now reflected in sections of this programme document for JPLG II. The MTR team was critical of the logframe that JPLG eventually evolved and proposed their own more elaborate version for JPLG II. However, this programme document has instead retained the overall structure of the simpler version JPLG has been using, structured around the three pillars a) policy reforms, b) capacity development, and c) service delivery.

3.6 COUNTRY GOALS AND DONOR COLLABORATION

JPLG II is designed to contribute towards a number of larger goals for Somalia mentioned in the following documents:

- The UN Somali Assistance Strategy (UNSAS), 2010 – 2015: Outcome 1: Somali people have equitable access to basic services;
- Millennium Development Goals: MDG 2 (achieve universal primary education); MDG 3 (promote gender equality and empower women); MDG 4 (reduce child mortality); MDG 5 (improve maternal health); and MDG 7 (ensure environmental sustainability);
- The Reconstruction and Development Plan prepared by the United Nations and the World Bank in January 2008, which presents a prioritized set of reconstruction and development initiatives to support Somali-led efforts to deepen peace and reduce poverty; and,
- The development frameworks in Somaliland and Puntland, as well as to existing constitutional ambitions around decentralization.

The JPLG II will make special effort to increase alignment around the emerging development frameworks (e.g. the NDP in Somaliland), Puntland and at federal. Indeed the core outcomes of JPLG II have been designed to facilitate such alignment.

An increasing number of donors from the international community are or soon will be active in Somalia, many of whom operate or finance programmes that are relevant to JPLG. A partial list of these is shown in Table 1 along with relevant areas of interest and potential collaboration.

TABLE 1. OTHER INTERNATIONAL PROGRAMMES OF RELEVANCE TO JPLG

Main Focus	Programme / Organization	Relevant areas of interest
Quick Impact Projects	TIS / USAID Stabilization Fund / donors JPLG	<ul style="list-style-type: none"> Agreed concepts, interventions and processes Open to proposals from JPLG
		<ul style="list-style-type: none"> Capacity assessments
Community and local government preparedness	CDRD / World Bank through donors	<ul style="list-style-type: none"> Community organization and engagement Use of LDF to channel CDRD grants to communities in eligible districts
	JPLG	<ul style="list-style-type: none"> Civic education, basic principles of local governance
Local governance	JPLG	<ul style="list-style-type: none"> Capacity development for district governments Planning, budgeting, procurement, implementation Service delivery LDF grants
	UN Women	<ul style="list-style-type: none"> Gender mainstreaming
	ROLLS / UNDP	<ul style="list-style-type: none"> Community security
Government line agencies and other institutions at the central level	SIDP / UNDP PFM / World Bank	<ul style="list-style-type: none"> Policy, legislation, capacity development Public sector financial management
	Economic Governance Sector Working Group (Danida / WBB)	<ul style="list-style-type: none"> Only in Somaliland
	Sector coordination mechanisms	<ul style="list-style-type: none"> See document HLCAF, sector coordination.
	JP on Health / UN, UNICEF	<ul style="list-style-type: none"> Health sector, SDMs
	ICDSEA, UNICEF	<ul style="list-style-type: none"> Education sector, SDMs
	SDF / Danida	<ul style="list-style-type: none"> Financing development projects & activities in Somaliland

3.7 OBJECTIVES AND OUTCOMES

The United Nations Somali Assistance Strategy (UNSAS) under sub-outcome 1.3 provides the background objective for the JPLG, where it states that: *“Local authorities have the capacity to operationalize local development plans and ensure the provision of services following the principles of accountability, transparency and participation”*.

Based on the analysis of issues discussed in Chapter 2 and the policy directives, guidelines and recommendations reviewed here in Chapter 3, the overall objective for JPLG II is formulated as:

‘Local governance contributes to peace, development and equitable service delivery’.

The reasoning behind this objective is that strengthened local governance is an effective means to rebuild the state apparatus, engender citizen confidence and trust in government, and thereby to consolidate peace and security.

Towards this end, JPLG II seeks to achieve three main outcomes by producing a set of supporting outputs as indicated in Figure 3.

Outcome One on the policy and legal frameworks is designed to strengthen decentralization policies across Somalia and initially to address weaknesses mentioned earlier in current laws on decentralization in Somaliland and Puntland. These provide an incomplete account of the responsibilities and functions to be devolved to local government, ignore the fiscal implications and lack supporting regulations for

implementation. These issues need to be clarified in order to resolve disputes between central line agencies and districts, and to provide a stronger foundation for local governments to move forward.

Outcome Two aims to address the weak capacity of most local authorities in Somalia by providing a comprehensive package of training and technical support covering basic elements of local administration. It also seeks to improve coordination between districts and the centre in planning and programming to ensure better consistency and use of resources. A third output is concerned with increasing locally generated revenues and strengthening the role and coverage of the LDF.

Outcome Three focuses on improving the delivery of local services. This is to be achieved by collaborating more closely with central line departments, engaging more directly with non-state providers, and enhancing the accountability of local governments to their constituents. Another element relates to strengthening the local economy, promoting private investment, and creating more and better job opportunities.

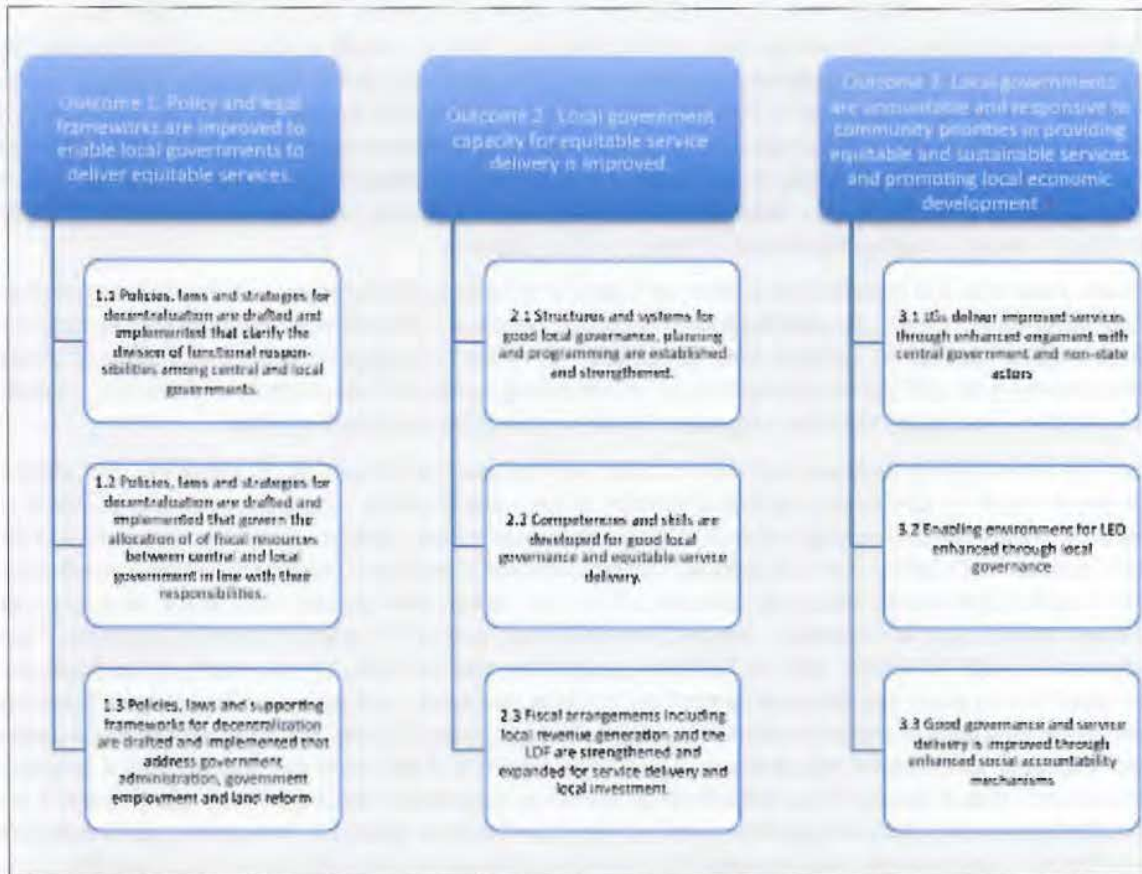
In all of these efforts, JPLG II recognizes the paramount importance of inculcating local ownership, commitment and leadership. Without these ingredients, the prospects of sustaining gains are much diminished. For this purpose, JPLG II will seek support and political commitment at the highest levels of government, including the President and Vice President.

For the second phase of JPLG, the direct target groups of the Joint Programme in the three Somali jurisdictions are:

1. District councils and administrations, village councils, communities, and the private sector in rural and urban areas;
2. Central government authorities in the three jurisdictions including:
 - a) The government of the Federal Republic of Somalia – Ministries in charge of Interior and National Security, Local Government, Finance, Planning, Women and Family Care, Health, Education, Water and Public Works;
 - b) Puntland Authorities – Ministries in charge of Interior, Local Government and Rural Development, Finance, Planning, Women and Family, Health, Education, Water and Public Works; and,
 - c) Somaliland Authorities – Ministries in charge of Interior, Finance, Planning, Women and Social Affairs, Health, Education, Water, Labor and Public Works.

JPLG is already working with many of these partners and has initiated preliminary discussions with others. To ensure effective coordination and collaboration, JPLG II will use various approaches. Where JPLG engages with partners on specific activities requiring complementary actions, contractual agreements may be needed, or MOUs for less formal agreements. In other cases, joint membership on committees for specific sectors or tasks may suffice, or simply periodic meetings to exchange information and explore possible areas of collaboration. For more technical matters, such as drafting policies or legislation, JPLG may contract experts to work together with relevant partners involved in the issue at hand

FIGURE 3. PROPOSED OUTCOMES AND OUTPUTS FOR JPLG II



3.8 AGENTS OF CHANGE

For JPLG's overall objective and main outcomes to materialize, a number of agents will have to promote change that can alter the *status quo* in a direction that fosters a stronger, more responsive and accountable compact between the state and its citizens in the provision of service delivery. Despite progress, the current context is still characterized by limited trust in government structures at both central and local levels due to widespread corruption, which in turn means that their legitimacy is often contested. This can enhance the risk of a return to instability and conflict. Moreover, the political space is still limited especially in southern areas, where radical elements restrict the voice of many groups, including women, but there is also a need to consolidate and enlarge the space for non-state actors in the rest of Somalia and to restore a healthy and accountable state citizen nexus.

Some of the core actors in this change process are discussed below and required actions are outlined. Multiple change processes rarely happen linearly or simultaneously and, therefore, assistance should be well measured, supporting situations where momentum is gathering and, in other instances, waiting for local commitment to the change process to materialize. Past experience suggests that change processes must be primarily a domestic affair, with external development partners assisting, not driving, the process. It is highly unlikely that all these changes will materialize during the lifespan of JPLG II, but it will be important to have a common understanding of the objectives of change and the implied consequences.

The ultimate beneficiary, the citizen, will increasingly need to view the state as the legitimate arbitrator and allocator of resources, and participate in supporting the state (e.g. through taxation), shaping its priorities (e.g. through participatory planning, elections and discussions with its representatives), and monitoring the public provided services, by providing feedback that improves quality and enhances accountability. This will

require the development of citizen identities that can encompass but also transcend clan and ethnicity based loyalties, understanding that decisions made by legitimate government authorities may not always serve everyone's own short-term interests. This implies that airing grievances and seeking influence will take place in governance structures that are based on dialogue, transparent prioritization of competing needs, and that are ultimately contested democratically. This will require extensive application of civic education and media campaigns developed earlier during JPLG I, which will help to enhance citizens' awareness of both their rights and responsibilities. This in turn will facilitate constructive and pro-active participation in the polity.

Evidence suggests that at the village-level, at the front-line of service delivery, women as members of village councils and community committees have raised their voice and contributed to decision-making on project investments. For JPLG II, this has to be better documented, and ways to strengthen this need to be explored. Gender strategies need to be progressive to ensure that gender-based rights are aligned with institutional developments. The change agents leading the promotion of gender-based rights could be key figures at the central, district or village levels, including women from the community, men and women political leaders, traditional leaders, religious figures, and members of the diaspora.

Private enterprise will benefit from a more conducive local business environment within which to operate as local governments create an enabling environment for business. This will include improving the regulatory environment, opening up opportunities for private enterprise to engage in local service delivery through procurement and public private partnerships, and upgrading economic infrastructure and services. Together this will allow businesses to thrive, expand and create local employment opportunities.

Local governments for their part will have to open political space to include all constituencies and allow for increased voice in identification and prioritization of local public goods. Local governments will have the capacity to mobilize and manage revenue from external development partners, central government and their own sources in a manner that is rule-based, transparent and responsive. Legitimacy will be derived mainly from ensuring governance structures are seen as inclusive, transparent and have the capacity to produce and deliver services that are inclusive, relevant, cost-effective, and meet agreed minimum standards. Local governments will be better able to facilitate sustainable and inclusive employment-led local economic development by enhancing the environment for business investment and activity. This is needed to attract and retain new private sector investment leading to the expansion of trade and employment opportunities, and ultimately to increased tax revenues. Local governments will also have the capacity and incentives to implement national policies, thus strengthening nation-wide cohesion. Moreover local authorities will view the principles upon which intergovernmental transfers are based as being fair, transparent and predictable, and that the division of roles and responsibilities between the centre and districts facilitates a shared vision of how intergovernmental relations are best governed.

Central government will become capable of providing the overarching policy frameworks that will be considered legitimate, fiscally and technically realistic, responsive and accountable to both local governments and citizens. This will include the capability to design, fund and implement intergovernmental fiscal transfer mechanisms that are viewed as fair, transparent, equitable, predictable, that spur performance and are commensurate with the mandates bestowed on local governments. This will also entail consistent guidance and support to mandates for generating local revenue. Moreover, central governments, in particular sector ministries, will provide clear and consistent frameworks for functional assignments both horizontally and vertically, that promote consistency, cost-effectiveness, accountability and inclusiveness.

External development partners, including multi- and bi-lateral donors, NGOs and the private sector, will increasingly have to support the mandates and legitimacy of both central and local governments, not least in service delivery and associated minimum standards. Thus they will increasingly support and align themselves with domestic systems for procurement, service delivery models, accountability frameworks, and strategies for local economic development. Assistance provided will be demand driven, implying less reliance on external technical assistance and more on domestic capabilities. They will respect lines of accountability between citizens and the state, rather than between donors and the government. This in turn will also call for less prescriptive support (including the pros and cons of decentralization) that allow and open domestic political space and arbitration on the desired configuration of state-society relations.

Non-state service providers, including for-profit and domestic faith-based organizations, will be willing to engage with the government on delivering models of service provision that ensure minimum service standards and, where relevant, modes of financing where the government is only the financier but not the producer of the service. They will continue to contribute to diversifying modes of providing services, including participation in public-private partnerships and offer insight into innovations that may be more easily undertaken by non-state providers. They will, however, act within a national policy and regulatory framework they view as legitimate.

The capacity of the public sector is likely to develop only in parallel with the development of capacity among non-state actors, notably as economic agents and citizens develop their capacity to produce taxable goods and services, and to demand a capable and responsive state. If development partners, JPLG II included, push for an overambitious change agenda, based on their perceptions of public management standards in other countries, they are unlikely to be helpful. Making the change processes and their inherent ambitions consistent with the domestic commitment and capacity to change may imply doing less than desired. But this, done well, may be the best option. This is particularly relevant in a fragile context such as Somalia, where empirical evidence warns against overambitious capacity targets in the short-term that could have the perverse effect of *de facto* weakening capacity.

4. OUTCOME ONE: POLICY REFORMS

Outcome 1: Policy and legal frameworks are improved to enable local governments to deliver equitable services.

Current policies and legislation governing decentralization are incomplete, poorly defined and need to be clarified and updated. JPLG engages in debates on decentralization because clarification of the issues is essential to provide a sound rationale and basis for local government activities. As mentioned in Chapter 2.3, the concept of decentralization is not well understood and much confusion arises over what is involved. JPLG I started the process of clarifying the concept among key decision makers, and this will be continued under JPLG II given the large number of stakeholders who need to participate in debates on the subject, including elected representatives, government officials and numerous organizations of civil society.

JPLG II will address three main components of decentralization with the aim of clarifying the legal framework for local government efforts to improve the delivery of public services. First and foremost is the question of who does what, or more precisely what is the appropriate division of responsibilities, functions and tasks between central government, regional offices of central line ministries, and local authorities. The second question, which follows directly from the first, concerns who pays for what, and this is something existing legislation largely ignores. A third aspect of decentralization, also following from the first, has to do with the appropriate administrative structure, organization and staffing of central, regional and district authorities in order to undertake the responsibilities and functions assigned to them. In addition, JPLG II will also contribute to two other related issues, which need attention in order to strengthen the capacity of district government. One concerns the status of local authority employees, which is not covered under existing regulations. The second has to do with land governance, which is an important responsibility of local government, but also a common source of local conflict.

The process of promoting better policy and legislation on decentralization involves many line ministries of central government, local authorities and many other stakeholders. It also involves many complex issues that require widespread discussion. The process requires support and commitment from the highest levels of government, including the presidents and vice presidents. JPLG is already seeking this support and has succeeded in securing the appointment of the vice presidents of Somaliland and Puntland as champions to move the process forward.

In Somaliland, the starting point is its own Constitution and laws derived from this, among them Law 23/2002 and amendments in 2007. As a member state of the newly established Federation of Somalia, the debate in Puntland will need to take into account the terms of the Provisional Constitution adopted 1 August 2012 and subsequent decisions to be reached by the federal parliament. Article 50 of the Provisional Constitution states:

- Power is given to the level of government where it is likely to be most effectively exercised; and,
- The responsibility for the raising of revenue shall be given to the level of government where it is likely to be most effectively exercised.

The interpretation of these clauses remains to be codified in supporting laws and regulations, which may be expected to take some time to resolve. However, the Puntland government was an active participant in formulating the Provisional Constitution, and drafted their own Charter and laws with a federal government in mind, including Law 7/2003. This should allow them to proceed promptly with debates on decentralization within their own state, which may even serve as a model for other states of the federation, once these are defined and agreed.

Progress on decentralization in the southern and central parts of the Federal Republic, however, can be expected to advance more slowly given the need to resolve many other issues. Only a few ministries are currently in place, while others have yet to be established, and the scope of their authority has to be clarified. Agreement has to be reached on the demarcation of other states within the federation, which is likely to be a

protracted process. JPLG II will seek to assist the federal government on decentralization policy to the extent it is ready to address the issue and requests help from the Programme, but it will most probably not be able to work on these matters in Mogadishu or the Banadir region until decisions are reached at the federal level.

4.1 OUTPUT 1.1 FUNCTIONAL DECENTRALIZATION

Output 1.1: Policies, laws and strategies for decentralization are drafted and implemented that clarify the division of functional responsibilities among central, regional and local governments.

JPLG II will provide policy support to the Federal Government and the Governments of Puntland and Somaliland. Through a series of background reports, Phase I helped to raise awareness of the need to revise and formulate clearer and more consistent policies on decentralization and sub-national systems of governance. Phase II will focus more on facilitating this process, particularly among the central ministries most closely involved, such as Interior, Planning, Finance, Women, Health, Education, Water and Public Works. Given the nature of the task in developing a consensus on reforms among numerous ministries, JPLG II will seek to identify and encourage champions at the highest levels of government to lead the process of formulating policy, drafting legislation and promoting its enactment. Efforts will also be needed to ensure the inclusive participation of all sectors of society, including civic organizations, women, disadvantaged groups and others normally excluded from public debate whose interests are at stake.

JPLG II will collaborate with the Somali Institutional Development Programme (SIDP), the Somaliland Development Fund (SDF) and other relevant Programmes, such as the JP on Health, the ICDSEA Education programme and the Water Cluster, to guide and assist the drafting and implementation of policies and legislation on decentralization. Legislation appropriate to each zone needs to address first and foremost the division of responsibilities and functions between central government, deconcentrated offices of line agencies at the regional level, and local government. The recent JPLG Review of Functional Assessments in Puntland and Somaliland have identified issues and made recommendations to this effect. While there is a need to draft new policy and laws, these should build on existing legislation and systems and make use of mechanisms for sector coordination. This process should be driven and owned by Somali counterparts and not be seen as externally driven. JPLG II will also provide technical support to LGs on how they can implement provisions in the laws that refer to gender mainstreaming.

