

CONSULTATIVE DRAFT – 24TH July 2017

**THE UN'S JOINT PROGRAMME FOR LOCAL GOVERNANCE
AND SERVICE DELIVERY**



Consultative DRAFT for the third phase

24th July 2017

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1. INTRODUCTION

In 2008 the UN family, who were supporting local governance across Somaliland and Somalia, agreed to work together forming the first phase of the Joint Programme for Local Governance and Service delivery (JPLG). In the subsequent 9 years, the programme has been able to build strong partnerships with the government of Somaliland and all federal and state Somali governments. Today each of the prime local governments of Somaliland and Puntland are partnered with the JPLG¹, reaching more than 60% of the population of the respective areas. Through deep and long term partnerships, JPLG has enabled a fundamental change in the legitimacy, functionality and services provided by these local governments.

Today each of JPLG's partner governments have functional organigrams; all departments know their work; staff are paid on time; citizens pay receipted taxes; citizens are asked what their and the communities priorities are; contractors bid for contracts; procurement committees evaluate and agree on contracts; council meetings are minuted, land tribunals manage conflicts, cities build strategic visions, and many more small but significant changes have revolutionized local governance.

In 2008 Hargeisa municipality had an annual revenue of \$2.04 million, in 2016 this had increased to 7.78 million a 42% growth per year. Burao grew from 0.61 to 2.76 an impressive 50% per year. Such changes are only achieved by persuading citizens that local governments are their governments.

In these ten years Somaliland and Puntland governments have enhanced their own internal capacities to support and manage local governance and are today able to lead (with continued UN partnership) in the implementation of future actions. In the same 9 years, Somalia has changed radically and four Federal states have been formed and are working together with a democratically selected Federal government. For the first time in decades, there is an emerging environment for representative, accountable local governments. This has been supported by the JPLG, through enhancing the capacities of Federal and State Ministries of Interior, helping them to agree to common strategies and ensuring laws complement one another. There is a commitment, to representative local governance. This is becoming reality through the formation of district councils – a process being led by JPLG.

JPLG's work is governed by the Somalia National Development Plan and Somaliland National Development Plan II, the Somali stabilization strategy, the Wadajir framework, the UN's strategic framework and the UN's CRESTAA approach. It is essential to recognize that local governance is being developed in a federal context, requiring the programme to work at all levels of government to ensure coherence and coordination.

Similarly, JPLG needs to be cognisant of international environment, particularly the recently concluded London conference and more broadly the UN's 2030 agenda (SDGs); the Addis Ababa Action Agenda on finance for development (2015); the New Urban Agenda and others.

Somali partner governments, local, state, central and Federal are demanding for continued and expanded UN support to local governments. Each have their own interests, but all are committed to building accountable, representative, service orientated local governments. It is with this backdrop, that the programme contracted a team of external consultants to assist in the design of the next programme phase. In May and June, the consulting team met with a broad range of partners, Somali governments at all levels, donors, the UN family and others. They also worked alongside a gender audit of JPLGs, as well as reviewing a wide range of documents produced and developed by the programme. The consulting team produced a draft programme which formed the basis for the UN team's further review and consolidation.

We are now requesting all partners to review this **Consultative Draft** programme and provide feedback so that together a consensus on the way forward can be achieved.

¹ Not including the disputed regions of Sool and Sanaag

2. CONTEXT / SITUATION ANALYSIS

JPLG is designing a new programme for a five-year period (2018 - 2022) that is likely to prove as crucial to Somalia's future trajectory, including its prospects for post-conflict recovery, development and political stabilization, as any since the end of the country's decades-long civil war. There is plenty to point to with respect to the country's future prospects on the 'glass half full' side of the political equation.

i) Political context

Looking to the Federal Government elections successfully completed in February 2017, resulting in the selection of a new and popular President, a 'Partnership Pact' recently agreed with the countries supporting Somalia in its efforts to push back the threat posed by al-Shabab, strengthen federal governance structures and bolster governments credibility and delivery capacity, there are certainly both significant achievements and positive trajectories to highlight.

In addition, the political outlook in Somaliland, which declared independence in 1991 and which has since vigorously pursued its own path of development (even in the absence of international recognition of its statehood) has many bright sides. Security is no longer a pressing issue - concerns over the continuing possibility of al-Shabab incursions notwithstanding - citizens walk the streets of the capital Hargeisa freely, the economy is growing and despite the obstacles posed by the lack of international recognition, foreign direct investment (FDI) continues to increase.

On the 'glass half empty' side of the equation, there is little doubt that President Mohamed Abdullah Mohamed 'Farmajo' and the federal government are confronted by some significant if not potentially overwhelming obstacles. First among these is the simple fact of the legacy of decades of civil war, in particular the enfeeblement of key state institutions, functions and capacities. Over time the resulting political vacuum has been filled by what has been described as the existence of powerful political syndicates whose interests are best served by the status quo and the perpetuation of weak rule of law and feeble state capacity.

While unlikely to prove a panacea for all the country's ills, the national elections scheduled for 2021 constitute a potentially crucial milestone for Somalia's political evolution. While the 4.5 formula remains an important tool for managing the complex challenges of ensuring equitable institutional representation for all Somalia's major clans, by adopting the democratic principle of universal suffrage - the first elections in the country to do so since the 1960s - the 2021 elections offer the promise of initiating a process of moving the country away from clan-based politics towards democratic representation.

Over the five years during which the JPLG II programme was implemented the contours of the Somali political landscape have been transformed by several notable state-building related developments. First, federal structures and related institutions, albeit fragile ones, now exist: and to a significant degree, a federal structure for the country can now be regarded as irreversible. Second, four new states (Jubaland, South-West, Galmudug and Hirshabelle - have been formed through processes that largely peaceful: and together with Puntland and Mogadishu-Benadir they now constitute Somalia's Federal member states (FMS).

While federal government has remained largely incapable of delivering the essentials of governance to the citizens of Somalia - in particular security and basic service provision - several of the FMS have begun to demonstrate both a degree of political will and some capacity to provide these essentials - albeit within their capital bases to date: and this typically via innovative, hybrid arrangements negotiated between state, civic and private sector actors, clan elders and the business community included.

However, important issues pertaining to the state's new federal structure, including allocation of powers, jurisdiction and resources, remain to be resolved, even if the newly elected Federal government has already taken many encouraging steps towards concluding the political agreements with the FMS. These are expected to further deepen federalism, as well as to address outstanding constitutional issues included.

The completion of the constitutional review process remains crucial to advancing the federal project and further entrenching Somalia's overall stability and prosperity. It should be noted that federal consolidation also carries with it risks, not least in relation to its potential to instigate conflict between neighbouring clans and administrations, as has been clearly in evidence, for example, between the Puntland and Galmadug governments over the disputed and divided town of Galkacyo, and the Somaliland and Puntland governments over the Sool and Sanaag regions. These realities will require the JPLG to adapt to and design support specific to the local situations alongside other actors. The JPLG working intimately with the Wadajir Plus Framework for Local Governance will ensure this flexibility in the JPLG III implementation.

While federal consolidation and new state formation undoubtedly both represent moves in a positive direction for Somalia, genuine stability encompassing most citizens will not be realized in the absence of functioning district-level governance structures, and collaborative relations between those district administrations and higher levels of government.

The vision articulated in the JPLG II Programme Document of working progressively to rebuild and re-establish local governance structures in areas of the country 'recovered' from al-Shabab control has not yet been realized in practice. Indeed, nearly ten years on from the programme's inception, creating functioning local government remains as much a crucial challenge for the Somalia state-building project as do more immediately visible security issues: a fact reflected in the May 2017 London Conference's emphasis on strengthening sub-national levels of administration and increasing the accountability of public officials as a key component of building effective national institutions.

The priority accorded to district council formation by federal and state governments appears to reflect an understanding of this basic dynamic. Focus on building nascent, accountable and representative local governance structures in the aftermath of military success, and there is a reasonable chance stability – and security – can be established and consolidated thereafter. Indeed, in a further political reflection of this perspective, the approach agreed at the May 2017 London Conference (see below) is as much about communities and their governance as it is about military successes.

When it comes to the approach to new local governance structures, it is important that JPLG and other actors involved in supporting the establishment of district councils ensure that all qualifying new districts are supported. At the same time, several basic preconditions must be in place for this to be possible: basic security must exist, agreement secured on working within a government structure, a representative council in place along with a willingness to adopt established governance best practices with respect to transparency, accounting, merit based recruitment and so on.

The challenges in Somaliland, while markedly different from those in the south, are none the less pronounced. The initial decade or so following its self-proclaimed independence saw Somaliland successfully navigating the twin demands of establishing statehood and doing so based on a consensual, nominally democratic dispensation - a bicameral legislature with a clan-based Guurti (Upper House) and a publicly elected Lower House composed of MPs from the political parties. More recently, however, clouds have darkened the political horizon. Parliamentary elections due to have been held in late 2015 have since been postponed twice by President Silanyo's administration.

Indeed, the failure to date to hold twin presidential and parliamentary elections - now rescheduled for November 2017 - has raised real doubts about the government's commitment to democratic process and has led donors, who have hitherto been more than willing to support Somaliland's electoral processes, to begin signaling the limits to their patience in the event of any further electoral delays. Add to that several instances of unwarranted official incursions of press freedom, and the overall prognosis for Somaliland currently appears decidedly mixed.

Upcoming local government elections in Somaliland (2018) and Puntland (2020) will likely also impact on JPLG's support to 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 will have varying degrees of impact on capacity development efforts upon which the Programme rests. In the FMS's of Jubaland, Southwest, Galmudug and Hirshabelle, district council formation will dominate the agenda for 2018 and possibly much of 2019. This focus, while essential, will nevertheless also pose risks and impact on JPLG's ability to support local governance. 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 these local democratic processes.

Like neighbouring Somaliland, Puntland, a state of federal Somalia that enjoys special status because its 1998 declaration of autonomy within the country, has made very significant strides in consolidating its own governance structures and capacities including a degree of democratization, political party formation and presidential selection processes involving a peaceful transition of power, including to current President (and former Somalia Prime Minister) Abdiweli Mohamed Ali. However, Puntland is wracked by drought, and even worse affected by increasing al-Shabab incursions, and faces challenges of entrenching governance capacity, building its revenue base and improving the reach and depth of basic service delivery - and security provision - to ordinary citizens.

The nature of Somali society is such that consultative, bottom-up approaches aimed at building and consolidating local and sub-national governance structures within a broader framework of promoting inter-clan reconciliation are what works - a point that Somaliland and international advocates of its distinctive approach to state-building approach have been making for some time.

Accordingly, the JPLG programme's focus on targeted support to local government structures and capacities across the range of basic functions and services they are expected to fulfil and provide is very much in line with wider understanding of the specific exigencies of governance and state-building processes in Somalia today.

Moreover, as JPLG begins to address the challenge of supporting local and district government formation in areas of the federal member states, as envisaged within the wider Wadajir Plus framework for Local Governance, and with emphasis, as advocated in the 2017 London Conference declaration (see below), on adopting a conflict-sensitive approach to programming, it will have the added advantage of drawing on a wealth of 'what works' related experience from its local governance support work across Somalia over the last decade.

Indeed, JPLG experience in Somaliland and Puntland is such that it can justifiably be viewed more as state of the art' than 'pilot' programming.

While shorter-term humanitarian approaches remain necessary to meet urgent and immediate needs, the JPLG approach focusing on local governance addresses systems, procedures and institutional capacity building 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, which in turn calls for Somalia's partners, including donors, to undertake multiannual commitments that can be counted on to support and consolidate these efforts towards achieving longer term goals.

THE MAY 2017 LONDON CONFERENCE

The purchase and relevance of JPLG's work has been strengthened by the landmark agreement at the May 2017 London Conference between the Somali Federal Government and key international actors. Reaffirming the commitment of international partners and donors to peace, stability and prosperity for the Somali people, the agreement outlines the following principles with direct linkages to the JPLG III

ii) Peace, Security and Stability

A prime example of the way in which this dynamic plays itself out can be seen in the security sector. All Somalia's partners undoubtedly wish to see the federal authorities make progress with efforts to weaken and eventually remove al-Shabab. Yet while partners were happy to give their support to a new Security Pact envisaging the integration of Somali national and federal forces into a new 'national security architecture' and the creation of a National Security Council and Office at the May 2017 London Conference, President Farmajo's call for the removal of a long-standing international arms embargo on the country met with little response.