Currently, service delivery is mainly provided by default through local communities, the private sector, national and international NGOs and international donors. The government's role is currently limited largely to policymaking, budgeting, and some degree of regulatory oversight. JPLG II will assist governments to determine which tiers of government should be responsible for the three main components of service delivery, namely policy, programming and production. Technical assistance will also be provided to help ministries develop supporting regulations and enable them to carry out the tasks of oversight and enforcement of policy and service standards.

4.2 OUTPUT 1.2 FISCAL DECENTRALIZATION

Output 1.2: Policies, laws and supporting regulations for decentralization are drafted and implemented that govern the allocation of fiscal resources between central, regional and local governments in line with their responsibilities.

JPLG II will also assist governments to draft and implement policies, laws and supporting regulations for decentralization governing the allocation of fiscal resources among central and local governments. At present these are ill defined and inequitable, with the result that some districts receive substantial funding while others are bereft of resources leaving them unable to perform many of their functions. These efforts will be

related to ongoing reforms for Public Financial Management (PFM) and build on initiatives introduced during JPLG I, particularly those related to enhancing own-source revenues in several municipalities, such as property taxation, business licenses and user charges for certain services.

Policies will be drafted to address the sharing of revenues between central and local governments, particularly from tax revenues (i.e. import and export levies), fiscal transfers from the centre, as well as the definition of own-source revenues such as taxes on property and business which LGs are to be entitled. This will take place in consultation with government partners at the different tiers of government, and in coordination with other efforts related to PFM Reform. Phase II will support discussions on fiscal allocations in collaboration with the MoF, MoP, MoI and relevant sector ministries as well as local governments. Among other matters, this task will entail drawing up criteria and a formula for the allocation of fiscal transfers to local governments to enable them to perform devolved functions. Experience in other countries suggests the formula should be simple and easy for all to understand. Depending on available information, appropriate components of the formula might include a base allowance for all districts, and a mix of two or three estimates of population, geographic area, potential for own source revenue generation and performance indicators. A transparent and equitable formula is needed to replace current practice, which is largely based on earlier receipts from vehicle transit taxes, also known in some countries as octroi, and individual negotiations. PEM systems and procedures established under JPLG I will be adjusted where necessary to align with new measures adopted in each of the three zones, particularly for own-source revenues.

Another component of this work will be to design appropriate measures to finance sectoral plans, particularly the SDMs being developed in education, health, WASH, SWM and for roads. This will enable government and external support to be more strategic and effective in allocating resources and thus providing services on the basis of needs. The intent here is to develop and apply strategies to address service delivery gaps, primarily at the level of municipalities and districts and in relation to women, vulnerable groups, minorities and possibly pastoral communities. Again this will involve close engagement with government and other development partners such as the World Bank, the Somaliland Development Fund and other programmes working on sectoral plans.

4.3 OUTPUT 1.3 ADMINISTRATIVE DECENTRALIZATION

Output 1.3: Policies, laws and supporting frameworks for decentralization are drafted and implemented that address government administration, local government employment and land governance.

4.3.1 *Administrative structure*

Decisions concerning the decentralization of responsibilities and functions will have important implications for the administrative structure of line departments of central government and local authorities, which will require the revision or drafting of supporting legislation to enable them to perform functions assigned to them. The scope of work for units to be responsible for performing mandated tasks for local governance, service delivery and local economic development will need to be defined, and new units will need to be established where they do not yet exist. TORs will be required for staff members of these units and personnel with relevant skills will have to be recruited. This is clearly a long term goal stretching beyond the duration of JPLG II, and will depend on the growth and availability of public funding. These considerations will in turn have to be taken into account in determining the scope and timing of functions and responsibilities to be transferred from the centre to local governments.

Given the nature of the programme, JPLG II will focus on the administrative implications for local governments. In light of emerging policies and legislation for decentralization, the Programme will assist local authorities in designing and implementing the organizational structure of the administration and its component departments, and in defining how these relate to central line agencies and their regional offices.

As an interim measure, JPLG II will pilot institutional development efforts at the local level based on the recommendations of the institutional assessments completed in 2011 and the functional assessments in

Puntland and Somaliland completed earlier in 2012. This will entail defining the scope of departmental activities, the composition of staff and job descriptions, and will take into account gender-sensitive human resource practices agreed upon during the interim phase. These tasks will need to be done in close collaboration with Public Administration Reforms currently under way and central government line departments that are active in the region, to determine the availability of financial and human resources and the appropriate strategy for deployment and recruitment of staff.

4.3.2 Local government employment and human resource management

During Phase II, the Programme will also provide technical support on policies and laws related to the management of local government human resources. Currently, local government employees are not civil servants, are poorly paid, and have no job security. Recruitment is not transparent, and not linked to competency and skills requirements, or performance targets. There are anecdotal reports that there is a high turnover of local government leadership, and that their staff often move with them. This has a negative impact on the effectiveness and capacity of LGs, particularly as they relate to training and capacity development provided by programmes such as JPLG.

JPLG II will support the formulation and drafting of proposals to enhance the status of local government personnel, in alignment with minimum labor standards and broader civil service reforms. This activity will be coordinated with other initiatives currently supported by SIDP and soon other donors, and will be undertaken in collaboration with the Civil Service Commission (CSC) in Somaliland, which is already looking at civil service reform at the central level, and the local government associations in Somaliland and Puntland. Once reforms are enacted, JPLG II will provide technical support to local and central government to implement these reforms at the local level. As part of this effort, JPLG II will also assist the new federal government in exploring options for setting up a civil service institute for local government, or something similar, and implementing plans once decided. A related task will be to assist in setting up an association of local governments for the federation, linked to the ones already established in Somaliland and Puntland.

4.3.3 Land governance

Local governments are already responsible for planning, control and administration of land, but lack authority, capacity and guidance in dealing with these issues. Disputes frequently arise over ownership of land due to inadequate procedures for land titling and registration. Legal procedures for arbitrating or resolving such disputes are poorly defined. Unclear title undermines the ability of local governments to levy taxes on land and improvements, a potentially important source of local revenue, as already is the case to some extent in several municipalities in Somaliland. The lack of clearly defined responsibilities and authority for managing land weakens the ability of local governments to develop strategic urban development plans and enforce compliance with them.

JPLG II will continue the work already undertaken in Phase I to assist relevant ministries and agencies of central government to draft policies and legislation to clarify roles, responsibilities and procedures in addressing land governance. In Somaliland for example, the Law Reform Advisory Group for urban land management legislation has already completed a draft *Issues and Options* paper, public discussions have been held and the preparation of a draft National Land Policy is ongoing. In Puntland, the Inter-ministerial Committee on Urban Land Law is already reviewing existing land laws and is to summarize their findings in a report that will guide the drafting of a revised land management law. In south and central Somalia, to the extent that conditions allow, JPLG will promote similar initiatives, such as preparing background papers and reports on land management issues, facilitating public discussion of these issues and proposed options to deal with them. A key concern in formulating policy reforms is to strike a balance between long-term goals and what can realistically be achieved in the near term, given political interests and technical constraints of data availability.

In addition, JPLG will assist in formulating strategies, work plans and guidelines to implement policies and supporting legislation once these have been enacted. Here the emphasis will be on developing the capacity of LGs to implement selected elements of land governance, primarily through technical support to local depart-

ments responsible for land management. A complementary task will be to strengthen the capacity of relevant central government institutions to provide technical support to LGs on land matters, such as the recently established Land and Urban Management Institute (LUMI) in Hargeisa. This will most likely be needed to assist LGs in resolving land disputes and to build, maintain and update databases on property and land holdings, an activity which it has already been supported over several years. Another example is the support given to the Hargeisa Land Dispute Tribunal, which has completed case files on land disputes and procedures in all the five districts of the municipality. Land governance also has an important impact on women, particularly women-headed households. A core concern here is related to women's rights to land ownership. JPLG II will ensure that land governance policies and supporting legislation assert the rights of women related to land.

Strengthening the authority and capacity of local governments to manage land issues, regulate the use of land, and update and improve registries on land ownership, is a matter of broad concern for many districts, particularly those with large urban areas. By helping this process, JPLG can directly contribute to resolving disputes and building peace. In doing so JPLG II will also work with other development partners involved in land governance, including under separate programmes undertaken by UNDP and UN Habitat.

5. OUTCOME TWO: CAPACITY DEVELOPMENT

Outcome 2: Local government capacity for equitable service delivery is improved.

The ultimate objective of the second pillar of JPLG is to develop the capacity of institutions and human resources of central and local governments to enable them to perform the tasks normally associated with delivering good governance and local services to citizens in an efficient, accountable and transparent manner. To achieve this objective, Phase II will concentrate on three main tasks. These are to: (i) develop and strengthen structures and systems for good local governance and equitable service delivery; (ii) develop the competence of local authorities for good local governance and equitable service delivery; and (iii) strengthen and expand fiscal arrangements for service delivery and local investments.

5.1 OUTPUT 2.1 SYSTEMS FOR LOCAL GOVERNANCE

Output 2.1: Structures and systems for good local governance, planning and implementation are established and strengthened.

At the start of the programme in 2008, JPLG I found that few local governments had evolved systems and procedures for routine administration, and those in use were largely ad-hoc in nature. Given this vacuum, JPLG designed guidelines which became the core of the Public Expenditure Management Guidelines (PEM), and a complementary set of training modules on district planning, investment programming, budgeting, procurement and implementation, management of assets, accounting and financial reporting, monitoring and evaluation. Included in these modules are Accounting Information Management System (AIMS) and Billing Information Management System (BIMS), a proprietary software package for accounting and billing. These guidelines have been widely disseminated and JPLG has provided technical support to assist several districts to adopt and implement them. In addition, JPLG has supported the development of systems, procedures and guidelines for other core local government functions including basic administration, land administration and conflict resolution. JPLG II will continue developing and upgrading the PEM guidelines and procedures to incorporate lessons learned during the first phase and particularly to enhance potential for promoting inclusive and sustainable LED and gender equitable development.

To avoid creating parallel structures, JPLG II will take steps to harmonize and institutionalize the systems and procedures included in the PEM and other guidelines developed by JPLG with those currently applied by central and local governments. This will require a dialogue between JPLG and governments to agree on the adoption or adaptation of innovations introduced by JPLG in revised government regulations to ensure consistent application in everyday practice. In this regard, JPLG will seek to conserve and extend measures to promote awareness of gender issues and the participation of women and disadvantaged minorities in planning and decision-making. JPLG II will also coordinate with development partners supporting Public Administrative Reforms (PAR) and Public Financial Management (PFM) reforms to ensure that these are reflected in the planning and budgeting procedures of local governments. In Somaliland, JPLG will pursue harmonization in the context of their National Development Plan (NDP) 2012–2016, and in Puntland JPLG will assist the MOP and local governments in ongoing efforts to link the planning processes of the DDFs and the Puntland Development Plan.

At present, the level of coordination among governments and international agencies in planning and programming varies widely. The District Development Frameworks (DDFs) prepared at the local level are not well integrated with development plans prepared at the centre in Puntland and Somaliland. As noted in the

recent *Functional Assessments*²¹, neither are the DDFs well aligned with sectoral plans, where these exist. For their part, districts face difficulties in seeking approval from sectoral ministries for components of their plans due partly to the weak capacity of their regional offices, which in some cases have yet to be established. Likewise, districts complain they are rarely consulted by many international (and local) organizations, which undermines efforts to make the best use of resources. Reports indicate that even sectoral ministries often fail to coordinate their plans and budgets with their ministries of planning and finance. These problems are compounded by the frequent turnover of senior ministry officials who are sometimes unaware of agreements made by their predecessors. A key objective is to rectify this and assist in developing sustainable structures and systems, as outlined below.

At the regional level, deconcentrated offices of many central ministries in most parts of the country have yet to be set up and most are poorly staffed. Under the TIS Programme funded by USAID, the Ministry of Planning in Somaliland has established some regional offices, whose role is to develop regional development plans based in part on DDF's where they exist and to integrate these with development plans prepared at the centre. With adequate capacity development, regional offices of sectoral ministries could perform a similar role in harmonizing local and sectoral plans within each region. They could also provide technical guidance and facilitate the approval of district proposals where these relate to sectoral plans. Generally speaking, it is not envisaged that JPLG II should help ministries to establish their regional offices, since this is essentially the responsibility of central government. However, the issue is taken up again under output 3.1. Where they exist in areas supported by JPLG II, the Programme will help to strengthen district coordination with them, particularly the regional offices of MOP, MOI and MOF and other relevant line ministries such as MOE, MOH and MPW.

At the local level, JPLG II will assist LGs and sectoral ministries to better align DDFs with sectoral plans and development plans produced by central government. While sectoral plans exist in Somaliland for education, health and WASH, unclear functional mandates and insufficient financial resources and capable staff hobble implementation. JPLG II will work with the Ministries of Planning in Somaliland and Puntland to develop horizontal and vertical mechanisms for planning, resource mobilization, implementation and monitoring to ensure that DDFs are aligned with the Development Plans, as well as being realistic in terms of available resources and capacity. As part of this task, JPLG II will also assist districts in setting up and strengthening the capacity of Departments of Development Planning to assemble and analyze data and coordinate proposals to ensure stronger links between district plans, sectoral plans, urban development plans and initiatives for local economic development.

In addition to support coordination among different planning hierarchies, JPLG II will assist Local Governments and sector ministries introduce spatial elements into their assessment and planning processes. While, spatial Planning remains a new concept for most Somali towns, it is nonetheless an important tool to guide urban growth, avoid further sprawl and informal urban developments, and support/enhance stronger urban-rural linkages which, in turn will reinforce local economic development.

JPLG II will also support Local Governments to develop DDF with rapid spatial analysis and basic urban plans. As a result, DDF will be gradually prepared based on spatial analysis, with the results of community consultations incorporated into the spatial analysis of district profiles (e.g.: to identify the necessary basic services at the best location and cover the maximum number of citizens). With the integration of spatial elements into the DDF, local decision maker will also have the opportunity to identify areas that need to be protected from unnecessary urban development to protect natural resources, agricultural land and areas prone to natural hazards.

Gender is still largely regarded as a separate issue, and is not properly integrated into sectoral plans by the government or in donor funded Programmes. JPLG II will explore ways to address this issue. One way is through the appointment of gender focal points at the centre in the Ministries of Women or equivalent and / or local levels, which would help to ensure consistency in policy development, resource allocation, service delivery, monitoring and oversight. Another approach to explore is the experience of the UNCDF/UN Women

²¹ Geopolicy Inc. *Study on Sector Functional Assessments within Education, Health and WASH in Somaliland*. Nairobi: JPLG, 2012. And a second report on Puntland.

Joint Programme on Gender-Equitable Local Development (GELD), which aims to engage women more actively in planning the use of LDF funds. Also relevant is the approach adopted in the ILO / EU project in Mogadishu, which aims to enhance women's role in income generating activities through strategies for local economic development.

As a complementary task to improve the design and coordination of programs, plans and budgets, JPLG II will also support initiatives to improve knowledge management, which is primarily a task for SIDP. Governments and donors have produced numerous studies and reports that are of value in designing and coordinating programs and projects. Ready access to the many reports and assessments already completed by numerous donors and agencies would help people find the information they need more efficiently, and improve research and design of new initiatives. SIDP is expected to assist Ministries of Planning and other interested agencies in preparing and implementing a strategy for knowledge management. This would ensure, for example, that policy documents, plans and budgets are readily available on the websites of relevant ministries and are hot-linked to each other. In this regard, JPLG could also consider supporting the Local Government Associations in the sharing of information, peer to peer learning, and ensuring consistency in gender-based definitions, gender targets, best practice in relation to gender disaggregated data and monitoring of gender indicators.

5.2 OUTPUT 2.2 COMPETENCIES FOR LOCAL GOVERNANCE

Output 2.2: Competencies and skills are developed for good local governance and equitable service delivery.

Emerging policies and legislation defining the responsibilities and functions to be performed by local governments, together with the findings of institutional assessments already carried out during Phase I, will provide the framework for JPLG to design a capacity development strategy to enable municipalities and districts served by the Programme to fulfill their responsibilities commensurate with available resources. Taking advantage of work started during Phase I, JPLG II will continue to build a cadre of more professional LG staff. The institutional assessments will be complemented by an analysis of functions, required staff skills, performance standards needed to enhance the capacity of local government departments. This will be done in partnership with the Associations of Local Government Authorities in Somaliland (ALGASL) and Puntland (ALGAPL). In Somaliland, JPLG II will continue to collaborate with the Civil Service Institute (CSI), which trains both central and local level staff. As part of the effort to enhance capacity, JPLG II may also advocate for local governments to appoint Gender Focal Points (GFPs) recruited from among their own staff to ensure a gender sensitive approach to human resource policies for LGs. As part of this task, JPLG II will help to develop TORs, competency and performance requirements for job categories, will conduct skills assessment based on these requirements, and work with local institutions to develop capacity development packages tailored to the needs of functional categories of local administration staff.

The training and capacity development provided under JPLG I has clearly been beneficial. However, there has been no comprehensive evaluation of its impact, apart from procurement audits, which assess the impact of training on procurement staff. Several mayors and district commissioners have questioned the value of off-site training for individuals. This often requires staff participants to leave their place of work for a week or more, and the knowledge and skills they acquire are not shared effectively with colleagues on their return, undermining potential application to ongoing tasks. Moreover, given high staff turnover, much of the benefit is lost with their departure. Instead, mayors would prefer on-site technical support to enhance the performance of specific departments or units of their administration. To the extent possible, JPLG II will instead give greater emphasis to on-site technical support and mentoring.

Accordingly, based on information collected through the activities mentioned above, JPLG II will design and put in place a system for assessing the impact of JPLG programmes for training and capacity development. Given the nature and purpose of these activities, criteria will aim to capture the extent to which skills and knowledge (i) have been transferred to the place of work, (ii) are applied to current activities, and (iii) have

resulted in improved performance of key tasks. The methodology for assessment will need to take into account both quantitative and qualitative indicators and will be designed in collaboration with relevant institutions in each zone. Once approved, an assessment of past and ongoing initiatives for capacity development will be conducted with the aim of determining which approaches yield greater impact and are more cost-effective.

JPLG will also review alternative strategies for training and capacity development to find cost-effective methods of reaching out to more remote districts. Given the intention to eventually expand coverage of JPLG to south and central Somalia and other districts in Somaliland and Puntland, different approaches, such as clustering of districts according to their location, will be required. In south and central Somalia for example, it may be more effective to direct capacity development efforts initially to regional offices of central ministries, particularly MOI or MOP, and to assist them in establishing local administrations capable of performing basic functions. In Somaliland and Puntland, where JPLG is to start covering weaker districts classified as C and D, other approaches will be explored to find cost effective methods of supporting administrations in remote areas, perhaps from regional centers serving larger catchment areas. For example, some wealthier municipalities, such as Bossaso in Puntland, Hargeisa and Berbera in Somaliland, are already providing support to neighboring districts in the form of funds, technical support and provision of equipment.

Under JPLG II, steps will be taken to revise the scope and content of training materials and capacity development activities to better reflect the context and characteristics of the people and institutions to be served. The five UN agencies participating in JPLG are each responsible for different components of the PEM cycle. While progress has been made to improve consistency across training packages for each component, JPLG II will continually identify opportunities for further improvement. As the anticipated Public Financial Management reforms and policies for the assignment of functions come on stream, guidelines and training materials will likely have to be further reviewed. In addition, different versions of training components will be designed to provide flexibility in addressing specific needs of local communities and district staff depending on existing resources and potential responsibilities (district categories B, C and D). All components should also incorporate gender dimensions of planning, budgeting, implementation and monitoring, and guidance on accessing technical advice on these matters. To ensure that training and capacity development is better matched with local conditions and needs, JPLG will encourage associations of local government or other relevant institutions to appoint a focal point for capacity development to rationalize, coordinate and monitor the implementation of these activities and provide support to undertake this task.

During Phase II, JPLG will gradually transfer primary responsibility for training and capacity development to local institutions in each of the three jurisdictions. The MOIs should logically handle overall policy and programming, but implementation should be contracted to capable organizations such as the Civil Service Institute and the Land and Urban Management Institute (LUMI) in Somaliland, university departments and possibly others, such as the Associations of LGs in Somaliland and Puntland, once they become competent to undertake the task. The aim here is not only to enable local institutions to take over this task, but also to institutionalize and build ownership, obtain better value for money and improve accountability to local governments and other beneficiaries. Technical support will cover methods for assessing needs, programming, contracting, and the design of curricula responsive to the needs and demand of local clients. For this purpose, Phase II will continue training instructors from these organizations on a range of topics including PEM, private sector service delivery, urban planning and land management. To better ensure that training and capacity development responds to the needs of local government, JPLG II will continue the practice introduced during phase I of providing funds to be used for the procurement of the capacity building services they need.

5.3 OUTPUT 2.3 FISCAL ARRANGEMENTS

Output 2.3: Fiscal arrangements including local revenue generation and the LDF are strengthened and expanded for service delivery and local investment.

5.3.1 *Local government resources*

Despite improvements in government fiscal resources, external resources from international donors, the diaspora, the private sector, NGOs and other actors will continue to be vital for years to come. To make better use of these resources in planning and budgeting, they should be reflected in central and local budgets either as on-budget items or off budget as supplementary funds. To capture such resources on budget represents a substantial challenge, especially for donor contributions and programmes that are to be directly executed (e.g. UNDPs DEX) rather than nationally executed (NEX). This is unlikely to be achieved in the short term, and awaits effective implementation of more rigorous procedures for budgeting, controlling, accounting and auditing fiscal expenditures as encompassed by programmes for PFM reform. This underlines the importance of supporting and coordinating with wider PFM reforms as they gain traction. Nevertheless, where opportunities arise, JPLG II will assist MOPs, MOIs, MOFs and LGs in establishing procedures to obtain better information on supplementary resources and to reflect these in local plans and budgets. One source of information on external funding is the Donor Assistance Database (DAD), which relies on donors reporting their own contributions, but this tends to be incomplete and not always up to date. Ministries of Planning in Somaliland and Puntland require international agencies to report their activities, but claim they receive little further information once initial approvals have been granted. Efforts to improve the collection of information on external activities and funding will need to build on existing procedures or complement them to avoid duplication.

Apart from larger municipalities, most districts face the prospect of limited resources for years to come. The Functional Assessment for Puntland estimates that district revenue may be between USD 3,000 to USD 10,000 per month for B and C districts, which is inadequate to meet obligations set out in Law No 7/2003. Policies and legislation for fiscal decentralization may help to increase revenue somewhat, but only to the extent that central government has adequate resources to share with local authorities or transfer to them. Districts receiving funds directly from donors may fare better but only as long as this continues.

To help close this shortfall in local government funding, JPLG II will continue to develop and expand two important initiatives launched during Phase I. The first is to assist municipalities and districts to enhance the generation and collection of revenues from their own sources, which has involved the introduction of related software programmes, AIMS and BIMS. However, except for large municipalities, the scope for increasing this kind of revenue is likely to be limited for most districts, especially those with smaller populations. The main source of local revenue for some districts, at least those with a sizeable urban area, is or could be the tax on property, but this first requires establishing and managing reliable records on land and properties, a task which JPLG has already been supporting in some areas through the use of GIS. Other tasks include updating databases on property, which already exist in some districts, and improving systems for managing this data.

In the meantime, JPLG II will assist districts and municipalities to develop and set up effective and efficient systems, procedures and techniques for revenue planning, collection and accounting to minimize losses in revenue collection and to tap into underutilized sources of revenues. These may include business licenses, vehicle registration fees, user charges for utilities such as water and waste collection, all of which can be expected to increase as the local economy grows. Experiences from other post-conflict countries suggest that such measures may increase local revenues by 30-40% without introducing new taxes or fees. Even so, as mentioned in section 2.3, locally generated revenues in most districts are unlikely to account for more than a small fraction of what they need.

5.3.2 *The Local Development Fund*

The second initiative is the Local Development Fund (LDF), which so far is the only donor / government programme in Somalia that provides annual financial support to local authorities. This takes the form of block grants that local governments may use for a range of approved activities. Among the jurisdictions supported by JPLG, ownership of the LDF has been strong and many districts now view it as an integral part of their planning process and appreciate the fair performance measures associated with it. The LDF has also been instrumental in piloting improved planning and accountability frameworks around the DDFs, and together the DDF and LDF have catalyzed substantial interest among central government agencies for mainstreaming and extending the LDF to more districts with enhanced funding from both government and external development partners. All view the formula and associated performance measures as a substantial improvement that has increased transparency and provides incentives that are aligned to the promotion of accountable service delivery, not least when compared to current methods governing intergovernmental fiscal transfers.

An important potential of the LDF, which has not been tapped into sufficiently and which JPLG II intends to develop further consists of its ability to leverage non-public investments by improving local enabling conditions for economic activities by the private sector. To this end, more emphasis will be placed on promoting LED within the context of the LDF to forge strong partnerships between local authorities, the private sector and civil society organizations. JPLG II will assist government to enhance the strategic district development planning processes and revise the guidelines, manuals and procedures generated during JPLG I to integrate LED into the broader district PEM process. Using an LED focused financing window as part of the LDF, JPLG II will assist LGs to identify catalytic LED projects and put in place a business enabling infrastructure to establish a more business friendly environment in general that attracts both domestic and foreign (e.g. diaspora) investments and to create opportunities for SMEs to participate in delivering services and maintaining facilities.

Another task for JPLG II will be to incorporate gender responsive principles into the LDF including planning, budgeting, and monitoring impacts. Among other sources, these principles will be framed in light of experience gained from the work that UN Women and UNCDF have achieved in the Joint Programme on Gender-Equitable Local Development (GELD). The aim is to make planning and budgeting of public expenditures more gender-equitable, as has been demonstrated in a number of other African countries. The GELD approach has proven capable of motivating both men and women at the community level to engage in development issues, while supporting authorities and institutions to improve service delivery for both genders.

Both in Puntland and Somaliland, the LDF is seen as a key mechanism for JPLG to spur local governments in adopting improved methods and procedures for planning, implementation, service delivery and accountability both horizontally to constituents and vertically to central government and donors. As part of the task of building trust and confidence in local government, and replicating innovations and improvements in other districts, it will be critically important for JPLG to deliver on expectations of regular annual financial support from the LDF. Moreover, JPLG II will clearly communicate eligibility criteria and the anticipated resources to be made available for local government. This will help to ensure that bottom up planning in the DDFs is based on realistic assumption regarding the availability of resources, including from the LDF. For this purpose, JPLG II will review current criteria for district eligibility in accessing LDF funds, and will consider funding a wider menu of activities that better reflects the range of district needs as defined in DDFs and AWPBs. This would also help to dispel the notion that the JPLG is predominantly a 'bricks and mortar' investment facility.

JPLG II, in coordination with central agencies, will support LGs to develop capacity to ensure that donor funds are reflected in the DDF. The Ministry of Planning, Somaliland has already issued an order stating that DDFs are to be the basis of internal and external resource allocation. The programme will support local administrations to advocate the same in Puntland and south and central Somalia. While this happens to some extent in several areas, this approach should be applied consistently everywhere.

Given the proliferation of funding for development from an increasing variety of sources, many of them with their own systems and procedures for financial management, JPLG II has an important task ahead to promote the development of a single system owned by government and open for scrutiny by funders and beneficiaries alike. This will be harmonized with ongoing and future PFM reforms lead by MoF and including MoP. In this

regard, JPLG II will also make efforts to enable LDF to encompass and align more funding streams from other development partners. Already JPLG is engaged in dialogues around this, not least with CDRD, which has hitherto only established "limited links with LGs, and operated largely in isolation of the greater formal governance system, creating parallel structures to the existing governance structures"²². However, there is still a substantial potential for improving alignment of other donor projects, and JPLG II will accelerate efforts aimed at engaging with other programmes and development partners with a view to promoting alignment. The LDF and its associated strengthened planning and accountability frameworks will constitute one platform around which to promote this. Bringing more funding streams from different sources may also necessitate the use of sector categorical grants (see below) to ensure that they are also sector aligned and support service delivery models (SDMs). This will in all likelihood demand revisions to the LDF manual and MoU's guiding the LDF and may also entail revision of implementation modalities, depending on the characteristics of funding streams.

Even more important is to leverage high government interest in accelerating innovation and in using the LDF as a pilot informing the future design of intergovernmental fiscal transfers (IGFTs). Both in Puntland and Somaliland the governments are committed to expand their own use of and investment in the LDF and work under Outcome 1 will assist in doing so. They clearly see it as the only instrument currently available, which can provide information to both central and LGs on issues, related to fiscal transfers, the design of incentives, accountability frameworks, transaction and monitoring costs. Towards this end, JPLG II will update and simplify the procedures related to certifying completion of works and disbursement of funds as a means to expedite payments to contractors.

While JPLG II will continue to support innovation around the LDF, it will also be important to emphasize the transitional nature of the LDF and maintain the long term ambition to have it become a government-owned instrument for piloting IGFTs for service delivery and associated accountability frameworks. For this purpose, JPLG will work closely with the Ministries of Finance, Planning and other relevant ministries to institutionalize procedures and systems evolved for the LDF within government practice and linked to the efforts made in JPLG Outcomes 1 and 3.²³ These will also have to be consistent with and supportive of wider PFM initiatives. However given the still very rudimentary nature of inter-governmental fiscal transfer systems, the LDF will remain an instrument for innovation in the short to medium term, possibly also around LED funding and other aspects, informing governments and their development partners on what works, what doesn't and why.

In this context the JPLG II will, modify the use of the LDF to pilot sector categorical grants. UN agencies participating in JPLG II, in particular UNCDF, have substantial international experience in piloting such grants, which could be leveraged to inform design and implementation, while also adapting concepts and methods to the Somalia context. This will assist in developing service delivery models that are horizontally and vertically consistent with the emerging policy frameworks for service delivery in health (basic health care service packages) and education (school-based management). However this will require updating the LDF manual and the MoUs with the governments of Somaliland and Puntland.

Since general fiduciary risks are assessed to be high, JPLG II will adopt a gradual and carefully supported transition process as and when domestic capacities improve. Even in Somaliland, which has made significant advances in public financial management at both local and central government level, a UNCDF assessment of fiduciary risks in government practices rated them as unacceptable.²⁴ Hence, to guard against leakages and protect accountability (also towards JPLG's donors), increased alignment is likely to proceed incrementally as and when capacities and fiduciary risks allow. Consequently, with the aim of using the LDF as a means to reduce fiduciary risk, JPLG II will monitor all aspects of the LDF processes that can be transferred wholly or partly to the appropriate domestic stakeholders. This will include assessment of the central bank and its systems of transfers as they evolve. Similarly, for procurement, the aim will be to transfer responsibility to local procurement officers and other government staff involved in the process, with JPLG increasingly acting as an advisor on specific issues, ensuring consistency with any future procurement reforms. This will not be

²² See CDRD: 'Impact Evaluation' March 2011.

²³ The SDF can play an important role in being the link between the center and local governance reform efforts.

²⁴ UNCDF, April 2012.

possible if fiduciary risks remain at levels, which are unacceptable to donors, but the ambition must be upheld and opportunities for transferring responsibility seized when they emerge. The degree and frequency of JPLG authorizations will also be continually monitored with a view to reduce the level consistent with prudent management practices. Currently the central government contributions are reflected in the national budget and JPLG's share of the LDF is reflected in local government budgets, ensuring better planning ability.

During Phase II, JPLG will also explore the feasibility of financing multi-district investments through a District Investment Fund (DIF). Where the government's own funds are involved, this would normally be handled by line departments of central government. However, where funding comes from external (mainly donor) sources, the establishment of a new facility such as a DIF may be required with strengthened procedures to reduce fiduciary risk. It could be managed by a specialized, semi-autonomous, state agency, supported by JPLG and overseen by the Ministry of Finance. As such, it would function as a state window of financing of economically viable and financially sustainable multi-district projects, with focus on infrastructure and promotion of local economic development. If agreed, it will be important not to confuse this with fiscal transfers that the LDF is promoting, since the DIF would be designed to finance specific investments based on their own merits, and ultimately on a competitive basis to properly ration the fund's resources. It may also be able to attract funding from other sources such as the Somaliland Development Fund. In collaboration with relevant ministries and the SDF, JPLG II's feasibility study will determine the cost in terms of establishing and running the DIF, and the complexities it may introduce as well as the opportunity costs for the LDF. Also to be taken into account is the degree that a thematically and financially expanded LDF would be able to undertake some of the same activities as the DIF.

6. OUTCOME THREE: SERVICE DELIVERY

Outcome 3: Local governments are accountable and responsive to community priorities in providing equitable and sustainable services and promoting local economic development.

As mentioned previously, the overall goal of JPLG II is to augment local government capacity to become the legitimate authority concerning the allocation, coordination and delivery of quality services in a responsive and accountable manner. One of the notable achievements of JPLG over the past five years in the areas in which the Programme has been operating has been the renewal of confidence among ordinary citizens in the role of local government, and in their willingness to participate in various tasks and to perform their own obligations as citizens. In so doing, JPLG contributes indirectly to the restoration of peace and the rebuilding of the state.

Building on the success achieved in Phase I, JPLG II will pursue three broad strategies to further strengthen and expand the capacity of LGs to deliver quality services to their constituents. One is to engage more directly with central government non-state actors in improving the delivery and quality of services. A second is to enhance the enabling environment for local economic development through local governance. A third is to promote responsive governance and improved service delivery through enhanced social accountability mechanisms.

6.1 OUTPUT 3.1 ENGAGEMENT WITH CENTRAL GOVERNMENT AND NON-STATE ACTORS

Output 3.1: Local governments deliver improved services through enhanced engagement with communities, central government and non-state actors.

6.1.1 *Developing service delivery models.*

As noted below, the variety of non-state actors involved in providing services of all kinds has resulted in wide differences in quality. Given limited resources, and the lack of clarity over functions and responsibilities, few government line agencies have been able to make much progress in designing, implementing and supervising appropriate standards for provision and operating performance. Local governments therefore have little guidance or basis with which to monitor performance and push for improvements.

As argued in recent sectoral reports prepared for JPLG through UNICEF and ILO on health, education, WASH²⁵, roads and natural resource management, an urgent task is to design service delivery models (SDMs) for these and other sectors such as waste management, which lay out norms, models and practices in line with preferred standards of good governance in each sector. These should for example include procedures and mechanisms to encourage equitable access, sustainability, accountability and value for money. They should also provide a clear explanation of what central government, local governments and communities are each responsible for. Ensuring sustainability and detailing fiscal responsibilities will be a core part of developing the SDMs. As an example, while local governments may cover the cost of utilities and the operation and maintenance of buildings, the sectoral ministry might cover staff salaries, equipment and the supply of materials. Communities may have a role in managing natural resources or other assets. Many of these issues have yet to be resolved through policy discussions and legislation on the assignment of tasks and responsibilities between central and local government, (see Output 1.1). In the interim, there may be opportunities for JPLG to draft viable arrangements that line agencies, local authorities and communities can

²⁵ Geopolicity (2012).

adopt in anticipation of legislation on the subject and that can later be amended as needed following enactment.

Although this is primarily a task for sectoral ministries of central government, local governments also have a strong interest in designing SDMs for the services for which they are responsible. These will likely include primary schools, health clinics, water and local roads, possibly others too, some of which are already being supported by other donors. To enable responsible departments of local authorities to participate actively in discussions on SDMs, JPLG II will support collaboration between local government departments, associations of local governments, and the sectoral ministries concerned, and will provide technical guidance as and when required. JPLG will work with relevant line ministries on SDMs, based on the relative level of interest and the probability of achieving early results. To complement this activity, JPLG II will also continue efforts with LUMI and others to enable local governments to produce spatial plans as an aid to determining appropriate locations for public facilities included in DDFs and AWPBs.

Once a sectoral ministry has designed a draft SDM, or a wider sector policy of which the SDM forms a part, JPLG II will assist them and selected district authorities to implement the model on a pilot basis. Since it may take a while for a sectoral ministry to draft an SDM, JPLG may in practice run pilots in advance to test them as part of the design process, while liaising with sector working groups to support policy and implementation strategies. This will require technical support from UN partners with relevant expertise and / or experts to advise on the design and testing of the SDMs.

6.1.2 *Engaging non-state actors in delivering services*

In the absence of adequate public resources and properly functioning local governments in the years since 1991, the main responsibility for providing social services and infrastructure has fallen to non-state actors. International agencies, INGOs, NGOs, business enterprises and private individuals have taken the lead in addressing humanitarian needs, operating schools and health facilities, building infrastructure and providing many other services. The quality of these services varies widely and their location has often been determined by the strength of market demand, leading to unregulated and inequitable access favoring urban centers while often ignoring rural areas with smaller populations.

With improved security conditions, greater political stability and increasing public revenues, the opportunity has arrived for government to engage more directly with non-state actors in improving the quality of services and expanding coverage. This will require initiatives at both central and local levels, but JPLG II will focus efforts mainly on local authorities and those offices at the central and regional levels, which have mandated responsibilities for local service delivery.

In engaging more closely with non-state actors, JPLG II may help LGs to assess the feasibility of forming public-private partnerships (PPPs) between government and the private sector in delivering services and stimulating local economic development. During Phase I, the UN and the World Bank established working groups for PPPs and Private Sector Development. JPLG prepared and translated into Somali a simplified guide to PPPs based on a comprehensive toolkit developed in 2010. JPLG also developed and implemented procedures undertaking feasibility studies for public private partnerships and procurement procedures for contracting private firms for the construction of public facilities and infrastructure funded through the basket fund and the LDF. JPLG II will continue the work started under JPLG I, particularly on finalizing the policy framework and drafting institutional and legislative frameworks for PPPs and supporting inter-ministerial working groups on the subject in Somaliland and Puntland.

During Phase II, JPLG will place greater emphasis on exploring opportunities to establish PPPs and to work with NGOs and business partners. The knowledge and resources of the working groups set up by UN and the World Bank will be tapped to guide and assist local authorities in pursuing these initiatives and objectives. JPLG will build on earlier work in drafting a policy framework for PPPs and supporting Inter-Ministerial working groups on the subject in Somaliland and Puntland. Potential opportunities will be explored to set them up for the management and operation of district facilities such as bus terminals, market places, slaughterhouses, sourcing and distribution of water, the collection and disposal of solid waste among others.

In addition, JPLG II will help local governments to create opportunities for non-state actors to participate in delivering services and maintaining facilities.

6.2 OUTPUT 3.2 ENABLING LOCAL ECONOMIC DEVELOPMENT

Output 3.2: The enabling environment for local economic development is enhanced through local governance.

A widespread concern among local governments in Somalia is to how to promote local economic development, create jobs, raise household incomes, and thereby to reduce poverty. This is a difficult challenge, which JPLG II aims to address in a number of ways.

6.2.1 *Clarifying roles and responsibilities for local economic development*

This challenge manifests itself most often at the district level, where the mayor and council members are frequently urged to take action. However, districts should not be left to tackle the problem alone, but with support from central government. A first step then should be to undertake a review, identification and reassignment as necessary of LED-related functions between various levels of government to consolidate and improve performance/delivery at the local level. JPLG II will assist this process as part of the tasks related to policies and legislation for functional decentralization described under Output 1.1 (See section 4.1 above). This will help to clarify the mandate for departments of central government, their regional offices and local government to undertake economic development and to collaborate in achieving this objective. This process will aim to rationalize and enhance social as well as economic services, including creation of a business-enabling environment at the local level. A second step should be to review and restructure the allocation of fiscal resources to support and strengthen the LED function of local governments, a task JPLG II will address under Output 1.2 (see section 4.2 above).