This example well illustrates the real difficulties involved in tackling the toxic circle that is a central legacy of the Somali conflict - a circle wherein the challenges posed by a combination of chronic state fragility, contested authority, corruption, lack of governance structures and political violence have become both intertwined and - toughest of all - mutually reinforcing at all levels of society, fragile local governance structures included. Nor

should it be forgotten that the yawning gaps in practical governance created by this toxic circle are precisely those that al-Shabab both aims to fill and upon which its appeal thrives.

The organic link between the twin tasks of building local governance and improving security cannot be overemphasized. With parts of the country still either under al-Shabab control or regularly subject to its incursions, there is an understandable tendency – and temptation – to view securing military victory over insurgent forces as the priority issue. Experience has taught, however, that chasing away insurgents and providing nothing in the way of either governance or service delivery to local citizens in the aftermath ensures only one thing: al Shabab’s inevitable return.

Another implication of adopting this security perspective is that the UN will need to ensure that it works closely with both Somali civil society and governments to ensure that real change is delivered on the ground. Access to many parts of the country is both expensive and dangerous. In this context, important components of programming will need to rely on trusted partners – albeit with due UN oversight.

iii) Economic and Social Context

Revenue assessment

Local governments in Somalia have initiated many efforts at self-finance but have been struggling, and in few cases, have ended up in expenditure that exceeded revenues. The security situation generally remains fragile, further hampering revenue mobilization. In Somaliland and to a lesser degree Puntland some significant successes have been achieved (please see achievements above).

In the South, there are only a few functioning district level governance structures to date (Adado and Benadir), with the federal government represented by a handful of appointed administrators in each district, none of whom as yet have meaningful resources with which to provide services. The Jubaland, South West, Hirshabele and Gulmudug states have established functioning Ministries of Finance that are now budgeting, controlling and accounting for expenditure, while having very limited operative government systems. The federal government is highly reliant on development assistance funds, and has very limited capacity to transfer funds to the local government to fill the gaps.

Somaliland and Puntland can collect revenue and possess better capacity to plan, budget, procure and implement minor capital projects. The Municipality of Mogadishu (MOM) has recently initiated a “Fund your City” campaign, which together with voluntary contributions from staff salaries has generated revenue to construct municipality offices together. These examples illustrate the potential revenue mobilization capacities of local governments in Somalia.

Key sources of local government revenues include: Taxes, Licenses, Fees, Permits, User charges, Rents, Fines, Penalties and other current own source revenues.

Property Tax and Business Licenses: Property tax comprises much of the revenue being collected by local governments. JPLG II has provided considerable support in this area including the following; updating databases using dedicated revenue related software piloted by JPLG (GIS, AIMS / BIMS), enforcing the legal framework and delegation of tax collection, all of which has resulted in improved revenue at the district level, as indicated above in achievements. The programme is not working with the World Bank to introduce new Public Finance Management systems in the principle urban centres of Somaliland and Puntland, building on the foundations created with AIMS / BIMS. The program partnered with World Bank in upscaling the district AIMS/BIMS financial management system and therefore put in place Financial Management Information System (FMIS) that is now up and running in Somaliland and Puntland. FMIS offers a comprehensive financial management platform both at the centre and sub-national structures. It is expected that the integrated system will improve efficiency of public financial management processes and systems to provide timely, transparent and accurate financial information across the public sector.

The districts have good potential for raising local revenue but need capacity and programmatic support to

develop this capacity – something that JPLG will continue to provide. This is and will continue to be supported with public outreach and improved accountability.

Key challenges the JPLG III needs to address in this respect include: lack of capacities and inadequate staff, lack of transparent systems, sensitizing communities to the need to pay local taxes, ensuring inclusion of properties in the tax base, implementing revenue collection mechanisms, staff turnover.

Institutional capacity assessment

Somalia faces the huge challenge of rebuilding state institutions amid recurrent and protracted conflict. Government is committed to (re)establish local governance structures that have been destroyed due to conflict. Somalia's human development indicators are among the lowest in the world. Poverty incidence is 73 per cent (61 per cent in urban; 80 per cent in rural areas), with extreme poverty currently estimated at 43 per cent.

The FGS, Somaliland and federal states lack the capacity in skills and manpower required to advance the priority initiatives and provide the kind of services that could generate legitimacy dividends and thus contribute to greater stability. Currently the institutional framework is fragmented and unable to generate a common inclusive development agenda. The absence of public financial management and integrity institutions further compounds prevailing challenges. At the same time, established institutions are currently in the process of identifying and developing their mandates, even if structural – and political - ambiguities persist at both the federal and state levels.

In Somalia, the district councils are selected through community consultations and democratic elections, although an objective to which the government has committed itself, remain a distant dream. The new councils will require training on their roles and responsibilities and work will be needed to create greater uniformity of structures. In non-JPLG districts there is an absence of uniform HR systems and manuals, recruitment policies are weak. Lack of staff job descriptions and performance appraisal systems make the work less efficient. In addition, low remuneration often results in high staff turnover and an inability to attract talented staff, many of whom work either for NGOs or UN Agencies.

An absence of formal training institutions is another key challenge. Through its capacity injection programme, the World Bank is assisting the establishment of a civil service institute, while JPLG is in the process of establishing a Local Government Institute (LGI) (in Somaliland it will be in the Civil Service Institute) to ensure policy implementation and sustained capacity development.

Lack of knowledge management systems undermines current capacity-building programmes that aim to consolidate available information for wider dissemination. Turnover of staff who have been trained remains another issue to be addressed by the JPLG III as well as the harmonization of the range of existing training courses (by different agencies / donors) is another activity to be pursued.

Urban Governance “Cities and Migration”

Somalia's major towns are among the world's fastest growing cities. It is estimated that by 2030, nearly 90% of all Somalis will live in urban settlements. Currently, almost every third Somali out of the total population of 12.3 million lives in one of the major urban centres. For the two largest centres – Mogadishu and Hargeisa – the projected population will be 4.2 million and 1.3 million respectively by 2030. ²

This urbanization phenomenon results in unprecedented pressure on an urban infrastructure and basic service

² UN Department of Economic and Social Affairs, Population Division, World Urbanization Prospects. The 2014 Revision.

<http://wunrn.com/2009/06/somalia-coalition-for-womens-ngos-undp-somali-diaspora-study/> --

delivery, for example water and sanitation, education, health and access to markets and jobs.

Today in Somalia, local governments are best placed under the emerging federal system to manage urbanization- not only the challenges mentioned earlier but also the potential benefits of urbanization in terms of concentration of economic activities with better access to jobs and livelihood opportunities.

Mogadishu, Somalia's largest and capital city, along with some other major towns, have grown rapidly, over the past two decades. This rural to urban migration trend has been further accelerated due to recurrent drought and civil unrest i.e. IDP's.

Gender

Gender equality programming requires an understanding of the cultural, social, economic and political processes that contribute to gender inequality and injustice. Gender equality also requires multi-faceted action to change social norms (cultural perceptions and expectations) and the laws, policies, government programs and processes that discriminate against women and girls and that perpetuate gender inequality.

A UNDP 2015 Gender and Inequality report on Somalia gave it a score of 0.776 (where 1 denotes absolute inequality), ranked the country fourth globally. The report found that Somalia has extremely high rates of FGM, rape, maternal mortality, child marriage and cases of violence against women and girls was found to be very common. Women are socio-culturally excluded from leadership and decision making positions with few choices but to remain in their traditional roles of motherhood. Female literacy remains one of the lowest in the world.

According to JPLG II Gender Audit Report, women in Puntland have made some tentative political gains and 62 have been elected at the local level representing 25% of the total. However, at the parliamentary and cabinet level the numbers are dismal; there are only two women parliamentarians out of a total of 66; one woman minister out of a total of 18; 3 women Vice-Ministers out of a total of 19 and 1 Director General (DG) out of 18.

The gender inequality was further exacerbated by the recurrent drought in Somalia where women and young girls bear more of the burden because of prevailing gender roles and practices, including domestic responsibilities. Though women are struggling to keep their families alive, yet they are also the prime targets of domestic violence including gender-based violence.

iv) Relevant national and international frameworks

JPLG III is designed to contribute to the overall development policy frameworks at national and international level. Local Government is both a central pillar to ensuring development and promote peace and stability.

Sustainable Development Goals

The Sustainable Development Goals (SDGs) are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. The SDGs work in the spirit of partnership and pragmatism to make the right choices now to improve life, in a sustainable way, for future generations. There has been strong focus on localizing the SDGs, which means considering local (subnational) contexts in the achievement of the 2030 Agenda. It is also putting the territories and their peoples' priorities, needs and resources at the centre of sustainable development. There should be sustained exchanges between the global, national and local facets.

The SDGs recognize that local governments are policy makers, catalysts of change and the level of government best placed to link the global goals with local communities. Localizing development is then a process to empower all local stakeholders, aimed at making sustainable development more responsive, and therefore, relevant to local needs and aspirations.

In terms of wider development frameworks, the JPLG Programme needs to take account of several policy instruments: notably the UN's 2030 Agenda (SDGs); the Addis Ababa Action Agenda on Finance for Development (2015); the Istanbul Humanitarian Agenda (2015); and the New Urban Agenda (2016).

National Development Plan

The Somalia National Development Plan (NDP) 2017 – 2019 outlines a series of core objectives and thematic concerns that are of direct relevance to the JPLG III programme. Chapter 6 of the NDP focuses on building more effective institutions and administration; chapter 7 which tackles social and human development, in support to skills development, job creation and gender equality; and chapter 8 addresses inclusive politics and decentralization, security, stabilization and the rule of law. To achieve the overall objectives of the NDP, local government must be engaged at all stages of the process.

Well-functioning local government, is crucial to building confidence of citizens, given that it is likely to be the citizen's first encounter with government, and therefore central to stabilization. The NDP describes basic service delivery as enhancing legitimacy in the short to medium term the government will support implementation of the 2016, it frames the Wadajir Framework on Local Governance as an extension of the bottom up approach to political and local security stabilization.

Wadajir Framework for Local Governance

JPLG III will align with the Wadajir framework and contribute to supporting the FGS to coordinate efforts to ensure that the shared principles are applied. The Wadajir Framework for Local Governance, propagated by the Federal government in 2016, lays out a roadmap leading from Social Healing (restoring trust and social cohesion) through 'Peace Dividend projects' (first steps towards good governance in practice) and 'Civic Dialogues' (paving the way towards local-level political accommodations) and culminating in the formation of district councils. The programme upholds the principles of the existence of legitimate district councils as a pre-requisite for the engagement of development activities.

CRESTA/A

Within the UN context, in addressing the needs of areas of Somalia freed from al-Shabab control, the UN's 2016 CRESTAA framework, which to a degree describes itself as 'a basis for a wider 'Wadajir 2', states explicitly that its aim is to move the focus away from 'military geared strategies' and towards 'broad(er) approaches with a stronger focus on community engagement and ...creating and supporting local governance'. Focus areas in this context are defined as:

- Security / policing and rule of law
- Governance and reconciliation
- Socio-economic service delivery / growth. The connections with the JPLG strategic approach to local governance are clear.

UN Strategic Framework

JPLG also contributes to the priorities for Somalia articulated in the UN Strategic Framework: Somalia 2017 – 2021. The document outlines five overall strategic UN priorities, all of which are consonant to varying degrees with those of JPLG. Those priorities are as follows:

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

3. JPLG SECOND PHASE – KEY ACHIEVEMENTS

Outcome One: Policy Reforms

i) Adoption of Decentralization Policies by the cabinets of Puntland and Somaliland: The decentralization policies in Somaliland and Puntland have provided the legal framework for the decentralization of functions to local governments for improve the delivery of public services. The decentralization road-maps are currently operational (for example reviews of legislation, development of sector strategies around decentralization). The Wadajir framework, the first national strategy around the formation of local accountable governance structures continues to guide FMSs in developing state level local governance legislation, and has resulted in the SWS President recently launching district council formation in South West State, starting with Baidoa, Hudur and Brava districts.

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

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

Outcome Two: Capacity Development

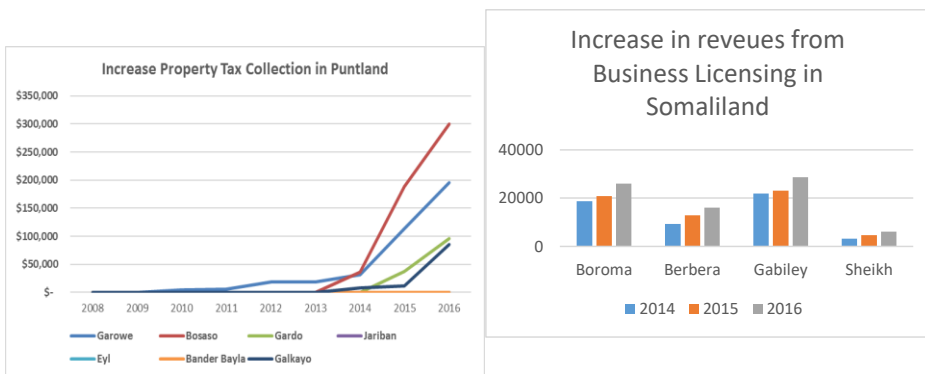
i) Improved Systems and Structures – Improved systems have not only increased efficiency in the delivery of services but have ensured the same is done in a transparent and accountable manner thus improving



the confidence of the communities in their local governments. Coordinated planning frameworks, including participatory district planning have become central to the local governments taking control and management of their development programmes, for example in Adado the district development framework was used by the local government for planning JPLG, TIS+ and Somali Stability funds. Improved planning has resulted in enhanced intra-government coordination and planning. Currently, JPLG is no longer the only funding source for the districts' AWPB. The programme provides 19% of total budget required to implement district projects with

more than 40% of required funds being provided for by the local governments and other sources.

Improved revenue collection and business registration systems have resulted in an increase in the revenues collected by the local governments which is one of the key conditions for the sustainability of the programme in the long run. Average increase of property taxation in Somaliland from 2008 till the present was 485% and in Puntland 196%. The simple fact that citizens now pay taxes is potentially the highest indicator that they now trust and believe in their local authorities. In Mogadishu, more than 2,500 businesses have been licensed, generating over \$250,000 in revenue and providing businesses with a formal registration, a significant change in a city which has been dominated by a war economy for so many decades. In Somaliland, revenue from business licensing has increased on an average of 25%. Several target districts initiated use of JPLG supported public procurement systems for services and projects with 100% of local funding. This would not be possible without trust in simple but effective governance tools that the programme has been testing since 2012.



Local governments are now recruiting their staff based on merit due to the improved human resource management systems. In addition, local government staff, in particular those of the planning, administration, finance, procurement, social affairs and public works departments are now able to perform their functions more effectively as they have a clear understanding of their tasks and responsibilities due to the job descriptions developed. Improved structures are now leaner and more effective. For example, the Benadir Regional Administration (BRA) has streamlined the number of departments from 38 to 22, thereby reducing more than 250 redundant staff from the BRA payroll.

ii) Improved competencies of local government staff – Local government staff are now able to perform their



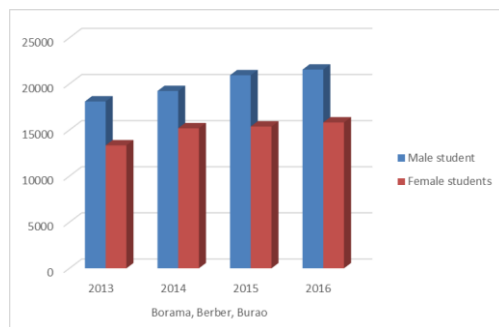
duties more effectively due to the increased competencies in their areas of expertise. This has been demonstrated through the application of competencies in planning, budgeting, procuring and implementation of 28 projects with a value of US\$ 2,161,550 in Somaliland and 32 projects with a value of US\$ 1,195,142 in Puntland in 2016 by the local governments. Somaliland and Puntland are currently taking the lead in the development of the five-year district development frameworks, this indicates the confidence in owning the process due to improved competencies. Government has also committed 1% of the total state budget to financing LDFs, with the Puntland government

recently committing to double this amount in 2018.

Building a road connecting remote communities with a central clinic in Sheikh, 2015.

Outcome Three: Service Delivery

i) **Delivery of Service delivery models** – The local governments in selected districts have implemented their devolved functions in education, health, environment, roads, solid waste management and water through the service delivery models (SDMs). Local governments in target districts have increased their contributions to sector budgets. For example, districts in Somaliland have contributed close to \$1 million to health, education and water services since 2014, and Berbera district alone has increased its contributions to the education sector by close to 450% between 2014 and 2016. Schools supported through the SDMs in Borama, Berbera and Burao have seen enrolment increase by 15%, in part due to improvements in the learning environment (improved sanitation and dedicated gender-specific and protected latrines, more space for students



following the rehabilitation and equipment of classrooms and more motivated teachers as a result of salary top-ups). In Borama the district has committed to allocate funds for roads maintenance from its local revenue resources. While in Puntland, the ministry of environment has provided infrastructure to support the implementation of the decentralised functions in selected districts. There are more than 0.5 million people that are directly benefiting from service delivery models being supported by the JPLG.

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

iii) **Local Economic Development** – Local governments have created an enabling environment for businesses. The simplification of the business registration process, for example in Berbera district, has been reduced from 5 days to 2 days resulting in a 30% increase in business licenses in 2016 and improving compliance with local government regulations.

With local economic development strategies in place, local governments have implemented community driven initiatives, thereby increasing economic opportunities and promoting local development. Access to micro-finance has enabled small businesses, especially those owned by women in Berbera and Bosaso, to access credit to grow their business and contribute to an increase in incomes and job creation. In addition, job placement schemes have resulted in 27 young persons’ accessing gainful employment. More importantly, the involvement of the private sector in the construction of the economic infrastructure is an important sustainability feature. In Garowe, the contributions of Golis and Dahabshill have been lauded by the local government as critical in the realization of the market providing infrastructure for business.

4. LESSONS LEARNED FROM EARLIER JPLG PHASES

JPLG has consistently invested in ongoing learning and self-reflection as a core element of its programming. The programme has been the subject of various assessments, including the Mid-term Review (MTR), third-party monitoring exercises, capacity assessments and a gender review. These assessments have confirmed the relevance and effectiveness of the JPLG design and key programmatic interventions, as well as the changes it is producing.

For example, a 2017 Third Party Monitoring of road infrastructure implemented through JPLG in Puntland and Somaliland showed that these investments had impacts on urbanization dynamics and social cohesion in target areas, improved access to basic services and boosted local businesses. The inclusive, participatory and transparent decision-making process leading to the selection and implementation of the infrastructure projects also contributed to improving local governance.³ An independent fiduciary risk assessment study of the Somalia LDF pointed to the fiduciary robustness of its funding facilities and the tangible socio-economic impact of its support to local infrastructure and decentralized service delivery.⁴ Among other things, this attracted additional LDF finance from some donors, such as DFID, and validated the LDF applicability as a local government funding facility for the World Bank and potentially other Development Financial Institutions.

However, the December 2015 independent Mid Term Review (MTR) and November 2016 DFID due diligence audit found that JPLG could be more efficient and make improvements in effectiveness going forward, particularly with regards to programme governance and management arrangements. In addition, independent consultants held a series of interviews with stakeholders from the government, donors, the UN and other partners (May-June 2017) which have enriched the lessons learnt from previous assessments and provide a solid base for directing the strategic direction of JPLG III.

Relevance to Somali context: A core lesson of JPLG II is that the programme is widely viewed as providing vital and relevant support to the process of consolidating local governance and local government-led service delivery across Somalia – a process that, in the case of the FMS in particular, is in turn critical to overall peace and stabilization efforts. From consultations with partners it is evident that stakeholders do view the programme architecture as being solid in its design. In JPLG partner districts, the capacity of local government and councils has been strengthened significantly, local tax/revenue bases consolidated, service delivery enhanced and legal frameworks regulating relationships to central government improved. Together these represent a solid record of achievement. A Somali government counterpart has described the programme as the 'only programme that addresses governance at a grassroots level', while one donor described JPLG as 'a crucial programme for supporting local government'. While clearly relevant to the Somali context, the MTR and subsequent reports point to the need to focus support towards the core functions of local government rather than expanding into other programme areas.

Effective and efficient institutions. Effective management of public resources is essential to public confidence and effective service delivery. Local governments need strong local governance systems to be able to respond to the needs of citizens based on the principles of accountability and transparency described above. The most common are public works, social affairs, finance, revenue/tax, and supervision and inspection with adequate office space and equipment run by trained and qualified staff. Both Puntland and Somaliland have made progress in clarifying the roles and functions of local government and in developing systems to enable them to assume an important role in development. Support to central, state and local government institutions is critical to ensure that there is sufficient capacity of all to negotiate functions and to carry out the assigned functions.

³ DANIDA, *JPLG Road Rehabilitation Study Report*, Third Party Monitoring and External M&E Support for Somalia Country Programme, 2017.

⁴ LDF risk assessment report - DFID.

Uniform local governance system: A comprehensive set of policies and tools for local government's administration and management have been developed and successfully launched in Puntland and Somaliland. Programme efforts to facilitate inter-state dialogue and build common systems have demonstrated positive outcomes. Government partners are now insistent that these systems are used beyond the existing JPLG partner districts within Somaliland and Puntland as well in all the FMSs. South West and Jubbaland are already drawing from the achievements in Puntland and have used Puntland's local governance law and other systems as models for their own dialogue and policy work. This has accelerated the process of development and adoption. By ensuring that the government, FMS and FGS, assume the leadership role in transferring the knowledge and build the capacities for local government it has been demonstrated that this can accelerate the adoption of uniform local governance systems. With a government led expansion, it is important that resources from non-JPLG programmes are aligned these policies and systems, in order to reduce duplication and promote more effective use of resources.

Governance as an outcome. Local Government is the lowest tier of representative government. Well-functioning local governance is crucial to building confidence of citizens, given that it is likely to be the citizen's first encounter with government, and therefore central to stabilization. Enhanced governance, state-citizen relations, builds stronger cohesion, social fabric and political connectivity between citizens and the government and serves to create more resilient communities. Community consultation and participatory planning processes, in particular, have been pivotal in building incremental trust between citizens and local government, and contributing to greater legitimacy for both state and federal governments. Local government through community engagement and participatory planning is also well placed to facilitate reconciliation initiatives that are reflective of local contexts. Overall, the NDP identifies local governance as an essential element for the future that will in turn constitute a "milestone for a vibrant and stable Somalia". Governance is therefore as much an outcome in and of itself as it is a process for achieving socio-economic results.

Gender & Social Inclusion. Under the JPLG II programme, gender was defined as an important 'cross-cutting' issue and there is a recognition among partners that, in line with the findings of the gender review, the crosscutting nature is not sufficient to advance gender equality within and through local government. Lessons learned from JPLG II demand that gender considerations move to the centre stage of design, including integration into the definition of programme outcome & output areas. The gender review highlighted that local governance is about people, and sets of laws, policies, systems, procedures and rules that govern them. People are gendered and gender is therefore a central issue for local governance. Accordingly, the JPLG III will build on the lessons learnt and will integrate a thorough a gender lens in all aspects of the programme. More specifically a gender-focused outcome, with related outputs, has been integrated to respond to the shortcomings identified in the gender review. Issues of gender intersect with other critical issues of identity including age, clan, culture, ethnicity and location. Accordingly, the JPLG III III will also need to place increased focus on, and give greater prominence to wider issues of social inclusion in programme design and implementation. Engagement of youth in government, for example through young graduate schemes applied in JPLG II, increases the feasibility of retention and paves the way for – not only increased employment of youth, but – the infusion of young leaders in the emerging public service corps of Somalia's governments.