6.2.2 *Developing public-private dialogue on local economic development*

A priori, the primary role of local government with regards to LED should be among other things to:

- Establish a supportive business environment that creates jobs and addresses poverty in sustainable manner;
- Provide leadership in building partnerships for diverse actors interested in local economic development; and,
- Coordinate and fund raise for local economic development projects.

Local economic development initiatives aim to create jobs by making the local economy grow. In realizing this objective, district councils that drive the LED process should facilitate and enable creation of more businesses that generate more income to the people. As part of the overall district development framework districts ought to develop a LED strategy, through a process engaging key public and private stakeholders in a district to reach agreement and take decisions to make the economy grow and create income opportunities for more people, especially for the poor and marginalized. Successful local economic development requires the collaborative effort of public (governmental), private (business) and non-governmental (NGOs, social, civic, youth) sectors. The strategic local economic development planning process begins by identifying the people, public institutions, businesses, industries, civic organizations, professional organizations, think-tanks, training institutions and other groups that comprise and/or impact the local economy. The skills, experiences and resources that stakeholder groups bring to the effort will each contribute to the overall strategic planning process. Establishing solid working relationships and organizational structures to support the strategy planning process will lead to beneficial long-term, public, private and non-governmental partnerships.

Developing such a dialogue will require extensive support during the early stages, especially the representation, governance and management aspects of LED Forums. Under JPLG I, LED-Forums in Burao, Berbera, Garowe and Bosasso comprising representative stakeholders have been constituted and registered

with national government to drive the LED strategy for the district. Prioritized projects have been defined to be implemented. A similar exercise will be rolled-out to other districts.

6.2.3 *Conducting local economy assessments*

To elicit key data on the local economy, an effective local economy assessment will start with a preliminary review of the existing economic relationships and activities within an area, and will make use of available quantitative and qualitative information that highlights existing structures and trends in business development, economic sectors, employment, skills, and other data that will help to identify the strategic direction of the local economy. The information collected may highlight the need for specific projects and programs that will expand and diversify the local economic base and ideally informs the public private dialogue and preparation of the LED strategy.

6.2.4 *Developing and implementing local economic development strategies at the district-level*

As in comprehensive local government strategic planning, the intent is to achieve an integrated approach to local economic development. A LED strategy is an overall plan that has short, medium or long-term aims and actions and sets out what is going to be achieved, and where. It will establish an agenda to promote and develop the economic, physical, social and environmental strengths of the district and will address both challenges and opportunities. The strategy should form part of the overall District Development Framework, with priority interventions to be undertaken by the district, incorporated into the district's annual work plans and budgets (AWPBs). Careful attention should be paid to the capacity of districts to implement the plans, and also to assess any potential trade-off in terms of other priorities in the DDFs. Where wider LED strategies may not be immediately feasible, efforts should be redirected to forging simpler public private partnerships.

Every LED strategy will have an implementation plan that in turn is supported by individual project action plans. The implementation plan sets out the budgetary and human resource requirements, and institutional and procedural implications of implementing the LED strategy. As a single document that contains all of the LED programs and projects within a strategy, it serves as an integrated programming document to maintain clarity of strategy direction, and ensures that programs and projects do not inappropriately compete for resources and support.

With a timeframe of between one and three years, a good implementation plan will result in a more efficient and effective use of existing budgets, and can be used to attract funding from external sources such as national government, bilateral and multilateral donor agencies, and the private sector.

LED action plans provide specific details on project components including a hierarchy of tasks, responsible parties, a realistic delivery timetable, human resource and financial needs, sources of funding, expected impacts, results, performance measures and systems for evaluating progress for each project. It is expected that LED will progressively include a spatial component to identify the optimal location of specific physical projects based on an environmental and physical analysis of challenges and opportunities for urban growth.

6.2.5 *Creating a business friendly environment*

Another local government initiative that JPLG II will continue to support is creating a business friendly environment. This is essential as a means to attract business investment and the flow of non-public resources for local economic development. Apart from developing a business friendly environment through transparent and simplified systems and procedures, one approach that could be considered is to promote a positive environment to persuade local councils not to levy arbitrary taxes and fees on business activity in efforts to generate additional local revenue, which can often backfire by pushing firms to other locations. Although more difficult, governments should also seek to minimize other extraneous costs on business activity, for example through police harassment of bus and truck drivers seeking payment for traffic violations, a common practice in many places.

Where local authorities have sufficient capital, JPLG will also provide technical advice on potential investments in economic infrastructure to reduce the costs of production and transport. Obvious areas here are (a) improving local roads connecting producers to market centers to make it easier for them to sell their produce; (b) supplementing power generation to reach more urban areas and ensure more reliable service; (c) augmenting water supply through the extension of distribution networks to peripheral areas; and (d) the construction and operation of marketplaces. This helps to relieve the burden on business and many other institutions in having to install expensive back-up equipment, which in the aggregate amounts to substantial capital costs for the community as a whole. In this regard, as discussed above in section 6.1.2, opportunities may arise to engage private enterprises in public-private partnerships (PPPs) for the provision of local services and infrastructure.

6.3 OUTPUT 3.3 EFFECTIVE SOCIAL ACCOUNTABILITY MECHANISMS ESTABLISHED

Output 3.3: Good governance and service delivery is improved through establishment of effective social accountability mechanisms.

In all the work that JPLG has been doing since it started, methods of enhancing social accountability have always been considered a critical component in building and renewing confidence in government and state institutions. This is especially true at the level of local governments, which is the point where most citizens have their first and closest contacts. Accountability is important in all aspects of government activity, equally in matters where citizens may only be involved indirectly. In the absence of effective government in many parts of Somalia over past decades, local governance and service delivery frameworks have been largely shaped by customary practices with clan and kinship structures often dominating or overlapping more formal structures. This in turn has often resulted in local service delivery by non-state actors, which are highly devolved by nature but subject to poor regulatory oversight, if any.²⁶ If citizens remain alienated from government and resources do not follow reconciliation and power sharing, security gains risk being undermined; leaving people to feel there is no peace dividend. Enhancing accountability is inevitably a slow process, but basic principles need to be firmly established from the outset.

At the local level, leadership is often split between informal institutions such as clan leadership, which holds a high level of legitimacy and formal local government structures. In some places there is an overlap of personalities between the informal and formal leaders. JPLG II will seek to work with and align these structures through a reconciliatory and legitimate process, applying training modules on conflict resolution, civic education and local elections. Keys here are transparent mechanisms for the election of council representatives and the appointment of the mayor or district commissioner, whether through direct election or by vote of council members, and the prompt publication of results.

Another area that requires early attention is procedures for handling and accounting for budgeting and use of public funds. As mentioned elsewhere, several recent studies have reported a high level of fiduciary risk at all levels of government throughout Somalia, including the TFG, the central administrations of Somaliland and Puntland, down to local authorities. JPLG II will continue to work at the level of central government with the World Bank on reforms to improve public financial management (PFM). In addition, at the local level in districts where it operates, JPLG II will continue to assist governments to apply the principles and practices embodied in PEM guidelines for the management and control of expenditures of funds from both public and Programme sources.

In all three zones the process for determining intergovernmental fiscal transfers from central to local governments has been either rudimentary (as in south and central Somalia) or based on opaque and inequitable practices. Typically these were based on the revenue previously derived from taxes on the transport of goods (*octroi*), or informal negotiations between local representatives and central government, practices that favored wealthy municipalities or those with greater political influence at the expense of

²⁶ See JPLG: Study on Sector Functional Assignment, Puntland, April 2012.

poorer and more remote districts.²⁷ Here, as mentioned in Output 1.2, JPLG II will continue support to central government on policies and legislation for fiscal decentralization, including improved and transparent criteria for allocating transfers from the centre to LGs.

Mindful of the risks in providing funding for local government, the design and operation of the LDF incorporates robust procedures and safeguards at each stage in the allocation, disbursement, expenditure, accounting and public reporting of grants. In assessing the fiduciary risk associated with the use of LDF funds, a UNCDF assessment rated it as "low"²⁸, an assessment reflected by the high level of satisfaction and confidence expressed by recipients of LDF grants. At present, allocations are made as fixed lump sums. Eventually, as better and more reliable information becomes available, the formula will be readjusted to better reflect local performance and to improve equitability in allocations.

To enable better and more transparent planning, JPLG II aims to provide local governments with an indication of LDF allocations in the years ahead. But this requires donors in turn to commit to multi-year contributions for the Programme and ring fencing LDF funds to ensure commitments can be met. This would allow JPLG to become a credible and predictable partner that provides steady, but performance-based funding.

In terms of planning and budgeting, JPLG II will enhance social accountability by improving procedures for citizens and beneficiaries to participate in the process. One way to do this is through public meetings held before the start of the fiscal year to review proposed plans and later after the close of the fiscal year to review progress in implementing plans and to assess actual expenditures against earlier budgets. This process could be strengthened by introducing community scorecards through FGDs, citizen report cards, and participatory tracking of budgets and expenditures, an approach applied with success by the World Bank in Ethiopia.²⁹ Through public dialogue, local government and citizen representatives will produce (a) common performance indicators, (b) a consensus-based service delivery performance scores (baselines), and (c) joint service improvement agendas and action plans countersigned by the service providers and community representatives. This information will then be used to jointly review the service delivery performance scores and to discuss deficiencies in delivery.

During the implementation of projects funded by LDF or other sources, JPLG II will also place greater emphasis on encouraging community members to play a more active role at each stage of the project cycle. This may include, for example, the design and location of infrastructure and public facilities, mobilizing additional contributions towards the cost of projects in cash or in kind, monitoring procurement of contractors, the construction of facilities and delivery of services, and particularly in the subsequent operation and maintenance of facilities after construction. Convincing evidence from other countries shows that proactive community participation and decision making in these activities often yields superior results and better use of resources and value for money. Towards this end, JPLG will review the PEM to enhance the role of communities in making decisions at each stage of the project cycle, particularly through the project implementation committees (PICs) and community monitoring groups (CMGs).³⁰

JPLG II will also extend monitoring beyond the current focus on projects. Better use will be made of an enhanced community monitoring system that is wider in the scope than the community monitoring groups (CMG) who currently focus mostly on (and end with) project construction. Recent steps to introduce Participatory Impact Monitoring and the hosting of public review meetings will be further enhanced and form part of a wider social accountability effort. It will be extended to encompass the formulation and implementation of the DDF including delivery of services and be made part of a broader system that includes

²⁷ Based on interviews with mayors, district councilors and central fiscal authorities. See also World Bank: 'Project Description Document for the TFG of the Somali Republic, Somaliland and Puntland Authorities for a Public Financial Management Reform Program', November 2011.

²⁸ UNCDF/JPLG, Jan-Feb 2012

²⁹ http://www.ansa-africa.net/index.php/views/pub_view/social_accountability_and_service_delivery_in_ethiopia_pbs_review_and_docum/

³⁰ Front-line users of services of health, education and WASH services tend to be women. Involving women in the decision-making process is thus key to better ensure that the right services are in the right locations and resources are mobilized operation and maintain them.

but goes beyond current social auditing efforts in order to improve the accountability of local governments' performance. Consequently JPLG II through the LDF will further pilot innovative concepts around social accountability that include the piloting of selected tools and approaches to strengthen citizen and civil society organizations' voice and downward accountability in the context of decentralized service delivery.

In introducing and promoting social accountability, care should be taken to frame the concept correctly, not as a confrontational exercise pitting citizens against government, but rather as a consensus-building platform to reach agreement on basic issues. These would include for example, establishing baselines, determining what constitutes viable performance targets, and establishing a reasonable division of labor between government, civil society, the private sector and donors. In doing so, stakeholders should come to realize that local government cannot in the foreseeable future be expected to meet all demands for core social services such as education, health, sanitation and water. They should also come to appreciate their roles, responsibilities and contributions in the development process and in ensuring good governance and delivery of services. The social accountability focus, therefore, will also entail the management of expectations among all partners and a more explicit and optimal division of labor between the different players involved.

7. CROSS-CUTTING THEMES

7.1 PEACE BUILDING AND CONFLICT SENSITIVITY

The New Deal on Engagement in Fragile States, that emerged from the 4th High Level Forum in Busan on Aid Effectiveness, places Peace building and State building Goals (PSGs) centre stage in all support for fragile states such as Somalia. Of critical importance here is an understanding of the relationship between legitimate politics, security, law and order and laying an economic foundation for revenues to finance services. The New Deal has been endorsed by Somalia.³¹

As highlighted in the MTR Report, using local governments as entry points for the promotion of local development and peace building is in many ways unique.³² JPLG I has contributed to conflict resolution and peace building by supporting civic education activities, training in conflict resolution, community participation processes, the establishment of Land Dispute Tribunals, and by enhancing transparency in local government decision-making as a means to increase accountability and strengthen state-society relations. In relation to decision-making, JPLG I has also developed mechanisms that discourage individual or clan-based attempts at capturing the decision-making process. The JPLG-initiated planning process creates space for those who did not have a voice in the past, such as women and other groups, discouraging traditional individual or clan-based capture of the local agenda. As a result, and to consolidate the gains made by JPLG I, further gains are needed in developing PSGs for Somalia, that allow the JPLG to better serve Peace building and State building objectives.

JPLG II will build on this through a continued focus on civic education, inclusive decision-making at the local level, enhancing mechanisms for resolving land conflict, as well as improved social accountability measures. This will be particularly important as JPLG II expands to south and central Somalia, where much of the political violence and instability has been seen. The skills gained through the communal decision-making mechanisms facilitated by JPLG have given some local communities a sense of community beyond traditional lines, which have often been the source of continued conflict. JPLG II will facilitate local governments to institutionalize DDF's as local priorities to direct external support, with the aim of better ensuring community priorities identified through participatory planning processes are funded.

Additionally, JPLG will work with other international partners working on stabilization and early recovery in areas prone to conflict to fully understand local conflict drivers. By using thorough conflict/political economy analyses to identify conflict drivers and power relations in any location, JPLG II will introduce risk mitigation measures and ensure that it does no harm while also capitalizing on any opportunities to bridge local conflict divides. These assessments will also inform monitoring and evaluation of the programme's conflict impact in each location. As envisioned in the drafted a National Strategy for Reconciliation and Stabilization in the newly accessible areas of south and central Somalia, JPLG II will work with stabilization programmes such as USAID's Transitional Initiatives for Somalia (TIS) and other such programmes coming online, and with early recovery programs such as the Community Driven Recovery and Development (CDRD) to share localized analyses and plan sequencing of activities. Initiating and maintaining dialogue among different social groups on the role and composition of local government will be an important focus in such areas as attempts are made to re-establish legitimate administrations. In addition, as set out in JPLG I, but made more focused under JPLG II as a result of the New Deal, the Programme will continue to strive to:

- Reduce the potential for tension through developing systems and mechanisms for equitable distribution of resources / social services;
- Identify Peace building and State building goals and indicators, learning from other pilot countries, to make the PSGs central to the attainment of the MDGs and wider stability gains;

³¹ See <http://www.oecd.org/international%20dialogue/aneudealforengagementinfragilestates.htm>

³² Report of the Mid-Term Review (MTR), Full Report, 15 August, 2011, pp 19 – 20.

- Promote participatory planning to ensure that plans and development initiatives cover all clan groups and result in decisions that address people's priorities;
- Ensure that governance functions are clan neutral and inclusive, learn from and build on existing institutions and processes that are functioning and proven effective;
- Encourage inter-community initiatives as far as possible and seek to minimize the risks of gender and social exclusion, given the impact of marginalization on political legitimacy and access to basic and essential services;
- Provide ongoing training in conflict resolution and good governance and human rights principles for councilors and community leaders/clan elders;
- Promote and engage champions of peace in the work of district councils;
- Encourage local administrations to incorporate peace building priorities in plans;
- Establish grievance redress mechanisms in district councils; and,
- Promote or support social activities that mobilize youth, women and different clans to spread campaigns on social issues.

7.2 OWNERSHIP AND VOICE

Promoting Somali ownership has been a key distinctive feature of JPLG and the Programme has pioneered innovative approaches that have been acknowledge to set new standards for harmonization and alignment in Somalia. JPLG II will build on these experiences and accelerate the ambitious agenda to not only deepen its on alignment efforts but also to encourage other development partners to take local ownership more seriously by offering them easy entry points for doing so (e.g. the LDF and DDFs, to which some partners have already committed).

JPLG II will consequently further strengthen the capacity, legitimacy and accountability of local governments in Somalia by respecting their mandates by working with them, supporting their role in making local political priorities in an inclusive and transparent manner.

JPLG II will support policy development, planning capacities, implementation effectiveness and accountability frameworks that are driven and owned by representative legitimate and mandated domestic institutions, marking a stark contrast to previous engagement modalities of external development partners. The JPLG II will hence also ensure that ownership is firmly in the hands of the appropriate Somali partners and continuously and aggressively promote deeper alignment wherever capacities and fiduciary risks allow.

The LDF symbolizes these ambitions as it is increasingly seen as a domestic fiscal transfer mechanism that innovate around the provision performance incentives while simultaneously also promoting equity and predictability. JPLG II will roll out the LDF to new eligible districts, increase the funding available, with central governments playing an increasing role in not only the financing, but also in its management. All with the clear vision of both central and local governments eventually assuming full ownership of the LDF and its associated performance, equity and accountability frameworks. Thus the LDF will eventually transition into the intergovernmental fiscal transfer system to which external development partners can contribute.

JPLG II will also accelerate efforts to increase the voice of ordinary citizen using legitimate and mandated processes and institutions, without creating or relying on 'community groups' with limited sustainability and domestic legitimacy. The aim will be to build on the monitoring and dialoguing frameworks already established, to extend and embed these in systems beyond individual projects, and to strengthen a sustainable nexus between citizen and local government, that has a vibrant and constructive dialogue at its core.

A key mechanism in this transition will be the introduction of social accountability principles that will strengthen platforms for citizen – government dialogue on baselines, targets and responsibilities of the providers, be they private, public, faith based or CSOs. (See Output 3.3.) Consequently JPLG II has an

ambitious agenda for increasing opportunities for citizens to voice their opinions using methods that have proven effective in other fragile contexts.

7.3 HUMAN RIGHTS AND THE MILLENNIUM DEVELOPMENT GOALS

Understanding the human rights situation in Somalia must be framed within the context of its recent history, namely the two decades of political impasse since the fall of the Siad Barre regime in 1991, which led to the fragmentation of Somalia and the call within Somaliland for independence. As highlighted in the Report of the Working Group on the Universal Periodic Review, Somalia, "For the past two decades, Somalia has been characterized by the total breakdown of all service delivery and systems of governance, including rule-of-law institutions."³³ The political and security crisis was intensified in 2011 by the worst drought in six decades in the horn of Africa. The absence of a fully functional federal government, and security problems added to the challenge for national and international emergency efforts. Of the estimated four million affected in Somalia, three quarters were in south and central Somalia, where Al-Shabaab restricted international operations until November 2011. As a result, international organizations were banned from conducting any operations in these areas.³⁴ Nearly one million people fled to other regions of Somalia and refugee camps such as the Dadaab refugee camp in Kenya. The population of Dadaab, originally designed to hold 90,000, tipped 440,000 by the end of the year.³⁵

While Somalia is not signatory to many of the major international human rights treaties³⁶, human rights principles and obligations are set out in the Provisional Constitution of the Federal Republic of Somalia adopted 1 August 2012, the Constitution of the Republic of Somaliland (2000), as well as the Transitional Constitution of Puntland (2001) and other sector policy documents.

Relative stability in Somaliland and Puntland has meant that some progress has been made towards the protection of human rights; however, the challenges in south and central Somalia are significant. According to Somalia's Universal Periodic Review (UPR) of 2011, the complete collapse of the rule of law has meant that people have had to revert to traditional systems and to seek protection from their clans. However, the traditional structures and systems including social codes of conduct, kinship and marriage or *Xeer*, have been eroded with past efforts of the regime. When the regime fell, traditional systems were not able to resume their earlier role. The consequence is that the formal system has to be rebuilt, however, this has to be carefully harmonized with genuine Islamic Sharia law, the law of the State, Somali customary law, and modern law as applicable.³⁷ Critical concerns identified during the UPR process included the culture of impunity in the ongoing conflict in Somalia, recruitment of child soldiers, the rights of IDPs, gender-based violence and torture related to the conflict, and more generally, persecution of minority groups such as Bantus, and the limitations placed on humanitarian access to vulnerable populations. What makes the human rights situation more complex, in addition to the many disputed state and non-state areas, is the large borderlands and nomadic systems which fall beyond the effective purview of state and international reporting systems. This is why support for systems of accountable local government is ever more critical.