Value for Money (VfM). The MTR highlighted the programme's relatively poor VfM, although the review was conducted in a year of low performance and hence presented a partly distorted image of the programme. While recognizing Somalia is an expensive place to deliver quality programming, it is accepted that measures must be put in place that do prevent unacceptably high overhead costs. This is being done through a review of methods of delivery, reducing consultants, sharing offices, building Somali institutions for the delivery of training and not replicating the staffing footprints which JPLG inherited in Somaliland and Puntland. Overhead costs are increasingly coming under control and delivery improving.

Governance structures and management arrangements. Being such a broad ranging programme, in both substance and geographical coverage, JPLG requires a strong governance structure to address ongoing programmatic issues. A review of governance structures was undertaken following the MTR, with the objective

of improving decision-making and strengthening accountability. This was not sufficiently achieved and strategic steering committee meetings have tended to focus more on resource allocations than on the strategic direction of the programme. There is a need to review the frequency, agenda and tools in support of the steering committee meetings so as to ensure that commitments made are accounted for and difficulties are shared in advance. More effective and appropriate management arrangements are also needed that speed up decision-making and delivery against agreed mile stones, bring programme management closer to programme stakeholders and improve accountability.

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

Advocacy for decentralization and local governance: Advancing the role of local governments within the federal state structure is a central element in defining the functions and roles of service delivery across the three levels of government. FGS has renewed its intention to support the development of local government at the district level, with the aim of either establishing or strengthening district councils in the 86 districts across the 18 regions of Somalia and Somaliland. However, many scholars have emphasized the way in which the critical role of local government has been overlooked in the context of Somalia: "Over the past few decades, international actors have not paid enough attention to subnational governance in Somalia" and without programmes such as JPLG they are running that risk again. In JPLG II the programme has played an active role in advocating for local government in the PSG structure, with programmes within and outside of the UN structure and in dealings with the government bodies. Through demonstrating effectiveness and results from the processes and advocating for the role of local government, JPLG have taken a leading role in advancing local government in Somalia but more needs to be done. Sustained advocacy is needed for the inclusion of decentralization and local governance in dialogue and decision-making fora at all levels, including the constitutional review process, public-private dialogues, discussions on aid architecture and sector ministries' planning exercises.

Sustainability through institutionalization of processes and local ownership. For decentralization to be sustainable, local government political, fiscal and administrative structures, must be legitimate and operate on shared principles of accountability and transparency and they need to be anchored in national systems that are owned by the government. High-levels of political commitment to the process of decentralization and service delivery has resulted in the Vice Presidents' of Somaliland and Puntland being appointed as Local Government and Decentralization Champions, and they are playing a critical role in driving the process forward. It has also led to the 2013 establishment of Inter-Ministerial Committees' on Local Government in both Somaliland and Puntland, ensuring government leadership of the decentralization process – and leading to the roll out of Decentralization Roadmaps. However, there remains some resistance to decentralization, particularly from State Ministries, many of whom who are concerned about local capacities and the mechanism for channelling resources from the central to the district level. Concerns over the sharing of powers among levels of governments within any system is to be expected and the control of resources is always sensitive. Enhanced dialogue and consultation among and between the levels of government on the principles of subsidiarity and shared responsibilities for service delivery will thus be key to JPLG III, and is a crucial component of the emerging Federal systems.

5. CONCEPTUAL FRAMEWORK

Building on the above description of the current context and challenges facing Somalia and Somaliland as well as the and the lessons learnt from JPLG II the conceptual framework describes the overall vision and mission as well as a theory of change with regards to how to reach there. The subsequent guiding principles for programming lay out the operational and programmatic principles that has guided the development and will continue to guide the programmatic decision making processes including the work planning.

i) **Mission & vision**

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

*The programme's **mission** is to support the establishment of capacitated institutions, legal frameworks, policies and practices necessary to develop accountable, inclusive, gender-equal local governments that effectively deliver services which contribute to improve the well-being of men and women in Somalia.*

ii) **Theory of change**

Assumptions

Provision of public services underpin the social contract: The availability and quality of services are a key measure of governance and strengthens the accountability and social contract between government and community. Improved service delivery creates opportunities to address root causes of fragility and improved service delivery catalyses broader transformation of the communities by strengthening relations between local officials and the public. Interventions that strengthen the provision of public services can mitigate cycles of violence and may provide an entry point for longer-term “pro-poor” political and economic change. The provision of basic services can break the intergenerational cycle of poverty, increase economic opportunity and promote cooperation across social dividing lines.

Decentralized service delivery through local governments is more effective and efficient, provided local governments have adequate capacities and functional responsibilities. By their proximity to the population, local governments are well placed to meet local preferences, needs and rights. Measures for accountability and transparency in government actions can also be enhanced by the proximity to the decision and the services and bringing expenditure assignments closer to revenue sources can result in better allocation and utilization of local resources.

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

Theory of change statement

- If JPLG supports the development of a Somali government-led local governance programme by providing technical assistance and grants to stakeholders at federal, state and district levels involved in local governance and decentralized service delivery;
- If these inputs are deployed based on a strong understanding of the Somali context and the needs of local governance institutions, and underpinned by key programming principles including context adaptation, political economy and conflict sensitivity and a Value for Money strategy, and
- If the programme adopts a governance structure that guides programme implementation and models good governance practices to promote federalism and decentralization,
- Then, JPLG will be able to bring positive changes in three interrelated areas that define the quality of local governance and service delivery: improve the enabling environment for local governance and service delivery, increase local government’s technical capacities for service delivery, and enable an effective and accountable response of local governance to the needs and rights of all citizens.
- If these outcomes are achieved, then local governments will be able to deliver equitable, inclusive and accountable services – in a way that is perceived as fair and just – that build their legitimacy, improve social cohesion, strengthen the social contract, and contribute to stabilization, peace and security by enabling peaceful contestation and institutional conflict resolution. This will contribute to the achievement of UNSF Outcome 2.3: Strengthened local governance through the provision of basic and public services will contribute to peace and stability and NDP Priority 2: Peace, Security and Rule of Law.

JPLG theory of change



6. GUIDING PRINCIPLES FOR PROGRAMMING

i) Programming principles

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

Somali-led local governance

A cornerstone principle of JPLG is that it aims to promote Somali ownership and leadership of the programme and its activities. As such, Phase III of JPLG will support the government of Somalia to implement its own local governance programming, based on the principles of federalism and the Somaliland and Puntland governments' strong desire to expand the programme into new districts. Federalism will guide the full range of programme actions – as will the Federal government – such as ensuring individual state representation on the JPLG Strategic Steering Committee for Somalia. Similarly, the local governance institutes will reflect the federal structures of Somalia.

Building a uniform system

The programme will leverage the work undertaken to date in Puntland and Somaliland, building on the lessons learned, to guide work in the new FMS (Jubaland, Hirshabele, South West and Galmudug) to develop a local governance programme for Somalia that uses uniform systems and approaches and promotes collaboration between states and with the Federal Government. Recognizing that levels of investment will not be the same across districts and that resources cannot come from JPLG alone. Under JPLG III, the programme will prioritize policy and legal reforms at state level that can serve all districts, thereby maximizing programme investments. In the other FMSs, there will be a focus on building on the pilots and lessons learnt from Puntland and Somaliland and facilitate joint processes that ensure a uniform governance system under the framework of federalism, with necessary local adaptation.

Political Economy and Conflict-sensitive programming

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

On its own, JPLG is unlikely to secure or develop the level of expertise in political economy analysis (PEA) and conflict analysis (CA) required to generate timely and actionable information about programme intervention areas. In this context, modalities for co-developing or sharing PEA and CA products with other agencies with this expertise (e.g. UNSOM, Somalia Stability Fund, Interpeace, Saferworld, etc.) will be explored.

Gender mainstreaming in operations and programmes

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. JPLG III will promote gender-responsive local governance policy development, planning, budgeting and service delivery that is more receptive to gender equality issues. Mainstreaming is the responsibility of each participating UN agency for the specific components, with the oversight from PMU.

Human Rights Based Approach

A human rights-based approach identifies rights holders and their entitlements and corresponding duty-bearers and their obligations, and works towards strengthening the capacities of rights-holders to make their claims and of duty-bearers to meet their obligations. JPLG I and II have been instrumental in supporting the development of systems, procedures and institutions for duty-bearers 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). JPLG III 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.

Context adaptation

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

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

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

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

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

ii) Operational principles

Strengthened programme governance structure

There is a clear need to carefully assess options for a well-functioning and empowered programme governance structure, including a more empowered Steering Committee, and a more focused and effective Programme Management Unit.

Value for Money

As a large-scale governance programme, operating in a complex and cost-heavy environment, JPLG is committed to adopting the most appropriate and effective Value for Money (VfM) strategy it can. Key to realizing this commitment is the establishment of a clear definition of what VfM means for the programme and the context in which it operates. The first is the standard definition of VfM as cost effectiveness or the optimal use of resources to achieve outcomes. This means that the programme will seek to make efficiency gains in programme implementation, such as designing staffing structures that maximize expertise, limit duplication and reduce cost. Coordination and collaboration with other programmes on capacity building, policy reforms and PEA or CA efforts is another example of cost-effectiveness.

Coordination and cooperation

The programme will promote harmonization of all processes and practice for more effective programme delivery. The participating UN agencies will commit to maintaining effective coordination mechanisms to ensure efficient and effective implementation, management and utilization of resource. The 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.

Predictability and accountability

All programme partners should commit to predictability. Certainty of a minimum annual allocation through the LDF allows districts to undertake multi-year planning and budgeting. Further, these principles of good governance embedded in the public expenditure management processes improves overall trust and accountability between the people and their local governments;

iii) AREAS OF STRATEGIC FOCUS

Geographic approach

In Somalia, the programme will adopt a contextually adaptive approach, given the specificities of different parts of the country.

Mogadishu and to an extent within the wider Benadir region: there is a need - and demand - for a comprehensive approach to support for the development and entrenchment of municipal governance structures, policies and approaches. In this context, attempts by JPLG to address this need / demand need to be informed by:

- a thorough assessment of existing donor-supported programmes and initiatives in the region;
- a resulting identification of the JPLG niche as well as the distinct added value it can bring to bear on municipal governance support in Mogadishu.
- Clear guidelines, costings and intervention strategies agreed by the JPLG family, donors and key partners.

In the newly established Federal Member States, a prime demand that JPLG already plans to address directly is the provision of support to district council formation within the FMS in areas recently freed from al-Shabab control. This brings with it the twin specific challenges of:

- Operating within the framework of wider UN, government and donor stabilization objectives
- Framing a roadmap for this support that links it to core JPLG democratization and 'working with elected authority' principles
- Undertaking such support within the framework of wider stabilization and community reconstruction objectives as articulated in particular in the Wadajir and CRESTA/A frameworks.

In Puntland: Bearing in mind the willingness and capacity of national structures to assume greater responsibility for financing and directing support to district administrations, designing the JPLG Phase III provides a strategic opportunity to undertake a gradual, measured recalibration of programming in districts

already served under previous phases of the programme. As part of the government-led expansion strategy, support will be provided to remaining districts.

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

7. THE PROGRAMME

The next phase of JPLG will continue to focus on creating an enabling environment for improved service delivery and greater stability, through improved legal, policy and system frameworks and building the knowledge of those working in and with local governments. It is further recommended that more attention is given to greater inclusion of the marginalized and women. The programme aims to achieve four outcomes, one around policy and legal frameworks, one on enhanced capacities, one around more inclusive local governance and lastly one on enhanced service delivery.

A. Outcome 1: Policy and legal frameworks are developed and /or improved to support decentralized service delivery and local governance.

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

In the past few years Somaliland and Puntland, have enacted policies and legal frameworks in support of local governance. The Municipality of Mogadishu and South West State of Somalia have also made progress in framing local government legislation and bylaws.

With the various constitutions and legislation as a starting point, it is important that all governments agree to the divisions of responsibilities between the tiers of government, how they will be financed, by whom and which structures are best placed to deliver what results. Further, it is essential that such processes are firmly grounded in their respective constitutions, interlinked with constitutional review processes, produce realistic results and are sensitive to conflict dynamics.

In the new FMSs, a primary question concerns what is the appropriate division of responsibilities, functions and tasks among Federal, State government and Local governments? Secondly, how these functions will be financed and by whom. A third aspect concerns administrative structures, organization and staffing at which levels of government to undertake the responsibilities assigned to them.

Output 1.1: Local governance and decentralized service delivery is included in key government development, dialogue and decision making forums.

With the support of JPLG II, the governments of Somaliland and Puntland were empowered to assist local governments in providing structured financial and operational support for service delivery. This constituted a significant change in both the quantity and quality of service provision, these were guided, in some cases, by sector strategies to help determine which tiers of government would be responsible for which functions. This important decentralization work is coordinated through cabinet committees under the Champion's Offices, chaired by the Vice Presidents (of Somaliland and Puntland).

The leadership of the Somaliland and Puntland governments work will need continued support, to ensure that a cross section of Ministries, civic organizations, women, disadvantaged groups and others actively contribute

to the development of local governance. The successes of Somaliland and Puntland will serve as examples for the new federal states, and the JPLG III Programme will aim work with the new states develop coherent systems for all parts of Somalia within a federal context.

The process of development of legislation, policies and systems is as important as the end product. It is essential that communities can actively contribute, so as to improve understanding, achieve sensitization, ensure systems are compatible with Somali culture and local ownership. Such consultations will involve a range of institutions from community decentralization forums, public private dialogue, district councils, within and between state ministries and structured discussions at a national level, between states and within federal government bodies.

JPLG will support mandated government institutions to play an active role in advocating for the role of local governance and the principles of decentralization in other policy and legislative forums. Most key ministries have both a role and function to play when it comes to local governance, and accordingly service delivery will be captured in vertical and horizontal discussions in sector ministries.

Dialogue and Consultation on decentralisation

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

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

Consultations and dialogue forums will continue to be essential to building consensus and trust as Local Government and service delivery expands to the emerging FMS. Special attention will be needed to ensure that these local government forums are linked to the federal constitutional process. Furthermore, JPLG will support the enhancement of the interactive and consultative planning process that has demonstrated success in strengthening dialogue, communication and accountability among various levels of government, the private sector, civil society organizations and the communities.

Local Public Private Dialogues

Local private public dialogues are a structured interaction between public, private and community groups to promote economic development and improve the local business environment. Local governments realise that their task is no longer limited to providing services to their citizens, it also includes making sure that businesses in their localities become competitive in local and national markets. Local governments need to create and support jobs and opportunities for their citizens, which in turn generate tax revenues to fund service provision. Local private public dialogues help build trust among local stakeholders, combining their resources and exploiting synergies in experience, knowledge and political power. They also ensure that interventions are aligned with the needs of local businesses and offer businesses an avenue for communicating their needs to local government. These dialogues are a potential means to garner private sector support for reforms. JPLG III will facilitate local public-private dialogues in Somaliland, Puntland and the new FMSs. In addition, this will provide a platform for the local governments to better understand the challenges and barriers that limit business growth, which in turn affects local economic development. JPLG will work with the public private dialogue architecture established by World Bank - IFC on the business enabling environment, focusing at local government level through engagement with the private sector, business communities and chambers of commerce.

Inter-ministerial coordination

Policy and legislation on decentralization involves many line ministries of Federal/central government, state and local authorities and many other stakeholders. It involves complex issues that require widespread

discussion. These processes require political commitment from the highest levels of government. Importantly in Somaliland and Puntland JPLG has worked with the respective governments to secure the appointment of the vice presidents as champions for local government, thereby helping to move the process forward and ensure sustainable political will.

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

Output 1.2: Policies, laws and regulatory frameworks for decentralization (fiscal, administrative and political) drafted and / or improved.

JPLG will take forward the work launched during the previous phase of the programme to assist governments to design and implement policies, laws and supporting regulations for fiscal decentralization governing the allocation of fiscal resources among central/state and local governments in four dimensions: (1) expenditure assignments of public service functions; (2) LG own source revenue mobilization; (3) subnational borrowing and debt; and (4) vertical balance of LG expenditures and revenues. In doing so, JPLG will closely collaborate with the World Bank and other relevant actors in the implementation of comprehensive national PFM reforms, ensuring specialized expertise and complementarities in the area of subnational PFM. Broadly speaking, JPLG will deliver its support to fiscal decentralization in five areas:

Uniform and harmonized legal and policy frameworks

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

- Harmonization of relevant frameworks to ensure consistency across the multiple areas involved, and
- Develop frameworks that clarified roles with a focus on local government and improve inclusivity, while enabling of the private sector.

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

The programme will continue to help Somali governments draw on the experiences of Puntland. With these new State governments (and BRA) the programme will focus on capacitating the Governments/Administration to, consult on and approve policies and legal frameworks required within their respective mandates. Including; Local Government Law; Decentralization policy; Participatory planning and expenditure management procedures (District Participatory Planning and Financial Guide); Local Government Human Resource Management policy; Public Finance Management policy; and Public Private Partnership policies.

Additionally, the programme will work on land governance - an important responsibility of local government, and a driver of conflict in Somalia / Somaliland.

While the adoption of other legislation in the FMS is expected to advance more slowly; as few ministries are fully staffed and the scope of their respective authority remains to be clarified, the JPLG III programme will assist the federal government to establish, frameworks on decentralized local government that the States will utilize for consistency and harmony within their local governance legislative frameworks and compatible with the existing Federal law no. 116 on regions and local government.

Introducing and enhancing systems (new FMS)

Intergovernmental fiscal transfer systems in the new FMS are in a nascent state. At present the fiscal relations between the new FMS and their districts are either not defined, with significant overlap in fiscal responsibilities between the FMS and its core district or ill defined, inequitable and implemented in an ad hoc fashion. Using its experiences in Somaliland and Puntland, and other models, JPLG will support FMS governments to design, introduce and launch implementation of the relevant policies and laws to help establish predictable and equitable resource allocation systems that allow decentralized services delivery.

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

The JPLG III will promote the principles and, where feasible, utilize the “on treasury” and “on budget” County Systems Roadmap for Somalia (April 2017). While this may not be feasible in year 1 and year 2 of the JPLG III, it is however foreseeable that in the later years of the programme, these government country systems principles and practices can become the norm in the programme’s support to fiscal transfer systems in Somalia.

Where fiscal decentralization provisions are already in place in Somaliland and Puntland, policies and regulations will be reviewed and upgraded commensurate with a local government’s improved capacities in order both to make existing systems work better and ensure they are compatible with the anticipated services to be provided by local governments. Some districts have local councils with staff and do manage some of the core municipal functions including public works and solid waste management.

To implement these core functions some LGs are collecting own source revenues, others retain a share of the customs collected from their areas of jurisdiction while some receive State government transfers. Albeit still nascent, systems and capacities for planning, budgeting, management and reporting for resources are emerging, especially in JPLG participating districts.

JPLG will help districts to progress towards enhanced financial sustainability by creating more space for effective and efficient subnational PFM management that will in turn allow them to expand their fiscal space for service delivery. This support focuses on improved local revenue collection; a transparent, timely and equitably distributed unconditional/block grant; a discretionary development grant that finances infrastructure investment and incentivizes capacity improvement; and strong planning, budgeting, accounting and reporting systems that both allows local governments to perform their functions effectively, and State government to monitor their performance accordingly.

Implementation of Policy and Regulatory Frameworks for strengthened service delivery

Over the past few years financing the delivery of services has been piloted in education, health and water in a number of target districts in Somaliland and Puntland. These pilots have provided a wealth of experience and knowledge that will, under JPLG III, be applied to enhance the devolution of financing and delivery of services by LGs with shared responsibilities of the State line ministries. The pilots have shown that clearer demarcation of roles and responsibilities between the state and LGs remains essential; as do adequate dialogue to discuss the challenges that hamper effective service delivery.

Additionally, particular attention will be paid to ensuring that processes are well managed and coordinated within and across sectors. JPLG will provide support to state-level and local governments to effectively manage a process of resolving policy questions and ensuring that decentralized functions are adequately financed, thereby strengthening sectoral service delivery. This support will strive to enable sector Ministries and programmes to take this work forward.

Management of fiscal decentralization

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

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

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

Organizational structure of local government

Administrative decentralization follows from the agreements on functions between Federal/Central, State and Local Government. Because of the JPLG I and II programmes there has been significant progress on the development of harmonized organizational structures for district administrations in both Somaliland and Puntland. The structures follow the grading of the district and the functions assigned to them in line with decentralization policy. Organizational structures and work unit TORs exist in both Puntland and Somaliland. These are being revised in line with the changes in their functional responsibilities described in sector strategies as well as the overall legal and policy framework guiding local governments.

For the new FMSs, work has started on establishing these structures, and an agreement on grading of districts has been reached between all federal member states and the FGS. With support of the JPLG II the SWS Assembly has passed the State Local Government Law (No. 10 of 3rd July 2017) that has been promulgated in line with Articles 48(6) and 77(2) of the SWS Constitution and is consistent with the FG law of regions and local government. The State of Jubaland will soon pass their state law on local government which will be followed by the remaining FMSs. These impressive efforts have demonstrated a strong political commitment to the Federal and State Constitutional principle of "Subsidiarity" that guides the decentralization process in Somalia – and means that key functions, such as service delivery will become the shared responsibility among the Federal, State and Local Government.

The SWS law is an example that, by utilizing the extensive knowledge gained from years of on-hands experiences working in Somaliland and Puntland, the JPLG has a niche that has allowed their support to gain rapid traction and relevance in the new FM States. Utilizing this experience and practical tools that have been fine-tuned by Somalis for Somalis, the JPLG has been able to help SWS leap frog the process on enacting their LG Law; a process that took a considerably longer period in Puntland and Somaliland. Applying this same principle – including continued peer-to-peer learning among and between the FM States - the JPLG strives to be a key partner for FMS to delivery their mandate. The programme will support further development of the structures of local government in line with federal and state legislation; ensuring greater harmonization among FMSs BRA and between FMS and the FGS.

Local government employment and human resource management

Unclear Local Government recruitment practices have led to poor organizational performance, tension and even conflict. The momentum towards decentralization is promoting improved local government human resources systems and processes, which are in turn laying the foundations for a professional, motivated, well orientated and skilled workforce capable of delivering basic services to citizens.

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

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

B. Outcome 2. Local governments' capacity to deliver equitable services is improved

Over the last ten years the Somali people, in partnership with development partners, have been trying to reverse the severe capacity shortages in local administration, governance and service delivery in Somalia, which emanated from the widespread collapse of public institutions due to the country's long running instability and conflict. These efforts which include different types of support to districts and local communities – e.g. service delivery, conflict resolution, reconciliation, systems and skills development, etc. – are ongoing and have registered improvements in local administration, governance and service delivery in many parts of Somalia. Still, the reality is that most local governments in Somalia are largely dysfunctional due to inadequate resources, weak systems and severe shortage of suitably qualified personnel. Moreover, efforts to date have been made in the absence of government policy on local government capacity development.

The programme has recently supported the development of a National Local Government Capacity Development Policy (see Annex 1), in partnership with the Ministries of Interior of FMS and FGS. Once finalized, the policy will be critical in ensuring that Government and all development actors adopt a coherent and systematic approach to local government capacity development, thereby strengthening local administration, governance and the provision of services to the Somali people.

JPLG III is aligned with the National Local Government Capacity Development Policy and will support its further development and implementation. The programme will focus on supporting capacity development beyond JPLG districts, consolidate local government's capacities through the local government institutes and apply capacity development lessons from Puntland to boost the new FMS, including BRA. As new geographic areas enter the programme, work on a capacity audit will be initiated to identify and monitor the most appropriate capacity building priorities and modalities.