The 2012-2016 Somaliland National Development Plan (NDP) (for example) sets out key priorities that relate to the MDGs, and even though the NDP is not a formal Poverty Reduction Strategy Paper (PRSP) per se, the strong relationship between the strategy for poverty reduction and human rights provides an important foundation for future support. Similarly, and in support of the NDP, sectoral strategies covering education and health have been drafted providing critical entry points for integrating human rights and MDGs into sectoral priorities. Together with UNICEF, the first MDG Reports were produced on Somalia, Puntland and Somaliland in 2010, providing a stepping stone towards having baseline data, and a better understanding the

³³ Report of the Working Group on the Universal Periodic Review, Somalia, Human Rights Council, A/HRV/18/6, 2011, para 5.

³⁴ Freedom House, Somalia Country Report, 2012.

³⁵ Freedom House, Somalia Country Report, 2012.

³⁶ See Conclusions and/or recommendations from the UPR Report, para 98.

³⁷ Report of the Working Group on the Universal Periodic Review, Somalia, Human Rights Council, A/HRV/18/6, 2011, para 9.

humanitarian and development status in the three jurisdictions. These reports are currently being updated and will be useful guides for measuring progress, and providing a clear focus for JPLG II on how capacity development to local institutions can promote human rights, including gender rights.

The United Nations MDGs explicitly place both human rights commitments and development goals at the centre of the international agenda for the new millennium – they are interdependent and mutually reinforcing. Human rights are also implicitly central to the New Deal for Engagement in Fragile States, which includes a new focus on Peace building and State building Goals – the so-called PSGs. OECD states that ‘the PSGs, as an important foundation to enable progress towards the MDGs, must guide work in fragile and conflict-affected states. By September 2012, a set of indicators for each goal will have been developed by fragile states and international partners, which will enable the ability to track progress at the global and the country levels. Thus, member states not only renewed commitments to promote and protect human rights, but also agreed the eight MDGs that are time-bound, and provide a focus for efforts to reduce poverty and a common basis for measuring goals.

JPLG I has been instrumental in supporting the development of systems, procedures and institutions for duty-bearers to better understand their responsibilities, and rights-bearers, i.e. people to voice their demand for developmental priorities, which are captured in the DDF’s. One of the key successes of JPLG I is the level of community mobilization, particularly in relation to women and representatives from minority groups who are starting to have voice in the local-level decision-making process, and claiming their rights. JPLG II will continue this process by institutionalizing these processes, and supporting local governments to replicate them in more districts. In the spirit of the Somali post-Transition agreements and declarations such as the Istanbul II Declaration of 1 June 2012, JPLG II will continue to support Somali partners in the challenging process of rebuilding the apparatus of government and state, one that functions on the basis of the rule of law and respects human rights. JPLG II 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;
- Strengthening alliances for social change in the communities;
- Increase incentives for duty-bearers to strengthen performance in the provision of services; and,
- Continue to strengthen the social accountability mechanisms (See section above on Voice and Ownership).

Through the LDF, JPLG I has supported small-scale social, commercial, productive, administrative and community infrastructure. JPLG II will continue this process, however, with a stronger focus on the impact of these interventions. For example, JPLG will strengthen the Project Impact Monitoring (PIM) role of Community Monitoring Groups to review service delivery impacts, including issues related to user access, quality of services, information accessibility as well as sustainability considerations.

At the policy level, JPLG I issued an important series of studies – the Functional Assessments of Health, Education, Water and Sanitation which provide useful insights and recommendations on the future strategic direction of JPLG II, particularly as they relate to strengthening these core sectors which are vital to making progress towards the MDG targets. JPLG II will work with Somali partners to link central and local institutions to ensure that local level efforts are harmonized with central-level policies and strategic priorities, that they are properly resourced in the mid – to long term.

7.4 GENDER

Gender remains a central cross-cutting issue for JPLG given its focus on supporting local governments in combating poverty, gender discrimination and social exclusion. Generally speaking, gender mainstreaming may be approached at both the macro and micro levels. At the macro level, building on the explicit commitment of the Federal Government and UN Agencies to Gender Equality and Women Empowerment (GEWE), efforts to advance GEWE in Somalia will be tactically mainstreamed across JPLG II including analysis, policy formulation, programming, Gender Responsive Budgeting (GRB), budget execution, monitoring and

evaluation (M&E). At the strategic level, JPLG II will promote gender-responsive local governance policy development, planning, budgeting and service delivery that is more receptive to GEWE issues. This would be achieved via support to gender-sensitive policy and strategy development, and engagement of media and local leadership (government, village, clan, traditional and religious) in gender sensitization efforts to enhance the role of women in the political, economic, and social domain. Women's empowerment will be facilitated through leadership training of men and women and where appropriate, promoting the adoption of targets for women as a proportion of elected local councilors, as in Puntland, senior government officials, and members of community based committees for such tasks as tendering contracts, monitoring project execution, managing public facilities and suchlike.

As the budget remains the primary tool for executing government policy, support for gender responsive budgeting at the local government level will remain an important focus for JPLG support. Furthermore, UNCDF can leverage its global knowledge on gender and local development, especially in fragile or post-conflict African countries such as Sierra Leone, Rwanda and Mozambique, to generate important lessons useful for promoting gender equality in Somalia at the strategic and practical levels. The adoption of GRB will be critical to making sure that these lessons are both mainstreamed into the policy domain, while influencing budgetary allocation in favor of a more gender-balanced approach. GRB will also be linked to the formulation of local government AWPBs.

A particular effort will be made to enhance evidence-based policy and programme development through training and capacity building in sectoral sex-disaggregated data collection, processing and analysis, both within local counterparts and UN Agencies participating in JPLG. JPLG II will therefore, facilitate an environment that is more responsive to identifying obstacles and addressing GEWE mainstreaming. This will be complemented by an M&E and reporting system, established around sound gender-sensitive indicators tracking progress on outputs and outcomes, and ensuring that Programme intentions translate into more cost-effective results.

At the micro level, gender mainstreaming may be pursued by including measures in manuals and guidelines for each stage of the process of planning and implementation to ensure that gender issues are properly taken into account. Important here are procedures to ensure that women's needs and priorities are reflected in annual plans for non-infrastructure services. Other examples include the location and design of facilities that impact the time spent on daily chores, such as primary schools, health facilities, market places and water pumps.

7.5 SUSTAINABILITY AND REVENUE GENERATION

Since the main thrust of JPLG focuses on LGs, the potential success or failure of the Programme in the long run depends to a large extent on whether the districts receiving support from the Programme manage to continue functioning effectively after JPLG support terminates. There are two inter-related parts to this question. One has to do with the ability of the local council and administration to adhere to the principles of good governance in performing services for their constituents in an equitable and transparent manner. The other has to do with the ability of the local government to mobilize sufficient resources to finance the activities for which they are responsible.

The answer to these questions involves many factors, some of which are beyond the control of JPLG and the LGs themselves. However, Phase II includes several components that are designed in different ways to reduce the potential impact of negative factors and reinforce the sustainability of local authorities. Civil service reforms designed to enhance the status of staff who work for LGs should make such jobs more secure and attractive for talented young professionals. Capacity development strategies designed to establish and enable local institutions to take over tasks from JPLG should ensure that technical support to LG departments will continue to be available after the Programme ends. Funds from the LDF and other sources will help to make it possible for LGs to contract from local institutions the technical services they need when they need them. Support for local government associations will help to gradually build a self-help network that all local authorities can call on for advice and help. All these activities will include and reiterate the underlying message that LGs are accountable to their constituents and should keep this constantly in mind.

The ability of local governments to sustain the provision of services for which they are nominally responsible is much harder to ensure. Much depends on whether or not the local authority needs outside funding for the purpose. Mayors and District Commissioners have frequently expressed appreciation for JPLG support during Phase I for increasing locally generated revenues, and this activity will continue in Phase II. Such revenues can help LGs to provide a range of local services without the need for outside funding, particularly those which can be funded through user fees and charges, such as water, power and solid waste collection. In such cases, LGs need to develop a reliable system for tracking and collecting payments for services rendered. However, evidence from JPLG I also shows that without firm commitments from relevant line ministries and outside partners to provide complementary funds, initial investments by local governments can yield limited returns. This is especially true where investments in school buildings and health facilities are not supported by grants from sectoral agencies for staff, equipment and supplies. Hence the need to ensure that planning and prioritization of services at the local level is aligned with sector priorities, standards and programmes. It should also be noted that actions to create an enabling environment to support economic activities, nurture new business enterprises and generate more jobs, all helps to expand the local tax base and the potential for greater revenue generation for local government.

In light of this experience, JPLG II will reinforce manuals and guidelines related to service provision and the use of LDF funds to alert LGs to the need for rigorous feasibility studies for proposed investments. The aim is to ensure that District Councils are better advised before approving expenditures that result in sub-optimal investments, under-used facilities and infrastructure that is not adequately maintained.

7.6 ENSURING COHERENCE AND COORDINATION WITH DEVELOPMENT PARTNERS

The advances made in promoting peace and stability in Somalia has attracted new development partners and it will become increasingly important for the JPLG II to ensure that its activities and interventions are coherent and coordinate with the relevant actors. The guiding principle will be to assist the Somali partners in taking on leadership for managing aid coordination, but JPLG II will also engage in relevant fora, including sector coordination groups and ensure that its work on local government finance is consistent with work on wider public financial management and procurement. Moreover there are important synergies that can be exploited between the Somaliland Development Fund and JPLG. In relation to the US-assisted Transitional Initiatives Somalia (TIS) and the CDRD, JPLG II has already established guidelines that will ensure optimal use of comparative advantage, not least in south and central Somalia, but also elsewhere, with CDRD agreeing to use the DDFs and LDFs for supporting local government initiatives where appropriate.

8. MONITORING, EVALUATION AND REPORTING, VALUE FOR MONEY

8.1 MONITORING

As acknowledged through the New Deal, the attainment of Peace building and State building Goals (PSGs) is seen as critical to the attainment of MDGs. Thus, the overall approach to monitoring and evaluating JPLG II must move beyond a narrow focus on project monitoring, towards monitoring of deeper impacts of reforms. JPLG I was weak in monitoring strategic policy and institutional reform issues, linking field based monitoring to strategic objectives, and specifying indicators to measure results, outcomes and impacts. The proposed approach to be used in JPLG II, outlined below, therefore seeks consolidation of existing program M&E capacities while recasting these, in support of greater impact and value-for-money (efficiency).

This section sets out how important systems and procedures introduced in JPLG I can be strengthened in JPLG II, by strengthening the results framework and the institutional process for monitoring change (results and impact) over time. Elements of the monitoring system established during JPLG I are listed below. The last four of these were established by following the development of the Monitoring and Evaluation Frameworks during the first phase of JPLG I, in late 2008.

- The online Management Information System (MIS) including the Contracts and Training Databases;
- Annual external reviews which from 2013 will increasingly focus on the outcomes and impacts of programme interventions, particularly in relation to institutional development, service delivery, peace building, gender and vulnerable groups.
- Monitoring of social service departments of the district administration;
- Monitoring of local government's performance – using indicators and data on contracts;
- A section on VfM focusing only on unit costs of inputs in construction projects, which has been included in the Quarterly Reports, following consultations with DFID in 2010; and,
- Information from Community Monitoring Groups (CMGs), whose role is being expanded based on recommendations from the MTR to include outcome and impact level monitoring in the Participatory Impact Monitoring (PIM) process.

Critical to building on these elements is a sharper focus on links at the output to outcome level, supported by verifiable indicators and clear means of verification. This will help to make research, knowledge management and experiential learning central to the evolution of JPLG II. In addition, it is proposed to establish Joint Monitoring Teams with government, and to provide a small budget to the PMU to support the new approach.

Value for Money (VfM) is about 'the optimal use of resources to achieve intended outcomes'. VfM monitoring under JPLG I resulted from a request from DFID. The approach focuses on results of the intervention (outputs and outcomes) that are to be achieved given estimated costs of the intervention. The use of VfM analysis aims to maximize impact with available resources and implies that a monitoring and evaluation process looks at value to determine which activities are more useful in achieving objectives. In essence, the value for money approach aims to enhance results with a given level of financial support.³⁸ The MTR recommended that JPLG develop simple economy indicators like unit costs of inputs and related efficiency indicators comparing summary costs of outputs with benchmarks reflecting independently assessed local market conditions. In coordination with sectoral efforts, JPLG II would develop measures of effectiveness developed by each sector to gauge the change in actual service delivery and value-for-money over time. This will be done upon agreement of the Joint Programme Monitoring Framework, which is set out below in Table 2.

The purpose here is to ensure that project investment funds as well as resources for reforms and capacity development are not wasted on unsustainable activities, and to yield information on what works best, and can be sustained and replicated within and beyond the life of JPLG to meet outcomes and impact goals. The

³⁸ See http://mande.co.uk/blog/wp-content/uploads/2011/08/pub_031035.pdf

VfM approach may for example assist a National Audit Office through ex-post spending reviews (audit) and setting unit costs for common items. Under certain investments, for example in relation to water related PPPs, an analysis would include both financial and social Cost Benefit Analyses.

In addition to an improved results matrix, and a VfM approach, JPLG II will focus on establishing an outcome and impact oriented M&E system to meet the aims of JPLG, as an experiential learning project. This effort will be led by the Programme Management Unit, led by the Senior Joint Programme Manager, supported by a Monitoring and Evaluation Officer and M&E officers in Somaliland, Puntland and later south and central Somalia. JPLG II will also build on the findings of the MTR, which recommended improving the M&E system through:

- Assessment of current levels of service delivery;
- Better integration of gender disaggregated indicators;
- Better integration of disaggregated data and indicators in relation to vulnerability and social exclusion;
- Expansion of the contracts database to track all aspects of the project cycle, beyond the status of construction contracts;
- Expansion of Community Monitoring Groups (CMGs) to include monitoring of the impacts of service delivery for which the infrastructure is built beyond monitoring of construction activities; and,
- Improved engagement of counterparts in the collection, collation, interpretation and dissemination of data for the use of decision-making at the appropriate level.

Accordingly, the following adjustments will be made to monitoring arrangements for JPLG II based on the findings of the MTR, the field visits conducted by the Formulation Team, and the new focus on value-for-money. Adjustments include:

- Updating of the Monitoring and Evaluation Framework based on the recommendations of the MTR given the need to link JPLG with both peace and state building outcomes. Additionally, the Monitoring and Evaluation Framework will set out mechanisms for greater ownership and access, particularly to key stakeholders such as central and local governments, sectoral agencies, and most importantly communities. The Framework will also highlight M&E mechanisms for measuring VfM, including linkages with other government and externally funded interventions;
- Updating Monitoring and Evaluation Plans, which under JPLG I are incorporated into the AWPB. This will include changes identified when the M&E Framework is updated including elements set out above (VfM, gender, ownership, gender and social exclusion, voices and access);
- Updating the Monitoring and Evaluation System. Currently the contracts and training database are used as tools for monitoring deliverables but not impact. Agencies provide financial and narrative reports using a common template for monitoring activities and capturing lessons. The PMU will also hire field-based M&E officers who will provide support to the PMU, as well as building the capacity of key stakeholders in monitoring and evaluation;
- Developing a better monitoring system to promote social accountability and monitor impact, particularly at the community level through the strengthening the PIM system of CMGs. This will include systems to monitor differentiated impacts between sexes and vulnerable groups such as women-headed households, minority groups, and the elderly. Particular emphasis will be given to measuring the impact of the substantial training that has been and will be offered. Given the dearth of information in Somalia, JPLG II will use baselines such as the findings of the Multiple Indicator Clusters (MICs) to help define target vulnerable groups. See section on Ownership and Voice for more;
- Adopting a VfM approach to project activity planning, feasibility studies, contracts and other Program activities; and,
- Strengthening the Management Information System (MIS) to include more baseline data and periodic updates of indicators that will facilitate year-end evaluations and the Mid Term Review (MTR).

These tasks will be completed early during Phase II for endorsement by the Programme Working Group and approval by the Joint Steering Committee. Moreover, as JPLG will conduct joint M&E exercises with Government, the results framework matrix will be shared with Government and relevant government staff will be trained to support government contributions to learning and outcome level monitoring. At that time, indicators will be further developed in relation to PSGs and VfM among other new inputs.

8.2 REVIEWS

Under JPLG II, there will be four standard reviews, as well as periodic reviews requested by the Joint Steering Committee:

- i. **Annual Reviews**: External Annual reviews will be conducted. These will be based on field missions, financial and narrative progress reports related to donor funds received and activities mandated under JPLG II on a quarterly and annual basis. Reports will include in particular an analysis of Programme results and outcomes/outputs, VfM, impacts of interventions, particularly in relation to institutional development, service delivery, peace building and gender;
- ii. **Bi-Annual Reviews**: Bi-annual Review workshops will be arranged with national counterparts, as an activity of the PMU and TWG;
- iii. **Mid Term Review (Assumed around 2015)**: JPLG II will conduct an independent mid-term review in 2015. This will focus on assessing Programme relevance, effectiveness and efficiency of management and implementation, impacts of interventions and sustainability of results. The report will also include recommendations in response to the findings;
- iv. **Periodic Reviews**: Given the evolving situation in Somalia, the Joint Steering Committee may call for periodic reviews. For example, this may include a review of risk and risk mitigation strategies for engagement in south and central Somalia and other less stable areas. A review may also be required vis-à-vis developments with the Provisional Constitution currently being finalized and its impacts on local governance, hence JPLG II. As an increasing number of donors are planning to provide support in Somalia, a review may also be necessary on how JPLG can add value to stabilization, early recovery and development efforts. This review may look at partnership arrangements, as well as complementarities and synergies, and how better VfM can be achieved. External partner reviews are also encouraged;
- v. **Program Final Evaluation (Assumed in 2017)**: A final output to outcome and outcome to impact evaluation will be conducted based on all prior reporting, monitoring and other learning outcomes as indicated above.

8.3 REPORTING

A common reporting format is currently adopted by all participating agencies, however, some donors and Somali partners have identified the need for reports to be simpler, more succinct and accessible, but firmly based on the Programme log frame and assessment of the monitoring indicators contained in it. Others have praised JPLG reports for the high level of detail provided. JPLG II will attempt to meet both preferences by structuring reports in a way that presents key information in a succinct format for those who want it, similar to an executive summary, supported by more elaborate and detailed information and analysis elsewhere in the report.

Critical to the success of this exercise is making sure that key issues are differentiated from day-to-day issues, and fed into management and joint monitoring exercises so that corrective measures can be applied. Reports will still be generated quarterly and annually by agencies and consolidated by the PMU, but the focus on strategic lessons and implications will be improved to strengthen impact and value for money. Brief reports for the purposes of quickly identifying key results may also be prepared. Reports will also be tailored for coordination and communication purposes, particularly with communities as well as central governments, and other external actors not directly involved in implementing JPLG. Financial and narrative progress reports based on the contribution received and activities mandated under JPLG II will be made on a quarterly and annual basis. Reports will include in particular an analysis of VfM, impacts of Programme interventions, particularly in relation to peace building, gender and vulnerable groups.

8.4 EVALUATION

As indicated above, an independent Final Evaluation of JPLG II activities will be conducted towards the end of the Programme around 2017. This Final Evaluation will evaluate the extent to which JPLG II is contributing to results anticipated in the UNSAS, and the extent of change in development conditions associated with local development and service delivery in Somalia. The Evaluation will focus on results, impact and value for money, including support for PSGs and the MDGs, and will consider the effectiveness and efficiency of interventions, the impact of the intervention 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.