What is LG capacity? 'Capacity' is the ability of individuals, organizations or societies to manage their affairs by performing functions, solving problems and achieving set objectives in a sustainable manner. 'Capacity development' is the process through which this is brought about. It involves understanding past and present circumstances, learning from experience, adapting to new situations in creative ways, and building on existing capacities to establish more durable abilities over time. Capacity development facilitates formulation of enabling policies, legislation and development frameworks; establishment of effective institutions and systems; and enhancement of human knowledge, skills and competencies.

The Constitution of the Federal Republic of Somalia provides for three levels of government in the provision of services to the Somali people: the Federal Government of Somalia (FGS), Member State Governments, and Districts. The National Local Government Capacity Development Policy outlines the roles of each level in developing local government capacity.

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

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

To further institutionalize capacity development, Public Expenditure Management (PEM) - a comprehensive framework covering all core district functions - was developed and tested in Somaliland and Puntland. Following extensive consultations with key stakeholders, the framework has been reviewed and repackaged as the District Participatory Planning and Financial Guide (DPFG). It outlines district planning and budgeting, budget expenditure and expenditure management, financial accounting and reporting, and auditing and M&E functions. The planning and budgeting exercise is a critical area of support for districts and will remain so under phase III, namely support for the development of the 5-year District Development Plans and Annual Work Plans. This process allows all stakeholders to come together to identify the development priorities and objectives of the district and the main interventions needed to achieve them. Under phase III, the programme will further strengthen the planning system to improve the participation of women, youth and other marginalized groups such as IDPs, so that district plans better reflect their needs and priorities.

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

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

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

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

JPLG II supported local government associations in Somaliland and Puntland to undertake advocacy, and also contribute to capacity development. Given their relevance and the importance their role to local government capacity-building efforts, the programme will continue engaging with such associations, with a strong focus on advocacy, knowledge management, peer learning and promotion of local governance across Somalia and

Somaliland. The programme will also advocate for the establishment an Umbrella Local Government Association to better promote good local governance between and across FMS.

Output 2.2: Local government staffs' skills and competencies enhanced through standardized curriculum for local government, delivered through the Local Government institute (LGI)

The evolution of JPLG's support to the Government of Somalia's local government capacity development has occurred in tandem with the improved capacity of government institutions and formation of state structures. FMS, Ministries of the Interior (MOIs) and the Federal Government (MOIFAR) have agreed on the structure through which local government capacity development will be delivered across Somalia. A feasibility study conducted in late 2014 established that several relevant capacity development interventions had been undertaken by various stakeholders⁵ to date in Somalia, to try to address the myriad local governance and service delivery challenges facing local governments during the stabilization phase. While many of these interventions were found to be useful, they were not coordinated and, as a result, it was difficult to draw sustained value from them.

Near the end of the second phase of the JPLG, the Local Government Institutes (LGIs) were established in Somaliland and Somalia in order to bring together a range of training components under a common curriculum for local governments. The institutes will provide coordinated and standardized training to local government officials, both technical and elected political leaders, as well as other relevant stakeholders (e.g. local development committees, service user committees, etc.), in order to enhance local administration, governance and service delivery for the benefit of the Somali people. Building on the successes and advanced agreements for a common capacity development plan, JPLG III will support the full functionality of the Somalia and Somaliland LGIs, with a view to enabling them to provide effective and sustainable training and improved knowledge management. A uniform curriculum for core functions of local government will support the federalisation process by ensuring that local government staff in one state have the same skill set as those in a neighbouring state. The Federal Member States will lead the implementation and adapt strategies based on local needs. Focus will be on utilizing local training providers to the extent possible and adapting the modules based on state policies and strategic plan. Through this approach, JPLG III will ensure that local government staff are provided with quality training that is delivered in an effective manner across Somalia and Somaliland.

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

JPLG will support institutional capacity building of LGI to ensure it meets high governance and management standards, and that it gradually expands its role as the custodian of the curriculum for local government in Somalia. In line with the strategy and operational frameworks for LGI and the National Local Government Capacity Development Policy, JPLG will provide technical and financial support to each of the levels of government to perform their respective tasks and functions.

Somalia LGI

The structure of the LGI will reflect Somali's federal arrangement. To that end:

- The LGI will fall under the ambit of the Federal Government Ministry responsible for local government.
- It will have a central headquarters and regional branches in each of the Member States.

⁵ i.e. UN agencies, universities and other higher education institutions, NGOs/CSOs, consultancy firms and individual consultants.

- It will be supervised by a multi-stakeholder Governing Board comprising:
 - The Federal Government Ministry responsible for local government (Chair);
 - One representative each of the Federal Government Ministries responsible for the following decentralized services: education, water, public works, and health;
 - One representative of each State Government Ministry responsible for local government;
 - One person representing all associations of local governments in Somalia
- The LGI Governing Board will be responsible for:
 - Approving the LGI's training work plans and curriculum;
 - Overseeing the LGI's operations;
 - Ensuring that the LGI operates in line with the Federal Government's policies, legislation and development frameworks;
 - Advising the Federal Government Ministry responsible for local government on local government training and capacity development.

Given the novelty of the LGI approach to capacity-building and the number of stakeholders involved (LGI staff, MOIFAR, the LGI Governing Board, the Municipality of Mogadishu, FMS, districts and other local governments, NGOs and CSOs and development partners), the programme will need to invest in the effective coordination of the efforts of all these stakeholders. An LGI curriculum has been drafted to support local government capacity-building (see Annex 2).

Somaliland LGI

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

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

- the growth of institutional capacity;
- curriculum development;
- oversight mechanisms (quality control).

Within 5 years there will be an established curriculum for local government in Somaliland and the CSI School of Local Governance will be delivering core local government trainings to all districts.

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

Local government financing

Financing of service delivery has two interrelated aspects: infrastructure (capital) and recurrent expenditure (current operational expenditure). So far, the only donor funding systematically transferred through local government systems is the Local Development Fund (LDF) for service delivery and infrastructural support. In Puntland and Somaliland, both the State and local governments contribute towards the LDF, which provides capital grants to local governments. JPLG II piloted sector grants through SDMs to cover recurrent service delivery expenditure in Puntland and Somaliland, with varying levels of local government and State contributions.

JPLG will adopt a strategic approach to supporting service delivery by establishing a ring-fenced financing mechanism for local governments that combines discretionary and conditional grants for capital and recurrent

expenditures with the integration of a strong performance component. The programme will support the establishment of the **Somalia / Somaliland Local Fund (SLF)** based on the following principles:

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

Funds will be duly disbursed in several broad categories:

- *Small LDF Grants*: for local governments in the initial phase where capacities/ minimum conditions for implementation of the LDF modality are not in place. Such cases will require more State/JPLG support to the implementation of locally identified service delivery infrastructure investment projects (\$50,000 - 100,000).

- *Traditional LDF Grants*: These are accessible to established local governments meeting the minimum conditions for implementing LDF, with a performance based allocation (\$250,000 - 350,000). In Somaliland and Puntland, the LDF modality will continue with a view to formalizing a fiscal transfer system where the states progressively contribute a higher proportion of LDF. There is recognition that some local governments now have significantly larger internal revenues, consequently diminishing the intended reform incentive impact of an LDF contribution.

The JPLG III will institute an LDF graduation procedure for such local governments to gradually phase out LDF funding and reallocate it to new districts. The graduation procedure will have the following objectives: a) recognize the progress and achievements of the participating local governments through graduation; b) facilitate access of the graduated districts to other sources of finance as may be available; c) improve the allocative efficiency of the LDF budget envelope by assigning the development grants to where they can produce maximum impact, d) to the extent possible, address horizontal inequalities between local governments; and e) increase the LDF coverage within the limited budget envelope.

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

- *SDM Funds (Sector Grants)*: With guidance from relevant sector ministries and JPLG agencies, targeted funding will be made available to cover local governments' recurrent/overhead budgets to support select service delivery areas. The JPLG III will use sector grants to help relevant State Ministries play a more active role not only in policy guidance and oversight, but also in extending resources for sustained service delivery with local government contributions of own source revenues. The approach will require commitments from both states and local governments to contribute to recurrent service delivery expenditure in a systematic and predictable manner, in line with the Fiscal Decentralization Strategy established in Puntland and Somaliland, and as will be introduced in the FMS under the JPLG III. This funding mechanism will progressively be phased out as inter-governmental transfers and local revenue sources are developed. Other programmes will also be encouraged to use the systems

established by the JPLG. Specific provisions for allocation and disbursement of SDM financing are discussed under Output 4.1.

The fund design will include provisions for financial sustainability using a two-pronged strategy: (1) incorporation of components related to public goods and services into the intergovernmental fiscal transfer mechanism between the states and districts, with a higher proportion of financing coming from state governments (it is recommended that, based on consultations, Somaliland and Puntland should contribute at least 30 per cent of the overall LDF budget); (2) transformation of the fund into a revolving subnational pooled financing mechanism for local capital investments, primarily revenue-generating, based on technical assistance, ordinary and reimbursable grants and concessional lending for project preparation and financing, ultimately leading to a phase out of central/state governmental resource provision. At the same time, JPLG will proactively promote the LDF as a reliable and effective mechanism for financing local government services and investments. It will encourage other development partners and funders to consider the use of the LDF mechanism as a conduit for local government finance and to align their approaches with the LDF systems and procedures.

Own source revenues

Building own source revenue generation capacity is among the key achievements of the JPLG programme to date, both in Somaliland and Puntland. Remarkably, JPLG II has helped local governments to double own source revenue generation in Somaliland and Puntland. Similarly, it supported the development of a local government financial management manual that is now integrated and institutionalized within public expenditure management. As a result, Somaliland and Puntland are able to plan, budget, procure and implement small-scale projects linked to district and urban development plans. Service delivery has greatly improved as local governments have begun to unlock the potential resources available. Improved service delivery as a result of maximized revenue generation capacity has also built trust and confidence between communities and local leaders. However, own source revenue generation capacity varies significantly among the districts, and up to this point Grade A districts with an expanded domestic revenue base have tended to benefit the most from these interventions.

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

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

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

Output 2.4: Large Somali cities have well defined development strategies, plans and systems to accommodate rapid urban growth

Urbanization across Somalia continues at a high rate, with Mogadishu being one of the fastest growing cities in Africa and Somaliland already having an urban population of 53%.⁶

Furthermore, the impact of the recurrent drought has led to a massive influx of displaced people to urban centers such as Mogadishu, Baidoa and Kismayo. The unregulated growth of the urban centers has led to new conflicts over scarce resources such as water and land and the limited provision of basic services. This has given local and state authorities new challenges regarding integrated urban planning in order to “make cities and human settlements inclusive, safe, resilient and sustainable (SDG 11).

For the past five years, JPLG II has worked closely with the Ministries of Public Works in Somaliland and Puntland and has built local government capacity in integrated urban planning processes. An Urban Regulatory Framework (URF) was developed and adopted by the National Urban Planning Committee in Somaliland and the Council of Ministers in Puntland. The URF is both a policy document and a practical guidebook on administrative and technical aspects of spatial planning, masterplan development; land use plans and land management tools. Implementation of URF was successfully tested in Gabiley and Bossaso in urban master plan development and city extension strategies respectively. The programme, in collaboration with BRA Urban Planning Department, also developed a spatial strategic plan for Mogadishu that linked to the setting up of a functional Urban Planning and Engineering Services Department as outlined in the revised institutional structure for BRA in 2016.⁷

JPLG III will consolidate achievements made in Somaliland and Puntland by applying the test tools, support the government-led expansion strategy to reach out to more districts and to the new Federal Member States. However, given the urbanisation challenges associated with the largest urban centers in Somalia and Somaliland, i.e. Mogadishu and Hargeisa, the programme in the first two years will focus on enhancing the capacity of these cities to manage the urbanization process in line with national development plans. In the second half of the programme, JPLG will apply lessons learned to other large urban centers as outlined in the National Development Plan for Somalia and Somaliland.

Specifically, the programme will use the following approach:

- Improve municipal planning capacity by streamlining DDF with spatial planning and improved coordination among local government and state government stakeholders to enable them to develop strategies, plans and systems for managing rapid urban growth;
- Develop and establish basic systems for urban land management and administration of public land, for example urban planning frameworks for Mogadishu and emerging FMS, by-laws, building permit process, etc.;
- Support state level governments in the implementation and review of the National Development Plan (NDP)⁸, in particular in the areas of urban planning, housing, durable solutions for displacement and the resilience capacities of communities and local governments in the context of the New Urban Agenda.

As the largest urban conurbation and given the complexities of its public administration, JPLG will need to develop specific interventions to address urbanization challenges in Mogadishu, including the governance aspects related to the reintegration of half-a-million displaced people. The programme will also look at the relationship between Benadir Regional Administration and the district offices in Mogadishu in terms of service provision.

⁶ Moi Ibrahim Foundation, Facts & Figures African Urban Dynamics 2015, www.moiibrahimfoundation.org / Somaliland National Development Plan II (2017-2021), Final Draft, May 2017, p. 30

⁷ See: Towards Mogadishu Spatial Strategic Development Plan: Urban Analyses / Urban Development Challenges / Urban Strategic Planning: Launched on 31 October 2016

⁸ See section 2.4 NDP is for the period 2017-2019. Therefore, the review and formulation of a new NDP falls in the period of JPLG III.

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

C. Outcome 3: Local governments demonstrate improved engagement of citizens, gender equality and inclusion of marginalized groups in policies, structures and processes

The aim of the third pillar of JPLG is to promote citizen engagement, gender equity and social inclusion through efforts to strengthen key local governance policies, structures and processes. Barriers to women's advancement in public administration, denial of opportunities for citizens, particularly traditionally marginalized individuals and groups, to take part in and benefit from local decision-making, all serve to undermine the principles of equal opportunity and social justice that are the bedrock of inclusive development and democratic governance. Gender equality and social inclusion speak to the *quality* of local governance, the extent to which district authorities represent the needs, concerns and priorities of *all* those under their jurisdiction, how they demonstrate accountability and build trust with those they serve, mitigate conflict and ultimately strengthen their legitimacy.

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

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

Women in District Councils

There is inequality between men and women in Somalia in terms of sharing of power and decision-making at all levels. Somali women hold a small percentage of government or legislative positions and are not afforded the same opportunities as men to engage in politics and deliberate on key issues. 2016 was a year of political construction in Somalia, with the Somali women's political participation receiving much needed attention. On 28th January 2016, the Federal Government announced an electoral model with 30% seats reserved for women in both Houses of Parliament. Women also received a 50% deduction in the registration fee to stand for political office. An advocacy campaign was conducted to increase women's representation in the federal Parliament. The role of women's activist groups has also been of vital importance in advocating for women's rights, particularly politically.

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

Recognizing that the process of s/election of district council members vary between some states. It is important that the support to increasing the number of women council members is state and district specific in order to provide the right support and sensitization at the right time. JPLG will provide training and mentoring support to potential women candidates for local council. To ensure targeting of interventions the in the two years leading up to a district s/election process the focus will be on sensitization of women's role in local government and building support for gender equality. JPLG III will support a cadre of male and female Gender Champions that are able to advocate for an increased participation and role for women in local

governance. Subject to electoral cycles, a target minimum of 30% of women in leadership positions by the end of the 5-year programme cycle set, although the fundamental target for increased women's representation in public service is when its gender composition reflects the society it services. Only then will government have proved itself responsive and effective in its efforts to close the gender gap.

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

Women in local administration

Key challenges to achieving gender equality in the public administration and in the private sector are similar. Both men and women have low levels of education and skills, but women more so. Barriers for women also include: a traditional clan system that excludes women from participation, a lack of technical and financial resources, and systemic discrimination in the recruitment process. Even when women do reach decision-making positions, there are still challenges. The prevailing environment is all male and non-inclusive. The physical infrastructure of government offices is poor and in most cases, there are no separate bathrooms, prayer and eating rooms. There is no equality in pay, promotion or career development and women are not protected from sexual harassment, bullying and GBV in the workplace.

Practices around recruitment and human resource management should be strengthened to ensure greater transparency. Women face systemic gender-based discrimination with respect to pay, promotion, entitlements and access to resources. They do not receive equal access to training, lack champions and mentors and are not sufficiently protected from sexual harassment or gender-based violence. The physical infrastructure that supports women in government (toilets, prayer and eating spaces) frequently does not exist. Overall, in Somaliland and Somalia's post-conflict environment, gender is easily crowded out by other governance priorities.

Despite the efforts JPLG II in supporting the mainstreaming of gender equality in the Local Government Employment legislation (Puntland and Somaliland), HRM policies and initiatives such as women-friendly work environments and gender sensitive districts, interviews with women working in decision-making positions highlight continued systemic discrimination.

To respond to the challenges of women in the workplace JPLG will support the development of appropriate regulatory framework to support local government to respond to gender inequalities in a) human resource functions such as staff recruitment and retention, and the prevention of and response to sexual harassment; b) planning, budgeting and procurement processes; and c) workplace environment (e.g. availability and quality of female-only toilets, prayer rooms, eating spaces, breastfeeding rooms).

The Local Government Human Resource Management Regulations which were adopted in Puntland and Somaliland includes references to the need to ensure that gender equality is promoted and respected in all HR processes. JPLG III will continue to support the development of FMSs specific HRM guidelines and the appropriate implementation and oversight mechanisms. The HRM for local government in Somalia will be in line with the overall Civil Service regulations and emphasizes important principles and practices such as uniform conditions of work, non-discrimination and transparency, all of which create good opportunities to promote gender equality. To understand the challenges and obstacles in implementing the HRM is important in order to turn a principle of non-discrimination into a more gender balanced reality. Out of the different areas that the HRM covers the meeting will focus on the following three areas Recruitment, Retention and Workplace.

Output 3.2 : Women and marginalized groups are engaged in local governance

Wider identity-based issues of social inclusion that intersect with gender equality considerations include questions of age, clan, ethnicity, language and location. Exclusion based on these and other identity-based issues is a crucial issue in many parts of Somalia today. Traditionally marginalized groups include women, youth, people with disabilities, IDPs, ethnic minorities such as Somalis of Bantu origin, those not part of the Somali clan system and those in the ‘very poor’ wealth category. Many of these groups are disempowered, lack access to basic services and are excluded from public decision-making. They are also often the most vulnerable to shocks and stresses, as illustrated during the 2011 famine in Somalia which disproportionately affected historically minority and marginalized populations.⁹

Somali youth – of both genders – who, despite representing a growing majority of the population, suffer from severe marginalization in national and local decision-making processes alike. There are critical issues relating to, for example, disempowered and disaffected young men and their role – or rather lack of one – in society: issues that, left unaddressed, threaten to undermine the fabric of social and political reconstruction in Somalia to which JPLG seeks to contribute.

A first step in promoting greater participation and voice for women, youth and other marginalized groups in local governance processes would focus on deepening local government’s understanding of who constitutes a marginalized group in their district, since they will vary from one district to another. By fostering greater awareness of who these constituent groups are, they will be able to actively engage them during critical governance processes such as participatory planning exercises. The programme will develop guidelines on how to identify and include vulnerable and marginalized groups in the district planning process with the aim of deepening inclusive planning processes so that women, minorities and youth (girls and boys) have a greater role and a voice, and developing district development frameworks (DDF) and annual plans that increasingly address the unique needs and priorities of these populations.

The aim of the guidelines will be to institutionalise the participation of women and young people beyond their tokenistic involvement. Local government structures will be facilitated to integrate these guidelines within their existing participatory planning mechanisms and guarantee participation space for women, youth and minorities.

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

Similarly, JPLG will focus on awareness raising among vulnerable and marginalized groups on their rights and responsibilities in local governance. This will be achieved through intensive civic education efforts that include and target these groups. There are a number of user groups, associations and other civil society organizations that represent the interests of marginalized groups. Social media can also play a facilitating role, particularly when it comes to youth engagement, and will be used to positively engage youth. The programme will capitalise on all these opportunities to promote greater awareness and engagement with and for vulnerable and marginalized groups.

Output 3.3: Communities engage with local governments and hold them accountable for their actions.

JPLG aims to improve the capacity within local government to plan for and manage the delivery of services, to improve the processes for public involvement in decision-making and to put in place mechanisms for

⁹ Majid, N., McDowell, S., Hidden dimensions of the Somalia famine. Global Food Security (2012), <http://dx.doi.org/10.1016/j.gfs.2012.07.003>

monitoring local government performance. Moreover, in societies such as those in Somalia and Somaliland – societies that have suffered a long period of civil conflict and the collapse of governance structures – success in the rebuilding of these local governance systems depends on restoring the lost trust of people in their political leaders.

An effective civic education strategy can increase people’s knowledge of governance and rights issues; sharpen skills for analyzing such issues; create greater confidence in claiming rights and exercising responsibilities; develop skills of communication; and improve chances of being involved in decision making forums of relevance to their lives and livelihoods. It can also raise the awareness of local government councillors and officials about the importance and potentials of civic engagement.

JPLG will build on the lessons learned and resources developed in phase II of the programme to further embed civic education activities and deepen their impact, particularly in emerging FMS. These efforts will be more government-owned, reflecting the readiness of state authorities and district councils to promote more public participation and to improve on service delivery in their localities. They will serve to bring state-owned civic education strategies supported under JPLG II to life. Civic education activities will focus on key issues such as the nature and functions of local governments, the meaning of citizenship and community participation, leadership and principles of good governance, public participation and consultation with local government, the role of youth, women and other marginalized groups in public life.¹⁰

The programme will support districts to select civil society and media organizations able to lead civic education campaigns that reach out to all segments of society, making special efforts to reach the less reachable in society, such as nomadic groups, and the less powerful, such as women, IDPs, and other vulnerable groups. They will also adopt the use of more interactive and discussion-based methods, with a focus on dialogue and interface between local government and citizens through public forums. In order to make these interface meetings more constructive, the programme will also develop community members’ capacities to analyse, evaluate, take and defend positions on public issues. Again, civil society and media organizations can play an important role in demystifying and clarifying local government policies, plans and budgets, and encouraging individuals and groups to engage with, or participate in, governance structures.

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

Under JPLG II, the programme focused exclusively on service delivery accountability, using an SMS-based community scorecard to gather feedback and stimulate dialogue between citizens and local government authorities. The programme will expand on this scorecard experience through the use of mixed ICT and community radio-based approaches in order to engage a broader cross-section of community members, particularly members of traditionally marginalized groups. This will be particularly relevant in FMS where access issues are of particular concern. In high performing districts in Somaliland, where local government is allocating and executing large investment budgets, is able to deliver services and has good financial records, JPLG will pilot the introduction new social accountability mechanisms such as public expenditure tracking surveys (PETS). This is a social audit tool that allows citizens to trace the flows of resources (financial, in-kind, human) from government offices to service providers (e.g., schools, health clinics) to identify effective allocation of resources, to assess if funds are used as intended and determine the extent to which resources

¹⁰ *JPLG - Voice and Accountability: A Strategy for Civic Education*, UNICEF, 2017.

actually reach the target groups.¹¹ In addition to empowering citizens to ‘follow the money’, PETS can serve as a powerful anti-corruption tool. In the context of JPLG, PETS can be used to monitor implementation of specific aspects of the DDF, with support from civil society groups.

These social accountability efforts will form an integral part of a revitalized Local Governance Barometer, a participatory tool for measuring and monitoring local governance against set indicators. However, JPLG programme budget will determine whether this should be implemented with the option of anchoring it within an agency.

D. Outcome 4: Local governments provide equitable and sustainable services and promote local economic development

The provision of quality basic services remains among the core functions of local governments. However, districts face challenges in terms of capacity, financial resources and insufficient clarity on roles and responsibilities between the different levels of government. JPLG II developed service delivery models for selected sectors to test the capacity of selected districts in managing their devolved functions. JPLG III will focus on supporting the transition from service delivery models implemented by a few districts to more sustainable local government-led delivery of basic services across grade A and B districts.