TABLE 2. JOINT PROGRAMME LOGFRAME

Outcomes and outputs	Indicators	Collection methods and frequency	Baseline	Milestone at the end of Year 2	Target at the end of Year 5
Outcome 1. Policy and legal frameworks are improved to enable local governments to deliver equitable services	Extent to which policy and legal frameworks enable equitable and gender-sensitive service delivery by local governments (measured on a scale from 1 to 10) Definition: A review of which the steps required have been achieved or covered	Annual expert survey	Not available - to be determined in the course of development of the Decentralization Draft Policy in 2012	<i>Somaliland</i> - at least 5 <i>Puntland</i> - at least 5 <i>South and central</i> - at least 3	<i>Somaliland</i> - at least 7 <i>Puntland</i> - at least 7 <i>South and central</i> - at least 5
1.1 Policies, laws and strategies for decentralization are drafted and implemented that clarify the division of functional responsibilities among central, regional and local governments	Degree of development and enactment of decentralization policies, laws and strategies	- JPLG quarterly and annual reports - Reports of the Inter-ministerial Committee on Decentralization	- Policy paper on decentralization options produced (SL and PL) - No Decentralization Policy - Legal review process has not started - Relevant regulations are not in place	<i>Somaliland</i> - Decentralization Policy enacted and the existing laws amended <i>Puntland</i> - Decentralization Policy enacted and the existing laws amended <i>South and central Somalia</i> - Decentralization Policy formulated	<i>Somaliland</i> - new laws enacted and 70% of identified regulations are in place <i>Puntland</i> - new laws enacted and 70% of identified regulations in place <i>South and central Somalia</i> - Decentralization Policy adopted and the existing laws amended
	% of JPLG districts where provisions of the improved decentralization framework have been implemented	- JPLG quarterly and annual reports - Reports of the Inter-ministerial Committee on Decentralization	- No implementation pending enactment of the decentralization framework	<i>Somaliland</i> - 0% <i>Puntland</i> - 0% <i>South and central Somalia</i> - 0%	<i>Somaliland</i> - at least 70% <i>Puntland</i> - at least 70% <i>South and central Somalia</i> - 50%
1.2 Policies, laws and supporting regulations for decentralization are drafted and implemented that govern the allocation of fiscal resources between central, regional and local governments in line with their responsibilities	Degree of development and enactment of policies, laws and strategies for fiscal decentralization	- JPLG quarterly and annual reports - Reports of the Inter-ministerial Committee on Decentralization	- Policy paper on decentralization options produced (SL and PL only) - No Fiscal Decentralization Framework - Legal review process has not started - Relevant regulations are not in place	<i>Somaliland</i> - Decentralization Policy enacted and the existing laws amended <i>Puntland</i> - Decentralization Policy enacted and the existing laws amended <i>South and central Somalia</i> - Decentralization Policy formulated	<i>Somaliland</i> - new laws enacted and 70% of identified regulations are in place <i>Puntland</i> - new laws enacted and 70% of identified regulations are in place <i>South and central Somalia</i> - Decentralization Policy adopted and the existing laws amended

Outcomes and outputs	Indicators	Collection methods and frequency	Baseline	Milestone at the end of Year 2	Target at the end of Year 5
	% of JPLG districts where provisions of the improved fiscal decentralization framework have been implemented	- JPLG quarterly and annual reports - Reports of the Inter-ministerial Committee on Decentralization	- No implementation pending enactment of the decentralization framework	<i>Somaliland</i> - 0% <i>Puntland</i> - 0% <i>South and central Somalia</i> - 0%	<i>Somaliland</i> - at least 70% <i>Puntland</i> - at least 70% <i>South and central Somalia</i> - 50%
1.3 Policies, laws and supporting frameworks for decentralization are drafted and implemented that address government administration, government employment and land governance	Availability of LG Civil Service Law/Code	JPLG Reports and Parliament proceedings/records	- Elements of LG civil service regulation law in place (not in SL)	<i>Somaliland</i> - draft <i>Puntland</i> - draft <i>South and central Somalia</i> - study produced	<i>Somaliland</i> - enacted <i>Puntland</i> - enacted <i>South and central Somalia</i> - draft
	% of JPLG districts where new civil service provisions have been implemented, including the ratio of women to men employed in civil service at the districts level	- JPLG quarterly and annual reports - Reports of the Inter-ministerial Committee on Decentralization - Staff Survey	- Elements of LG civil service regulation law in place (not in SL)	<i>Somaliland</i> - 0%, ratio 1/5 <i>Puntland</i> - 0%, ratio 1/5 <i>South and central Somalia</i> - 0%, ratio 1/10	<i>Somaliland</i> - at least 70%, ratio 1/4 <i>Puntland</i> - at least 70%, ratio 1/4 <i>South and central Somalia</i> - 50%, ratio 1/7
	Availability of Land Policy	JPLG Reports and Government/Parliament proceedings/records	Draft Land Policy Discussion Paper is produced in SL and PL, no Land Policy available in South and central Somalia	<i>Somaliland</i> - Land policy submitted to Parliament for approval <i>Puntland</i> - Land policy submitted to Parliament for approval <i>South and central Somalia</i> - Land policy discussion paper produced	<i>Somaliland</i> - Land policy enacted <i>Puntland</i> - Land policy enacted <i>South and central Somalia</i> - Draft Land policy submitted to parliament for approval
	Availability of new Land Law and land regulations	JPLG Reports and Government/Parliament proceedings/records	"Issues and Options" paper for urban land law reform is produced in SL. Recommendation on urban land law was produced in PL. No paper on land law has been produced in SC	<i>Somaliland</i> - draft <i>Puntland</i> - draft <i>South and central Somalia</i> - discussions initiated	<i>Somaliland</i> - enacted <i>Puntland</i> - enacted <i>South and central Somalia</i> - discussion paper produced for land law

Outcomes and outputs	Indicators	Collection methods and frequency	Baseline	Milestone at the end of Year 2	Target at the end of Year 5
Outcome 2. Local government capacity for equitable service delivery is improved	Extent to which local government capacity is in place for delivery of basic services (measured on a scale from 1 to 10)	Annual Assessment of Performance Measurement Tools for Local Governments	Not available - to be determined in the course of the Annual Assessment of Performance Measurement Tools for Local Governments in 2013	Somaliland - at least 5 Puntland - at least 5 South and central Somalia - at least 3	Somaliland - at least 7 Puntland - at least 7 South and central Somalia - at least 5
2.1 Structures and systems for good local governance, planning, budgeting and implementation are established and strengthened	% of JPLG districts with structures and systems in place including gender responsive integrated and participatory planning and budgeting framework	- JPLG quarterly and annual reports - Annual Assessment of Minimum Conditions and Performance Measures for Local Governments	Participatory District Planning and Budgeting Framework exists, no institutionalized gender responsive integration	Somaliland - 50% Puntland - 50% South and central Somalia - 20%	Somaliland - at least 70% Puntland - at least 70% South and central Somalia - 50%
2.2 Competencies and skills are developed for good local governance and equitable service delivery	% of JPLG districts with staff and elected representatives meeting minimum defined competencies and skills	JPLG quarterly and annual reports Annual Assessment of Performance Measurement	Not available - to be determined in the course of the Annual Assessment of Performance Measurement in 2013	Somaliland - 50% Puntland - 50% South and central Somalia - 20%	Somaliland - 70% Puntland - 70% South and central Somalia - 50%
2.3 Fiscal arrangements including local revenue generation and the LDF are strengthened and expanded for service delivery and local investment	% of JPLG districts with improved arrangements (strategies and plans) for local revenue generation designed and implemented	- JPLG quarterly and annual reports - Annual Assessment of Minimum Conditions and Performance Measures for Local Governments	Not available - to be determined in the course of the Annual Assessment of Minimum Conditions and Performance Measures for Local Governments in 2012	Somaliland - 100% designed, 50% implemented Puntland - 100% designed, 50% implemented South and central Somalia - 50% designed	Somaliland - at least 70% implemented Puntland - at least 70% implemented South and central Somalia - at least 70% designed, 50% implemented
	Number of JPLG districts with the LDF re-designed and introduced for service delivery and local investment	- JPLG quarterly and annual reports - Reports of the Inter-ministerial Committee on Decentralization	LDFs operational in 7 districts in SL and 3 districts in PL	Somaliland - redesigned LDF applied in 7 districts Puntland - redesigned LDF applied in 3 districts and introduced in 3 districts South and central Somalia - LDF redesigned and introduced in 2 districts	Somaliland - LDF introduced in 3 new districts Puntland - introduced in 2 new districts South and central Somalia - LDF adjusted and introduced in 2 new districts

Outcomes and outputs	Indicators	Collection methods and frequency	Baseline	Milestone at the end of Year 2	Target at the end of Year 5
Outcome 3. Local governments are accountable and responsive to community priorities in providing equitable and sustainable services and promoting local economic development	% of community respondents in JPLG districts (gender disaggregated) who view local governments as accountable and responsive to community priorities in providing equitable services and promoting LED	Annual Perception Surveys	Not available - to be determined in the course of the first annual perception survey in 2013	Somaliland - 20% or above for men and women from the baseline figures Puntland - 20% or above for men and women from the baseline figures South and central Somalia - 10% or above for men and women from the baseline figures	Somaliland - 70% or above improvement for men and women Puntland - 70% or above improvement for men and women South and central Somalia - 50% or above improvement for men and women
3.1 Local Governments deliver improved services through enhanced engagement of communities with central government and non-state actors	Number of SDM's designed and implemented by relevant sector ministries, local government and non-state actors	- JPLG quarterly and annual reports - Sector ministries' reports - Annual Performance Assessment	- Framework for SDMs outlined - No SDMs have been designed or approved	Somaliland - 5 SDM designed Puntland - 5 SDM designed South and central Somalia - 3 SDM designed	Somaliland - 10 SDM designed and 4 SDM approved Puntland - 10 SDM designed and 4 SDM approved South and central Somalia - 5 SDM designed and 3 SDM approved
	% of community respondents in JPLG districts (gender disaggregated) who view services provided by LG's as good and very good	Annual Perception Surveys	Not available - to be determined in the course of the first annual perception survey in 2013	Somaliland - 20% or above for men and women from the baseline figures Puntland - 20% or above for men and women from the baseline figures South and central Somalia - 10% or above for men and women from the baseline figures	Somaliland - 50% or above for men and women Puntland - 50% or above for men and women South and central Somalia - 30% or above for men and women
3.2 Enabling environment for LED and related systems enhanced through local governance	No. of JPLG districts which have established an LED governance framework	- JPLG quarterly and annual reports - Minutes from LED Forums - District LED strategies	District with LED Forums: SL: 2 districts PL; 2 districts SC: None	Somaliland - 4 Puntland - 3 South and central Somalia - 2	Somaliland - at least 6 Puntland - at least 4 South and central Somalia - at least 3

Outcomes and outputs	Indicators	Collection methods and frequency	Baseline	Milestone at the end of Year 2	Target at the end of Year 5
	% increase of businesses (gender disaggregated) registered in JPLG districts as a result of better enabling environment for LED	- JPLG quarterly and annual reports - Official statistics - District Business License Register	To be determined from District Business License Register	Somaliland - 15% in 3 JPLG districts Puntland - 15% in 2 JPLG districts South and central Somalia - 15% in 2 JPLG districts	Somaliland - 15% in 3 new JPLG districts Puntland - 15% in 2 new JPLG districts South and central Somalia - 15% in 2 new JPLG districts
3.3 Effective social accountability mechanism established	Number of JPLG districts with effective community auditing systems established measuring accountability and transparency of local governments performance	- JPLG quarterly and annual reports - Annual Assessment of Minimum Conditions and Performance Measures for Local Governments - World Bank Social Accountability Survey	Basic systems in place in 6 districts in SL, 4 districts in PL and 0 districts in SC	Somaliland - effective system established in 7 districts Puntland - effective system established in 7 districts South and central Somalia - effective system established in 3 districts	Somaliland - effective system established in at least 10 districts Puntland - effective system established in at least 10 districts South and central Somalia - effective system established in at least 5 districts
	% increase of participation of women and other disadvantaged groups in decision-making at the district level in the determination of development priorities and budget allocation	- Annual Assessment of Minimum Conditions and Performance Measures for Local Governments - KAP Assessments - Minutes of District Council Meetings - Participation Survey	Not available - baseline to be established during the course of the first annual assessment by observing participation of women and other disadvantaged groups in various decision making forums in 2013	Somaliland - 30% increase in participation of women and disadvantaged groups in decision making Puntland - 30% increase in participation of women and disadvantage groups in decision making South and central Somalia - 20% increase in participation of women and disadvantaged groups in decision making	Somaliland - 50% increase in participation of women and disadvantaged groups in decision making Puntland - 50% increase in participation of women and disadvantage groups in decision making South and central Somalia - 40% increase in participation of women and disadvantaged groups in decision making

9. MANAGEMENT ARRANGEMENTS

Although the management arrangements evolved during Phase I of JPLG have on the whole been widely acknowledged as highly effective, important changes will be made for Phase II. One is to strengthen the Programme Coordination Unit so that it can play a more forceful role in management, and will hence be renamed the Programme Management Unit (PMU). A second is to restructure the management of Programme operations in Somalia in order to improve coordination and efficiency among UN partners and provide stronger technical support to host governments.

9.1 ROLE OF PARTICIPATING UN AGENCIES

As implied in its title, JPLG is a Joint Programme involving several UN agencies. The rationale for designing the Programme in this way, rather than through a single agency, was that the scope of the proposed programme and the diverse nature of the tasks involved. These were beyond the means of any one agency and required the combined resources of several partners working in tandem towards the ambitious goals to be achieved. On the basis of preliminary proposals for the proposed programme, five agencies expressed a commitment to joining the venture, including ILO, UNCDF, UNDP, UN-Habitat and UNICEF, and all of them will remain as members of JPLG II. Cooperation with other UN Agencies and Organizations may be established, but will be limited to providing technical support for particular outputs and themes, for example UN Women on gender issues. Participation of new agencies and organizations will only be authorized through the formal approval of the Joint Steering Committee members and in line with the AWPB process.

In principle, the responsibilities and tasks undertaken by each of the five UN Agencies participating in JPLG should reflect their core competencies and experience. Broadly speaking this has been and will continue to be the case. However, some adjustments have had to be made for several reasons. Some Agencies were already active in Somalia before JPLG started in 2008, notably UN Habitat, which had been working with selected municipalities on issues related to land planning and financial management. UNCDF also has expertise in municipal finance associated with the operations of the LDF, and participated in the design of JPLG I, but did not assign staff to the Programme until 2010. UNDP, ILO UNICEF all have other programmes in Somalia, some of them complementary to JPLG, which gives them a comparative advantage in undertaking specific components of the Programme, for example ILO in local economic development. Given their work during JPLG I, the role of each Agency in the Programme will remain much as before, as described in the Programme Document for Phase I, with a clearer division of responsibilities although sometimes overlapping. Broadly summarized, the tasks and responsibilities of each Agency under JPLG II will be as follows:

- ILO for infrastructure and public works, procurement, public-private partnerships and local economic development;
- UNCDF for fiscal decentralization policy reforms, local revenue improvement and local development funds;
- UNDP for policy and administrative reforms for local government;
- UN Habitat for municipal finance, urban planning and land governance, and
- UNICEF for community participation, social accountability, access to services.

In accordance with the Guidance Note on Joint Programming of the UN Development Group, each UN organization participating in the Joint Programme subscribes to a common Programme results and resource framework, monitoring and evaluation framework, work plan, budget, co-ordination structure and resource mobilization strategy. This means that all the participating UN organizations are equal in their status without any one of them assuming leadership of the Programme.

The contribution of each participating UN organization towards the Joint Programme will be featured in both the Results and Resources Framework and Annual Work Plans, and these will be used to transfer funds for implementation. Each organization will have accountability for the resources received and the programmatic areas

agreed upon. Each will, therefore, be responsible for its own portfolio of projects, budget and work plan, partnership arrangements and corresponding legal documents or contracts, and minor budget revisions as per its own rules, regulations and directives. Normally, for joint Programmes of more than one year, individual UN agencies integrate joint programmes into their operational multi-year programme documents. In pursuing the Joint Programme, the same organizations agree in principle to share information and analysis, derived for example from technical reports and analyses, minutes of meetings, lessons learned and other strategic documents of importance.

9.2 JOINT PROGRAMME STEERING COMMITTEE

The Joint Programme Steering Committee (JSC) established during Phase I will continue to provide strategic guidance and oversight to the Programme during Phase II. Members of this Committee will be the Head of each Agency or a delegated senior officer with decision-making authority, representatives of the donors contributing to the Programme and government counterparts. Other stakeholders may be awarded member or observer status as approved. At the start of JPLG I, UN Habitat filled the role of lead agency, to which Phase I was aligned to UNTP outcome 2. Hence the agency served as co-chair of the JSC together with senior government representatives. Since all UN agencies participating in a Joint Programme are considered equal, it is suggested that the position of co-Chair could revolve among the Heads of the five UN agencies participating in JPLG.

The Steering Committee will be guided by updated Terms of Reference, which will remain similar to those for Phase I. It is expected that the Steering Committee will meet once a year and otherwise as required. Its role is to review progress towards achieving Programme goals, to facilitate collaboration among the UN partners in the Programme, and to ensure the Programme is responsive to the priorities of governments in Puntland, Somaliland and south and central Somalia. The main responsibilities of the Steering Committee will continue to be to:

- Provide guidance on the broad focus and priorities for the Joint Programme ensuring alignment with the UN Somali Assistance Strategy (UNSAS), the Reconstruction and Development Plan (RDP) and national priorities;
- Review and approve Programme -level budgets and annual work plans and budgets, and approve substantive Programme and budget revisions;
- Advise on resource mobilisation strategy for the Joint Programme and set policy for allocation of donor funds, taking into account needs, priorities, and absorptive capacities. Also to advise the Senior Joint Programme Manager on any un-Programmed or unspent funds;
- Exchange relevant information, share examples of best practices and consider any matters related to the enhancement and implementation of the Joint Programme and its components;
- Discuss issues related to decentralisation, local governance, urban development and service delivery and how they impact upon the Joint Programme, and how the Joint Programme can impact upon them. Identify any significant challenges, risks and opportunities that may arise, and advise the Programme Management Unit and participating UN organisations on appropriate actions;
- Review Programme performance against the intended results under goals, outcomes and outputs;
- Initiate reviews of the Joint Programme, particularly on management arrangements, and advise on follow-up actions related to the findings and recommendations from reviews, evaluations findings and financial audits;
- Review the possibility of inviting other UN organisations to participate in the Programme through the same fund management arrangement. Such a decision should be based on demonstrated expertise, operational competence and absorptive capacity; and,
- Advise on an appropriate exit strategy that enhances the sustainability of local governments and the provision of basic services.

9.3 THE PROGRAMME MANAGEMENT GROUP

The PMG will continue to be chaired by the Senior Joint Programme Manager from the PMU, and members will include the Heads of UN Agencies participating in the Programme or their deputies with delegated authority to advance the tasks of working towards the goals of JPLG.

The PMG plays a key role in the management of the Programme. Its main function is to advise and guide the PMU on management of JPLG in Somaliland, Puntland, south and central Somalia in a coordinated and harmonized manner.

The process involves working with the Senior Joint Programme Manager to reach a consensus on the activities to be undertaken by each agency in order to achieve JPLG goals and outcomes. In this, the PMG is advised by the members of the Technical Working Group. In addition, the PMG is responsible for overseeing mechanisms for monitoring, evaluation and reporting, and assessing the performance of the Senior Joint Programme Manager.

Over time the PMG has evolved as a workable and effective model of team management, which the MTR itself acknowledged as one of the strengths of JPLG as a joint Programme. It is accountable to the Joint Steering Committee, which is responsible for reviewing and approving Annual Work Plans and Budgets (AWPBs). Under UN guidelines for joint Programmes, UN agencies are “equal members of all the decision-making and co-ordination mechanisms of a Joint Programme”. The strength of team management is that decisions are made by consensus and are, therefore, more likely to induce ownership and support from each agency involved in making those decisions.

9.4 THE PROGRAMME MANAGEMENT UNIT

The Programme Coordination Unit, as it was titled during Phase I, will be strengthened to better perform the role and responsibilities it has come to acquire and will be renamed the Programme Management Unit (PMU). For Phase II, the scope of work for the PMU will be rewritten to reflect and consolidate the functions, which it currently performs and will need to perform for Phase II. These are to:

- Facilitate the preparation of AWPBs;
- Facilitate coordination among the five UN Agencies participating in the Programme;
- Monitor and evaluate Programme components, budgets and prepare periodic progress reports;
- Make arrangements for the Mid Term Review, the end of term evaluation of the Programme;
- Develop and implement a strategy to promote gender mainstreaming throughout the Programme; and,
- Develop and implement a strategy for promoting JPLG and communicating with the many diverse stakeholders associated with the Programme.

PMU staff will therefore comprise a) a Senior Joint-Programme Manager (SJPM), b) a Programme and Communication specialist, c) a Monitoring, Evaluation and Reporting officer, and d) a Senior Programme and Administrative Assistant. While, for programme management and coordination purposes between UN participating agencies, Government authorities and donors, the SJPM and an assistant will, continue to operate from Nairobi with regular missions to Somalia, it is anticipated, in line with evolving human resource practice, that the Programme and Communication Specialist and the M&E and Reporting Officer will be located in Somalia or will be expected to spend a substantial part of their time there. To strengthen coordination and management, the PMU will be supported by M&E Officers and Area Managers attached to JPLG teams based in Somaliland, Puntland and eventually in south and central Somalia.

Under JPLG II, the PMU will also have its own separate budget to cover the costs of staffing, coordination, monitoring, evaluation, and gender and communication activities as defined in the AWPBs. Although the scope of the PMU will be enhanced to undertake these cross-cutting activities, it will not be directly responsible for Programme implementation, which is the realm of the UN agencies participating in JPLG.

In line with the existing ToR, the Senior Joint Programme Manager main tasks to be performed are to:

- Represent JPLG at the request of the UN participating Agencies;
- Mobilize support and funds for the Programme from international donors and other sources;
- Manage the process of developing annual work plans and budgets together with members of the TWG;
- Coordinate the activities, components and budgets of the Programme implemented by the participating UN Agencies;
- Generate support for the Programme among senior government officials in Somaliland, Puntland and the Federal Republic of Somalia to facilitate implementation of the Programme; and,

- Liaise with the UN Resident Coordinator, the UN Country Team, UNDSS, and other relevant programmes supported by the international community in Somalia.

In addition, the Senior Joint Programme Manager will give greater emphasis to promoting the JPLG brand to gain wider recognition of its role as a Joint Programme and an example of the One UN approach to development. For this purpose, it is proposed that s/he attend meetings of the UNCT as an observer.

9.5 TECHNICAL WORKING GROUP

The Technical Working Group will continue to function much the same way as it has during Phase I. Permanent Members of the Group formally include the JPLG Project Managers from each of the five UN partner agencies and the Senior Joint Programme Manager, but other people may be invited as occasion demands. The matrix management arrangements set during JPLG I will remain in place and Project Managers from each of the participating agency will continue to report to their respective Agency supervisor on technical and programming issues, and to the Senior Joint Programme Manager on programming issues. As stated in its TORs, the TWG is responsible for drafting, managing and implementing the annual work plan and budget for JPLG. This in turn is submitted to the PMG and the Joint Programme Steering Committee for approval.

For Phase II, the TWG will be authorized to exercise a stronger role in vetting and negotiating work plans and budgets from each UN partner. The aim is to arrive at a more coherent and better-integrated plan and budget, which is oriented to achieving specific annual results essential for the progress and implementation of the AWP. Other tasks of the TWG are to help devise policies and strategies relating to technical aspects of JPLG activities and to review, design or revise guidelines for specific components of the Joint Programme. They may also undertake other technical tasks that they deem appropriate or that other JPLG stakeholders may ask of them.

During Phase II, the PMU will collaborate with UN partners to post more senior technical experts in the field, particularly those working on policies and legislation mentioned under Outcome One, and other outputs that require specific technical expertise. As mentioned earlier, JPLG will make concerted efforts to assist host governments in pushing forward these initiatives. This requires technical experts to be close by, where they can provide more intensive and sustained support to policy makers and government departments responsible for preparing policy papers and draft legislation, and implementing the institutional and sectoral reforms to deliver the anticipated outcomes on governance and service delivery.

9.6 FIELD OPERATIONS

To achieve the goals and objectives described earlier for Phase II, JPLG will strengthen its presence in Somalia. If resources are made available, management and technical support will be anchored more broadly in Somalia through posting of senior technical staffs/consultants. At present, JPLG has teams in Somaliland, in Puntland and in south and central Somalia. These teams normally comprise one or two technical staff from each of the five UN Partners and sometimes an administrative assistant. These agency staff is responsible for the implementation and coordination of the respective agency's activities that fall under the JPLG AWPB and report to their Project Manager. To facilitate coordination, a local Team Leader is selected among team members and performs this function in addition to his/her regular responsibilities. Members of each Team provide more or less full time support to JPLG, but are also often required to contribute to other agency tasks.

A review of staffing needs, started at the end of Phase I, will be concluded at the start of Phase II, with the aim to rationalize staffing needs and ensure that the Programme and the local teams have a full range of complementary skills. To strengthen Programme management during Phase II, JPLG will appoint Area Managers in each jurisdiction, who will report directly to the Senior Joint Programme Manager in Nairobi, and work with the Project Managers in seeking their guidance and input, if and when required, to ensure JPLG meets administration expectations. The PMU / TWG will prepare TORs for this position which will incorporate the tasks of current Team Leaders but with increased responsibilities and authority. These people will work exclusively on JPLG matters, their main tasks being to strengthen coordination between UN Partners and central/local governments for JPLG activities, and in particular to promote stronger collaboration in each area between JPLG and other donor Programmes, such as TIS, CDRD, SIDP and the PAR and PFM steering committees among others, as well as sectoral programmes such as education and

health. These Area Managers will lead existing JPLG teams (matrix management), will supervise their activities, and will be recruited through open competition.

Under Phase II, and depending on the availability of resources, JPLG will continue to provide technical assistance to districts and central administrations through national experts assigned to develop and transfer skills to local and central government counterparts. This is part of the strategy to transfer skills, build capacity of counterpart institutions and help them undertake their functions, roles and responsibilities. Particular attention will be given to ensure that these national experts are part of a comprehensive capacity development and institutional development plan, and that they are assigned to work with dedicated counterparts. Representatives from central and local government will take part in arrangements for recruitment, reporting and assessing performance. Where possible, UN agencies will also draw on their own pool of experts to support Programme activities and help to mainstream these activities within each agency's strategies and plans.

Further actions will be taken to enhance the productivity of the JPLG Field Teams in each area. UN Partners will be requested to ensure that their members of each Team devote close to 100% of their time to JPLG and are relieved of performing other duties for their agencies. These staff will be required to report both to their agency through the respective Project Manager, as well as to the JPLG Area Manager. It is expected that all members of each Team will be relocated to a single office, such as the UNCC for logistical and security reasons, to enhance collaboration and focus more intensively on accomplishing the outputs envisaged for Phase II. National M&E officers are currently being recruited to augment each of the JPLG Teams, and will report to the PMU. The performance of the JPLG Teams and their members will be judged in terms of achieving the results specified for each output.

JPLG will also intensify support to central governments in order to accelerate progress in achieving policy and legislative reforms envisaged for Phase II. Since these matters require advanced technical expertise, UN partners will be asked to assign senior technical staff to assist the central ministries concerned. To generate political and administrative momentum and support for these reforms, technical experts will be assigned more or less full time to these tasks, for which purpose they will be posted to either Hargeisa, Garowe or Mogadishu for the duration needed to achieve significant progress.

In the longer term, JPLG will prepare local institutions to take over the task of developing the capacity of selected local and regional governments. As mentioned under Output 2.2, these institutions may include Associations of Local Government, Civil Service Institutes, university departments and possibly departments from central ministries that are willing and able to take on the task. To reach more remote and poorer districts, JPLG may find it expedient to adopt the concept of forming clusters and supporting them from a regional hub as also described in Output 2.2.

9.7 AGENCY STAFFING AND CORE COSTS

One of the first tasks for Phase II will be for the PMU together with members of the TWG to rationalize the staffing and core costs, which the five UN Agencies charge to the Programme. There is great variation in the number of national and international staff each UN partner now assigns to JPLG on a full or part time basis, and consequently the financial cost imposed on the Programme for salaries and overheads.

To rationalize and reduce overhead costs, JPLG II will move towards stronger planning and budgeting practices with the introduction of more rigorous procedures for planning and budgeting. Among other measures, this will entail the application of unit costs for routine expenditures and activities, budget forecasts, the pooling of financial and human resources and cost-sharing. To improve transparency and accountability, Programme management will draw up a set of criteria or guidelines to cover these issues. These will be designed to ensure that all UN partners follow a common approach in designating staff and assigning costs to budget lines. They will include criteria to determine among other matters:

- Whether a person should be assigned full or part time to JPLG;
- Whether the post should be considered as essential for the implementation of JPLG or not;
- The grade or salary level;
- Whether the position should be recruited nationally or internationally;
- Whether the duty station should be Nairobi or Somalia;

- Matrix arrangements for reporting lines to parent agencies and JPLG PMU; and,
- The budget line(s) to which the cost of salaries, benefits and travel expenses should be assigned.

Greater clarity on these issues will help to resolve several issues. They will provide common standards for Agencies to follow in assigning and recruiting staff and preparing their budgets. They will make it easier to distinguish between core costs and Programme investments, and to calculate better estimates of cost effectiveness and value for money (VfM). They will also help to determine whether current staffing arrangements are justified and new appointments are warranted.

9.8 LOCAL GOVERNANCE PLATFORMS

The Programme document for Phase I included proposals to establish Local Governance and Service Delivery Committees in each jurisdiction. Membership of these committees was not specified in the program document for JPLG I, but they were to be co-chaired by the designated counterpart from the ministry in charge of local government and participating UN organizations on a rotating basis. The Committees were to be responsible for reviewing and recommending annual work plans, reviewing progress and performance of the Programme, analyzing opportunities and risks, and giving strategic guidance on Programme implementation in their respective areas.

During Phase II, concerted efforts will be made to build on proposed or existing arrangements to facilitate more active and consistent participation of Somali government stakeholders in shaping the direction and activities of the JPLG Programme. Steps have already been initiated to hold annual conferences on local governance issues. Both Somaliland and Puntland already have Inter-Ministerial Working Groups of one kind or another, some more active than others. JPLG will explore the possibility of collaborating with one or other of these committees on these issues and particularly on key policies and legislation for decentralization mentioned under Output One. Since the issues are complex and require the active participation of key ministries in formulating policy and legislation, JPLG will seek senior officials from central government to champion the reforms under discussion.

Another objective is to create platforms where local governments and line departments of central government can dialogue with JPLG to formulate strategies, actions and procedures to achieve other outputs envisaged for Phase II. Particularly important here are the tasks of institutionalizing JPLG processes and procedures for planning and budgeting, procurement and other elements of local government administration, and the formulation and implementation of Service Delivery Models (SDMs). There are also a host of other issues on the agenda for Phase II that would benefit greatly from improved consultations and dialogue with Somali stakeholders, and that would help to expedite implementation.

9.9 COMMUNICATIONS

Another area that JPLG will address more forcefully during Phase II is to improve communications both within the JPLG team and between JPLG and the many diverse stakeholders associated with the Programme. Most of the actions discussed in the previous section have to do with improving communications in one way or another between JPLG and Somali stakeholders. Particularly important are the platforms to facilitate dialogue between JPLG, central ministries, local governments and communities on governance issues.

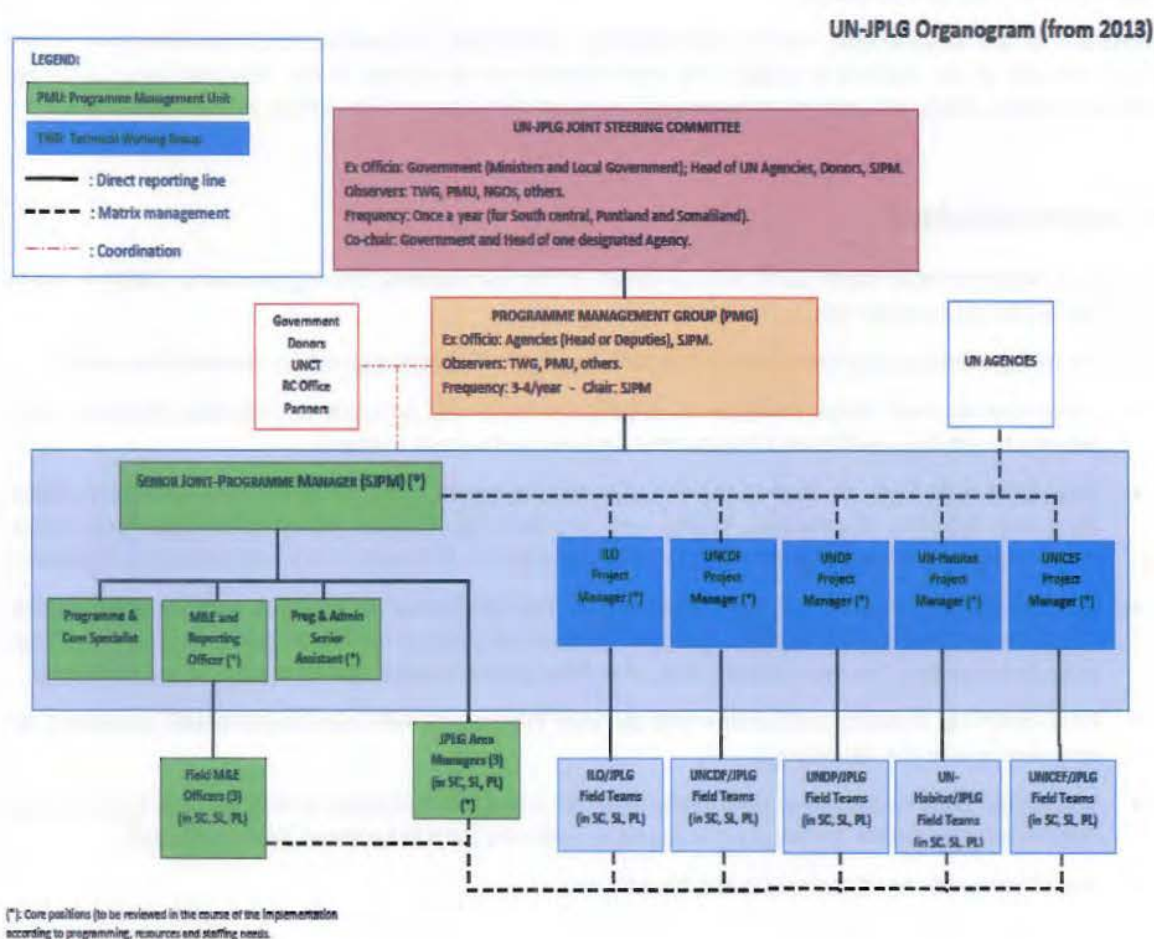
While each of the UN partners in JPLG has responsibilities for communicating with local clients involved in the activities, which they undertake, the PMU will be in overall charge of communications for JPLG II. Among the tasks they will perform are:

- Promoting the JPLG “brand” and the concept of a One UN approach to development;
- Keeping donors and central governments informed of JPLG plans and progress, part of which entails producing better periodic reports that convey essential information concisely and in a manner that is easy to read;
- Adopting a more consistent approach to the translation of key documents into the Somali language and a distribution system that ensures these reach intended audiences;

- Maintaining and expanding a website with information on the Programme, including a wider range of relevant documents, and more of them in the Somali language;
- Developing a better system for knowledge management, encompassing documents produced by partner agencies and Somali counterparts, relevant studies and reports produced by other institutions, and hot links to other websites with this information; and,
- Making wider use of public media to inform others about the aims and achievements of the Programme.

To assist Agencies in these tasks, JPLG will consider the recruitment of a public relations firm. TORs for the firm might include training on communication skills, and handling basic messages targeted to niche audiences.

FIGURE 4. ORGANOGRAM FOR UN JPLG



10. FINANCIAL MANAGEMENT ARRANGEMENTS

10.1 PASS-THROUGH MECHANISM

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

At the country level, the participating UN Organizations and the JPLG Programme Management Unit will be supported by the UN Resident Coordinator in his strategic leadership of the UN Country Team, relationships with national authorities and in his capacity as Designated Official. The UN Resident Coordinator (with the help of the JPLG Programme Management Unit) will provide overall strategic oversight of the programme, and ensure that participating UN Organizations meet their obligations. The Resident Coordinator (with the help of the JPLG Programme Management Unit) is entrusted with supporting the overall programme design based on the government's priorities, donor strategies, UNSAS, ongoing programmatic oversight and consolidation of programme reports.

Involvement of the Government, donors and other key stakeholders in deliberations concerning the Fund-related activities in the country is crucial. The Joint Programme also looks to the Resident Coordinator to reach out to NGOs, CSOs, national governments and non-resident UN agencies, where appropriate.

10.2 ADMINISTRATIVE AGENT

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

- Receiving contributions from donors that wish to provide financial support to the Joint Programme;
- Administering such funds received in accordance with the Agreement, including the provisions relating to winding up the Joint Programme Account and related matters;
- Disbursing such funds to each of the Participating UN organizations in accordance with instructions from the Steering Committee, taking into account the budget set in the Joint Programme Document/Annual Work Plan and amendments approved in writing by the participating UN Agencies;
- Consolidating statements and reports provided to the Administrative Agent by each Participating UN Organization (through the PMU), as set forth in the Joint Programme Document, and providing these to each donor that has contributed to the Joint Programme Account and to the Steering Committee;
- Final reporting, including notification that the Joint Programme has been operationally completed, in accordance with the Agreement;
- Disbursing funds to particular UN Organization for any additional costs of the task that the Steering Committee may decide to allocate in accordance with the Joint Programme Document; and,
- Any other functions as outlined in the Agreement.

10.3 ACCOUNTING, INDIRECT COSTS AND FEES

In order to demonstrate transparency in accounting, the Administrative Agent will comply with standard UN regulations and create a separate ledger account for the Joint Programme. All funds received will be deposited to the Joint Programme Account and recorded by the Administrative Agent. Funds channeled 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: (i) one for

administering the Joint Programme Account; and (ii) for the receipt and administration of funds disbursed from the Joint Programme Account to UNDP for its portfolio of substantive activities within the Joint Programme and instructions from the Joint Programme Management Group.

Each Participating UN Organization shall assume full programmatic and financial accountability for the funds disbursed to it by the Administrative Agent. Each Participating UN Organization shall establish a separate ledger account for the receipt and administration of the funds disbursed to it by the Administrative Agent. The Participating UN Organizations participate in the design, ongoing programmatic implementation and oversight of the Programme. They shall 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 Organizations recovered through programme support costs will be 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 by each Participating UN Organization in carrying out the activities for which it is responsible under the Fund will be recovered as direct costs.

The Administrative Agent will issue a financial report and final certified financial statement to donors and participating UN organizations on its activities.

10.4 AGENCY AND PROJECT LEVEL FUNDS

Agency project-level management, operations (procurement, finance, human resources) and expenditures shall be governed by the rules, regulations and directives of the respective participating UN organization. Each will have responsibility for approving its own project-related documents, including budget revisions within tolerance levels. The Senior Joint Programme Manager will set the tolerance levels and subject to review will endorse any excessive deviations and substantive budget and project revisions for approval by the Programme Management Group before submitting to the Joint Programme Steering Committee.

To the extent possible, all funding for the Joint Programme will be channeled through the AA, with the exception of: (i) core resources of all the UN participating agencies and organizations; and (ii) other resources mobilized by participating agencies through existing partnership agreements with donors prior to the date of signature of the Joint Programme document.

10.5 CASH MANAGEMENT TRANSFERS

The UN Country Team (UNCT) in Somalia is embarking on developing a harmonized approach to cash management transfers (HACT). Until the system is adopted, cash management will be undertaken according to the financial rules and regulations of the individual participating UN organization.

10.6 AUDIT

Since the participating UN organizations have programmatic and financial accountability, each will be responsible for auditing its own contribution to the Programme according to its own existing rules and regulations. The same auditing procedures apply for the Administrative Agent. In light of UN simplification and harmonization processes, this arrangement might change, and the internal and external auditing may be conducted for all the participating organizations simultaneously. Audit observations and recommendations from auditors should be reviewed and endorsed by the Joint Programme Steering Committee, particularly the participating UN organizations, and an appropriate action plan established to ensure that audit queries are addressed. This plan should be monitored by the Joint Programme Management Group as appropriate.

If audits are to be conducted simultaneously for all agencies participating in a programme, JPLG will seek to ensure that they also address the specific requirements of donors contributing funds for the Programme.

Also important is that these audits include information and indicators that allow JPLG to measure progress in reducing fiduciary risk and improving value for money (VfM).

10.7 RESOURCE MOBILISATION AND DONOR HARMONIZATION

A Programme-specific resource mobilization strategy will be guided by the Joint Programme Steering Committee and fund raising will be done for the Joint Programme and not for specific agencies. All resource mobilization efforts will be coordinated by the participating UN organizations, the PMU and the UN Resident Coordinator's Office and undertaken as a joint effort. The Senior Joint Programme Manager with the Programme Management Group will regularly review resource mobilization efforts and requirements and identify possible sources of funds for overall support. As a principle, and in line with the Aid Effectiveness agenda and harmonization principles, donors will be encouraged to channel funds using the pass-through mechanism and discouraged from earmarking of funds for specific Agencies or thematic activities.

11. RISK ASSESSMENT

The levels of risk vary across Somalia, but overall are relatively high. However, the cost of not supporting state-building and rebuilding institutions to perform basic functions and deliver services to meet the basic needs of citizens would have a significant impact on the Somalia and international effort to make progress towards peace and sustainable development in the country. Key risks are summarized in Table 3 with corresponding risk mitigation measures.

TABLE 3. RISK ASSESSMENT AND PROPOSED RISK MITIGATION MEASURES

Type	Risk	Measures for monitoring and mitigating risks
Political risks	The adoption of the new Constitution and the establishment of a new government in Mogadishu, and upcoming local elections may lead to increased political uncertainty.	JPLG II will conduct regular and systematic monitoring in the three zones to inform programming, and will identify opportunities, threats and challenges. Appropriate risk mitigation measures will be developed and implemented in conjunction with other international actors, including JPLG donors, embassies, the UN Resident Coordinator's Office and the UN Department of Safety and Security (UNDSS). JPLG II will also apply Fragile State Principles to ensure that engagement, particularly in newly accessible areas, is carefully assessed and managed.
Security risks	Restricted access to field locations, especially in south and central Somalia, and certain areas of Puntland and Somaliland due high personal security risks.	As in the past under Phase I, JPLG II will engage third parties to implement and monitor activities on behalf of UN agencies. Following advice from UNDSS, national, if not international staff will be engaged where possible in teams to implement and monitor activities.
	Land governance interventions can provoke conflict.	The JPLG will adopt a 'do no harm' approach in the area of land governance, drawing on the considerable knowledge of UN agencies in the area, and working closely with key partners in identifying and managing associated risks. JPLG II will monitor the risks continually.
Operational risks	The constant turnover and weak skills of senior officials and staff among Somali partner institutions may impede implementation of Programme activities.	JPLG II will focus capacity development on departments and units of partner institutions rather than individuals. This strategy will be pursued by: <ul style="list-style-type: none"> • Developing and maintaining strong relations with the departments and units concerned • Encouraging leaders to engage the entire staff of departments and units in discussions with JPLG and other parties concerned • Mobilising community interest and support for proposed activities, including representatives of different clans, women and other social groups • Keeping potential users and beneficiaries informed of proposed activities and where feasible encouraging their participation in decision making • Using these techniques to build strong local ownership of proposed reforms and activities among staff, potential users and beneficiaries • Hence maintaining pressure on current and new leaders to adhere to decisions already made and to follow through on implementation • Regularly monitoring progress to inform corrective action where needed

Type	Risk	Measures for monitoring and mitigating risks
	In south and central Somalia, the legal basis for local governance remains unclear.	<p>According to a study issued for CDRD, which is also applicable to JPLG, it will be important to have the support and ownership of informal decision-making institutions, as well as community members.³⁹ The study places an emphasis on extensive social mobilisation as a risk mitigation strategy, with the insistence that elected village councils are composed of mixed clans, as well as representation from women and other vulnerable groups. The study calls for innovative techniques for remote monitoring – and JPLG will determine if these are applicable to the Programme. Action will be taken to adapt and implement the Roadmap for Harmonisation of JPLG and CDRD.</p> <p>In addition, as described under Outcome 1 in chapter 4, JPLG II will assist the federal government of Somalia in clarifying policies and laws on decentralization, and implementing them as opportunities arise.</p>
	The lack of political will and institutional commitment among government partners in all three zones may result in failure to follow through on agreements, jeopardising progress towards achieving JPLG II goals and milestones.	<p>JPLG staff will have opportunities to monitor and report on these risks through their constant interactions with government officials in central ministries and local authorities.</p> <p>As preventive measures, JPLG II will seek to build strong commitment at the highest levels of government, and strong ownership of Programme activities among government staff, elected representatives, and other institutional stakeholders. This will be achieved by maintaining frequent communications to ensure they are fully informed of Programme activities and closely involved in the planning and design of them.</p> <p>JPLG II will also seek to engender commitment and ownership among communities and other intended beneficiaries of the Programme, who may be counted on to exert pressure on elected representatives and government officials to deliver on their promises and commitments.</p> <p>In cases where progress is held up by senior officials, JPLG II will make intensive efforts to resolve problems through direct personal communication and corrective action. If this fails, JPLG II will have to consider suspending the activities concerned until opportunities arise to resume them, or in the worst case cancelling them and redirecting resources elsewhere.</p>
Quality of delivery	Due to varying degrees of institutional capacity, the quality of Programme activities may vary, particularly for services provided by third parties contracted by JPLG.	<p>JPLG II will adopt competitive bidding to select competent contractors. Field staff, together with local authority staff, will undertake regular monitoring and evaluation of services provided to take corrective action. As described under Output 3.3 in chapter 6, PICs and CMGs will also be involved in monitoring at the community level.</p> <p>In cases where the performance of third party providers is unsatisfactory, the provider will be given further training to meet agreed standards of service and performance. If performance remains sub-standard, the provider will be replaced.</p>
Fiduciary Risk	At the request of DFID, JPLG conducted Fiduciary Risk Assessments (FRAs) of public financial management systems in Puntland, Somaliland, south and central Somalia, to examine the risks associated with fund transfers to central and local government institutions through the LDF.	<p>The FRAs found that while funds processed through the public financial management systems of Puntland and Somaliland were at high risk of misuse and leakage, the design and operation of the LDF has safeguards at all stages of financial management, which largely mitigate these risks. This includes vetting cost estimates, procurement, financial proposals and disbursement of funds.</p> <p>In south and central Somalia, there is no PFM system and the FRA team considers that it is not feasible to implement the LDF modality there. They recommend instead that a Community Development Fund (CDF) managed by the community themselves may be a more viable mechanism to finance service delivery.</p> <p>JPLG II will also consider reviving the modality of the Basket Fund used earlier in Phase I, in which procurement and disbursement of funds is handled directly by a JPLG partner agency.</p>

³⁹ Erik Bryld and Christine Kamau, Political Economy Analysis in Mogadishu, CDRD, May 2012.

12. WORK PLAN AND BUDGET

The work plan and scope of activities for JPLG II obviously depends on the funds available from donors and government. For this reason, an important task of the PMU and UN partners will be to continue mobilize resources from both existing donors and new ones, and contributions from central governments in each jurisdiction for the Programme. The rate at which new funding is secured will primarily dictate the activities to be included in each AWPB, along with the priorities expressed by Somali stakeholders and the capacity of UN partners to deliver Programme outputs.

Tables 4 and 5 below show draft work plans and estimated costs for the five years of JPLG II covering the period 2013 through 2017.

12.1 THE SEQUENCE OF ACTIVITIES

For each of the three main outcomes for Phase II, Table 4 shows the associated outputs, indicative activities and the approximate time frame during which the activities are implemented. In terms of the sequencing of activities, some have already started during Phase I and will simply continue without interruption to maintain momentum among the stakeholders involved. Others that do not rely on substantial funding can also start early on. Chief among these are preparation and updating of policy studies and background papers, and the drafting of legislation for functional, fiscal and administrative decentralization (Outputs 1.1, 1.2, and 1.3). The pace at which progress is achieved on each topic in each jurisdiction will differ of course, and the eventual enactment of legislation is highly speculative given the vagaries of political alliances, and is obviously outside the control of JPLG.

However, even if the date at which new laws take effect is not known for sure, preparations in anticipation of passage of the legislation can and should proceed in advance. Particularly important here is developing the capacity of local government departments that will be chiefly affected by new legislation. JPLG will need to assist departments of finance in understanding the ramifications of new formulae for allocating fiscal transfers. Likewise, LG departments concerned with health, education and WASH, SWM and roads / infrastructure will need to understand which expenditures are to be covered by central government ministries and how other costs are to be funded by from own source revenues.

Other outputs are expected to take longer to achieve. Among them, the more complicated matters of institutionalizing processes and procedures introduced by JPLG with existing practice in each jurisdiction (Output 2.1); integrating local plans and budgets with national ones (also Output 2.1); and preparations for expanding Programme coverage to new districts, especially in south and central Somalia. While there is much interest in establishing PPPs both to undertake provision of certain services (for example water or solid waste disposal) and to launch new enterprises, it may take a while to find investors from the private sector and for them to mobilize financing.

12.2 ESTIMATED COST OF OUTPUTS

Table 5 provides a provisional estimate of the cost of each of the proposed outputs for the five years of Phase II. Costs are estimated based on four components. One includes those costs directly associated with the activities supporting each output. A second includes information from the 2012 AWPB on current activities to be carried over to Phase II, which relate most closely to each of the new outputs, and most of which will continue in the years ahead, such as policy reforms, training, capacity development and LDF funding. A third component is a share of the recurrent costs of the field offices in each jurisdiction, which cover all activities there. The fourth is a share of the fixed cost of the Nairobi offices and staff. Shares are computed in proportion to the direct costs of each output. In addition, estimates include 5% for contingencies, the standard 7% management fee charged by UN agencies and a further 5% cost sharing for security expenses.

As the reader may anticipate, estimates of the cost of each output are approximate at best, due in part to the difficulty of determining what share of existing activities should appropriately be attributed to each output.

Taking all these items into account, the total estimated budget for the five year joint-programme is estimated at US\$ 145 million, with an anticipated budget of US\$ 24 million for the first year (2013) and later annual budgets that will rise steadily each year reaching US\$ 33 million in 2017. The annual increase is mainly explained by the increase in investments and capacity development and the growing number of districts that JPLG plans to cover during Phase II, particularly in later years. This increase is partially offset by a reduction in spending on some items, notably the policy work on functional and fiscal decentralization, which should be largely resolved during the early years. It should also be noted that additional funds (and an *ad hoc* fundraising approach) will be needed to support JPLG implement and scale-up activities in newly liberated areas.

The largest share of total costs, 21.6% over 5 years, is for Output 2.2 for LDF investments which are expected to rise from US\$ 4.7 million in 2013 to US\$ 7.8 million by 2017. This is based on assumptions about the number of districts supported by JPLG II over the five years and the annual allocations from the LDF to each district. It should be remembered that once JPLG enters a district and starts providing grants from the LDF, it makes a commitment to sustain annual grants for at least 2 to 3 years, with the expectation they will be maintained thereafter by central governments and donor programmes that succeed JPLG II.

The second largest cost item is for Capacity Development, accounting for 14.7% of the total budget, also increasing from US\$ 3.2 million in 2013 to US\$ 5.1 million in 2017. This is not surprising, since capacity support needs to be constantly provided for all districts, though to a lesser degree for those that have matured after receiving technical support from JPLG for longer periods. The other major item is Output 3.3 for social accountability, which absorbs some 12.5% of total projected costs, mainly for basic training on governance and civic education for new districts, and communications to enhance and maintain effective dialogue between government and citizens through regular public meetings.

TABLE 4. DRAFT WORK PLAN FOR JPLG II

Intended Outputs	Indicative activities	Timeframe				
		Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
OUTCOME 1: Policy and legal frameworks are improved to enable local governments to effectively delivery pro-poor services.						
Output 1.1. Policies, laws and strategies for decentralization are drafted and implemented that clarify the division of functional responsibilities among central, regional and local governments.	<ul style="list-style-type: none"> Provide support to the Champion for Local Governance (and inter-ministerial working groups). Assist drafting of a Decentralisation Policy paper and relevant legislation/regulations. Arrange seminars and workshops to promote discussion and inputs from LGs. Coordinate policy work with PAR and PFM reforms. Prepare LG departments and key central Ministries for anticipated reforms related to assigned functions. 	X	X	X		
		X	X	X	X	X
		X	X	X	X	
		X	X	X	X	X
Output 1.2. Policies, laws and supporting regulations for decentralization are drafted and implemented that govern the allocation of fiscal resources between central, regional and local governments in line with their responsibilities	<ul style="list-style-type: none"> Provide support to the Champion for Local Governance (and inter-ministerial working groups). Assist drafting of a Fiscal Decentralisation Policy paper and relevant legislation/regulations. Coordinate policy work with PAR and PFM reforms. Review current fiscal transfer mechanisms to achieve greater equity and reduce horizontal fiscal imbalances. Seek agreement of ministries on sector financing rules in support of agreed functional assignments. Make provision to accommodate external funding for sectors (pilot). 	X	X	X		
		X	X	X	X	X
		X	X	X	X	
		X	X		X	X
		X	X		X	
		X	X		X	
Output 1.3. Policies, laws and supporting frameworks for decentralization are drafted and implemented that address government administration, government employment and land governance	<ul style="list-style-type: none"> Assist existing inter-ministerial committees concerned with civil service reform and land governance. Assist drafting of a Land Policy papers and relevant legislation/regulations. Contribute to the Civil Service reform process and advocate for Local Governments HR Update job descriptions and competency requirements for LG staff. Arrange seminars and workshops to promote discussion and inputs from LGs. 	X	X	X	X	
		X	X	X		X
		X	X	X	X	X
		X	X	X	X	X
		X	X	X	X	X
OUTCOME 2: Policy and legal frameworks are improved to enable local governments to deliver equitable services.						
2.1. Structures and systems for good local governance, planning, budgeting and implementation are established and strengthened	<ul style="list-style-type: none"> Form working groups to institutionalise PEM systems and procedures with those used and adopted by central and local governments. Technical support to LGs and MOP to integrate DDFs with sectoral and central plans and other pro-poor strategies. Public consultations based on pilot planning and social accountability tools. Design system and procedures for more effective knowledge management. 	X	X	X	X	
		X	X	X	X	X
		X	X	X	X	X
			X	X		X
2.2: Competencies and skills are developed for good local governance and equitable	<ul style="list-style-type: none"> Complete and update assessments of institutional capacity of LGs. Design and implement tools to evaluate impact of training and capacity development, 	X	X	X		X
		X	X	X	X	X

Intended Outputs	Indicative activities	Timeframe				
		Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
service delivery.	<ul style="list-style-type: none"> and identify ways to increase cost-effectiveness. Tailor training and capacity development modules for LGs to local contexts and competency assessments. Implement strategies to enable local institutions to assume responsibilities for training and capacity development. 	X	X	X	X	
2.3: Fiscal arrangements including local revenue generation and the LDF are strengthened and expanded for service delivery and local investment.	<ul style="list-style-type: none"> Assist LGs to increase revenue from own sources. Assist LGs to align external funding with DDF priorities. Promote UNCDF GELD approach to reflect gender considerations. Expand LDF to more districts offering a wider menu of eligible activities. Enhance LDF capacity to attract external funds and serve as conduit for sectoral grants and IGFTs. Conduct feasibility study for District Investment Funds (DIFs) 	X X	X X X X	X X X X	X X X X	X X X
Outcome 3: Local governments are accountable and responsive to community priorities in providing equitable and sustainable services and promoting local economic development.						
3.1: Local Governments deliver improved services through enhanced engagement of communities with central government and non-state actors	<ul style="list-style-type: none"> Assist LGs to work with line ministries to design and implement SDMs. Promote SMEs to maintain and operate local services. Update/draft policy framework and feasibility studies for PPPs to provide services. Implement pilots to test feasibility of PPPs to provide local services. 	X X X X	X X X X	X X X X	X X X X	X X
3.2: Enabling environment for LED enhanced through local governance	<ul style="list-style-type: none"> Assist LGs to promote local enterprise. Create a business friendly environment for investment. Invest in infrastructure that supports economic activities. Assess financial feasibility of PPPs to deliver services. 	X X X X	X X X X	X X X X	X X X X	X X
3.3: Effective social accountability mechanism established	<ul style="list-style-type: none"> Promote periodic public meetings to discuss annual plans and expenditures. Assist districts to introduce and make use of community monitoring. Encourage districts to engage citizens in setting service performance indicators. Enhance procedures for monitoring impacts and results. 	X X X X	X X X X	X X X X	X X X X	X X X X

TABLE 5. SUMMARY OF ESTIMATED COSTS FOR JPLG II

OUTCOMES AND OUTPUTS	2013	2014	2015	2016	2017	TOTAL	%
Policy frameworks to enable LGs to deliver equitable services							
1.1 Policies for functional assignments	388,200.00	427,020.00	427,020.00	368,790.00	295,032.00	1,906,062.00	1.31%
1.2 Policies for allocation of fiscal resources	172,000.00	189,200.00	189,200.00	163,400.00	130,720.00	844,520.00	0.58%
1.3 Policies for administrative decentralization	396,500.00	436,150.00	436,150.00	501,572.50	401,258.00	2,171,630.50	1.49%
Technical assistance	335,632.00	352,413.60	370,034.28	388,535.99	407,962.79	1,854,578.67	1.27%
Local government capacity for equitable service delivery is improved							
2.1 Harmonization of procedures / structures and systems	1,298,000.00	1,427,800.00	1,427,800.00	1,298,000.00	973,500.00	6,425,100.00	4.41%
2.2 Capacity Development	3,286,920.00	3,615,612.00	4,157,953.80	5,197,442.25	5,197,442.25	21,455,370.30	14.73%
2.3 Finance and LDF	4,730,000.00	5,203,000.00	6,503,750.00	7,154,125.00	7,869,537.50	31,460,412.50	21.60%
Technical assistance	335,632.00	352,413.60	370,034.28	388,535.99	407,962.79	1,854,578.67	1.27%
Local governments are accountable in providing services and LED							
3.1 SDMs and non-state actors	1,906,000.00	2,096,600.00	2,096,600.00	1,780,500.00	1,780,500.00	9,660,200.00	6.63%
3.2 Local Economic Development	438,600.00	482,460.00	627,198.00	972,156.90	972,156.90	3,492,571.80	2.40%
3.3 Social accountability	525,000.00	577,500.00	664,125.00	763,743.75	801,930.94	3,332,299.69	2.29%
Technical assistance	335,632.00	352,413.60	370,034.28	388,535.99	407,962.79	1,854,578.67	1.27%
Subtotal	14,148,116.00	15,512,582.80	17,639,899.64	19,365,338.38	19,645,965.97	86,311,902.79	
Staffing	4,788,938.00	5,028,384.90	5,279,804.15	5,543,794.35	5,820,984.07	26,461,905.47	18.17%
Operational Costs	1,914,268.00	2,105,694.80	2,316,264.28	2,547,890.71	2,802,679.78	11,686,797.57	8.03%
	20,851,322.00	22,646,662.50	25,235,968.07	27,457,023.44	28,269,629.82	124,460,605.82	
Contingency 5%, Administration 7%, Security 5%	3,544,724.74	3,849,932.63	4,290,114.57	4,667,693.99	4,805,837.07	21,158,302.99	14.53%
Total	24,396,046.74	26,496,595.13	29,526,082.64	32,124,717.43	33,075,466.89	145,618,908.81	100.00%

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Year	Month	Day	Time	Location	Activity	Remarks
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