While local governments are responsible for a wide range of services, JPLG will prioritize those that are critical to the social contract between government and citizens, such as health, education, water, waste management and land management. Disaster management and social protection have also emerged as important to the social contract and local resilience given the recurring droughts, displacement and social exclusion that characterize many parts of Somalia and Somaliland. The programme will also focus on frontline services delivered by local governments such as civil registrar services which are so critical in people’s lives. Many of these services directly relate to the achievement of the SDGs. To the extent that the SDGs have been ‘localized’ through the NDP, local governments, as key stakeholders in the NDP, are well positioned to make important contributions to the implementation and monitoring of the SDGs.

Local economic development remains an important responsibility of local governments as the creation of economic opportunities raises household incomes and thereby reduces poverty. In JPLG II the programme provided access to finance for youth and women through start-up grants and developed entrepreneurial skills to create employment opportunities. JPLG II also initiated simplification of business registration procedures thus streamlining business registration processes in selected districts, mainly grade A and B districts. This has created an improved business environment resulting in an increase in business licensing revenues. JPLG III will promote use of labour based technologies for infrastructure rehabilitation, which will create economic opportunities for both communities and local enterprises, thus injecting cash into the local economies. In addition, the creation of a business enabling environment (Outcome 1) will further encourage local development.

Output 4.1: Local Governments deliver improved services in collaboration with central, state governments and non-state actors.

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

Since 2014, JPLG has taken a systematic approach to building local government capacity to deliver basic services, as recommended in the Somaliland and Puntland decentralization policy roadmap. The roadmap outlined a process for piloting decentralized service delivery in select districts, based on a clear strategy and

¹¹ *Public Expenditure Tracking Survey Manual: A social audit tool to monitor the progress of Vietnam’s Social and Economic Development Plan*, Vietnam Ministry of Planning and Investment and UNICEF, 2011.

the transfer of functions, funding and personnel to target districts. This would then be rolled out into a full-scale implementation plan for decentralization of service delivery functions to A and B districts.

Under JPLG II, the programme has made an important contribution to the implementation of the roadmap by supporting the development and testing of Service Delivery Models (SDMs) in the areas of education, health, water, natural resource management, roads, and solid and biomedical waste management in Somaliland and Puntland. Through the SDMs, the programme has succeeded in generating broad support for the decentralization of basic services, at all levels of government. State sector ministries, particularly health and education ministries in Somaliland, have demonstrated high political commitment for decentralized service delivery to ensure that quality, efficient and more responsive services are provided to local communities. Similarly, district councils have increasingly taken ownership of their service delivery responsibilities, and are now making substantial contributions to health, education and water services in their areas. The districts of Boroma, Burao and Berbera alone have contributed close to \$1 million towards health and education services from local sources since the start of the SDM experience, with Berbera district increasing their contribution to education services by almost 400% between 2014 and 2017. Relationships between state and district authorities have improved as a result of the close coordination supported by the programming, a practice that is critical to sustaining local government-led service delivery. Lastly, programme investments in the development of sector decentralization strategies for health, education and natural resource management have gone a long way in clarifying functions, roles and responsibilities between federal/central, state and local governments.

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

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

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

In Somaliland and Puntland, JPLG will make judicious use of SDM grants to ensure that districts currently implementing the SDMs are able to maintain continuity of service. MoUs shall be entered with participating States and LGs to establish the framework for administering these grants. The programme will progressively

reduce its support to these districts, while encouraging state and local governments to commit to increasing their contributions to service delivery recurrent expenditure. As more districts take on their service delivery functions, sector ministries will receive increasing levels of support from the programme to improve their growing policy guidance, technical assistance and oversight role vis-à-vis the districts. This will also serve as an incentive for sector ministries to mobilize more funding for local governments. In emerging FMS, the programme will primarily invest in the policy environment and in strengthening local governments' structures, systems and technical capacities to deliver services. The service delivery funding mechanism will reflect the capacity levels and resource mobilization potential of FMS districts. Select districts that demonstrate increased capacity to deliver services and that are able to mobilize and direct sufficient amounts of local revenue towards service delivery, will gain access to SDM grants, with continued emphasis given to inter-governmental fiscal transfers combined with these grants.

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

Without the buy-in and support of these stakeholders, it is unlikely that the decentralization roadmap will be fully realized. The programme therefore has an important role to play in sensitizing, convincing and motivating different tiers of government, sector ministries, donors and implementing agencies of the value and potential of local governments in delivery basic services. A focused advocacy strategy will be developed to strengthen their engagement and support and to facilitate the deployment of greater functions, technical and financial resources towards local governments.

Emergency Management, disaster preparedness and social protection

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

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

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

The Ministry of Planning, Investment Promotion & Economic Development, and Ministry of Humanitarian Affairs and Disaster Management, with UNICEF and WFP, is driving the process for the development of a social protection policy and initial operational mechanisms. JPLG will support this process, particularly in

coordination, facilitation, and capacity support for the implementation of the policy and delivery of any related safety nets, with a focus on districts marked by recurrent shocks, both natural and man-made, including conflict-related displacement, rapid urbanization and unpredictable weather patterns.

This will be further supported with a focus on disaster preparedness and management, with JPLG assisting local governments to a) support the planning and delivery of services that are more sustainable, relevant to the local context, accessible to all, risk informed and quicker to adapt to shocks and stresses; b) integrate drought relief measures into local government systems for planning and strengthen their resilience and adaptive capacity to climate change; c) lead district-level early warning and response mechanisms, including strong information provision lines with communities; d) better coordinate development, disaster preparedness and response efforts.

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

Infrastructure delivery services

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

Through JPLG III, the capacity of the public works departments in the new FMS and local governments will be enhanced; in addition, the two levels will be helped establish collaboration to share experiences and synergize delivery mechanisms, e.g. through access to shared contracts and equipment hire pools. Labour based technologies in the delivery of infrastructure services will be promoted in the new FMS, the capacities of the ministries of public works at the state and local level and private sector on this approach will be strengthened. Efforts will be made to ensure that local governments' infrastructure investments projects apply labour-based methods which contribute to substantial job creation and ensure that a large number of small and micro enterprises are involved in project execution, thus contributing to future local economic development. In addition, the community contracting approach will be promoted for the implementation of infrastructure projects as a tool to ensure public voice and participation in initiatives impacting on their own local development, to build credibility and confidence in local governments and promote dialogue among people who may have been riven by the effects of conflict.

Local governments' co-production and coordination for effective service delivery

While local governments have an important role to play in local service provision, they are often not alone in delivering vital services to the population. Non-Governmental Organisations (NGOs) and donors provide funding and service delivery, which in many cases may not be coordinated with sector ministries or with districts. JPLG will therefore support more effective coordination of service delivery by local governments by strengthening policy frameworks that NGOs and donors can align to, supporting districts to disseminate and advocate for alignment of implementing agencies to the DDF and annual work plans, and supporting coordination platforms like the district development forum which brings together all stakeholders intervening in a particular district.

Beyond coordination, local government's limited technical and financial capacities can mean that they are unable to meet the demands in terms of service provision and when they have been able to do so, the quality may sometimes be compromised. Co-production with the private sector can offer many advantages for decentralized service delivery. The programme developed PPP guidelines for local government in Somaliland and Puntland under phase II, and enhanced their capacity to negotiate, design and implement PPPs. In order to expand access to key economic, social and environmental infrastructure and services, further work on developing public-private partnerships will be critical. Building on local government policy and associated guidelines, capacity support will be further needed in developing PPP projects as well as helping the local

governments understand the processes involved in a PPP venture. More specifically, the programme will support them to better understand the legal requisites, procedural requirements, and the due-diligence analysis as they venture into PPPs for their development projects. In the new federal member states, support will be provided in building the capacity of districts to engage the private sector in service delivery through PPPs, and to establish linkages with World Bank initiatives.

Output 4.2: Local Governments deliver services that legalise citizens' identity and businesses.

Local government have a mandate to provide essential services to citizens, this includes those that legalise the identity of citizens, ownership and entities such as businesses. JPLG 3 will support local governments to provide these services which are also a source of revenue for the local governments.

Business Licensing Services

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

JPLG 3 will support the establishment of a database for capturing data on existing and new businesses as well as provide automated systems for billing. Awareness creation among the business community on the importance of registration and paying for licensing will be conducted. In addition, JPLG 3 will provide technical assistance in setting different regimes befitting the various categories for businesses. The absence of harmonized tax/fees regime negatively impacts on business results in the application of 'blanket' taxes/fees without considering the appropriate taxation regime for the different categories of businesses. These punitive formalization requirements on businesses merely for taxation purposes leads to cases where some businesses will pay in taxes more than they make in business. The harmonization of the tax/fee regimes will address the challenges as well as facilitate an enabling environment for businesses.

Municipal Civil Registrar Services

In Somaliland, a desk review and rapid appraisal consultations with key municipal civil registrar stakeholders was conducted in March 2014. The review indicated that the Civil Registrar function is not clear and the law does not specify the roles and responsibilities that local councils should perform as core municipal civil registry functions. This function is also easily confused and subsumed with the national registration function that took place in Somaliland regions and districts in 2014/2015 under the Ministry of Interior.

Secondly, wherever these services are provided by district local governments in Somaliland, the processes and documents used are differently applied and differently compiled with from municipal registrar service system exists in basic and varied forms, from one local district council to the other. The lack of uniformity in the practice and application of the civil registrar function in the district councils and the poor clarity of this function in the laws and policies makes the need for a Municipal Civil Registrar Manual imperative in Somalia and Somaliland.

JPLG III will support municipal civil registrar services, including the an update of a civil registrar manual , and training to bring more standard systems to life, to manage the civil registrar functions from event to registration and the final issue of certificates of birth/ death/ marriage/divorce and residency status. Legal instruments and tools that can be used to establish and protect the civil rights of all residents and citizens of a local government area will be established. A data base for vital information and statistics to be used by other stakeholders in planning and delivering services to a local government area will be developed. The data bases should provide answers to questions on local government populations, number of children and their age categories, record of deaths and their causes, records of marriages and divorces to assist rural and urban provision of different social services provided by both local and central government to the local population. JPLG III will promote the use of standard municipal civil registration documents and establish a clear mandate

for district administration within the existing legal and policy frameworks. The capacity of district administrations to provide better civic registrar services to local communities will be improved and awareness for the same created. The programme will also work closely with agencies like UNICEF that provide technical assistance to district civil registration staff and currently subsidize birth registration costs for children under 5 years in many districts across Somaliland and Puntland.

Land Registration

Municipalities have the mandate to consider applications for land legalisation by individuals. While there is no functioning land registry in existence, people may legalise their interests in land through applying for a building permit. If a person wishes to acquire legal title to land, he or she must apply to the relevant local authority for a certificate that will legalise his or her entitlement to the land (commonly referred to as 'ownership', though under the Constitution all land is officially owned by the State). The usual form of 'land legalization' certificate is a building permit, which suffices as evidence of legal ownership.

Lack of proper procedures and capacity within the land institutions responsible for the land legalization certificates has resulted in inefficiencies in the issuing of permits. JPLG 3 will support the municipalities in ensuring the systems for issuing permits are streamlined thus not only increasing transparency and accountability for increasing revenues for the municipalities.

E. CROSS CUTTING ISSUES

Gender equality and Women's Rights

In January 2017, the UN-Joint Joint Programme on Local Governance and Decentralised Service Delivery, UN-JPLG commissioned a gender review of JPLG II. The study includes four components: a desk study; an updated gender country analysis; field interviews with key informants (local government staff and members of civil society); and youth (male and female over the age of 15). JPLG III has integrated many of the recommendations from the review into the project document. It was recognized that although progress has been made on the level of policies and systems, more efforts are needed in terms of strengthening the voices and access of women in local government as well as the capacities to implement policies. As a result, JPLG III has included an outcome focusing on Gender and Social inclusion which will strengthen the results alongside the gender mainstreaming of other project activities and outcomes.

The main finding from the review were:

- There is awareness that key laws and policies associated with local governance and service policy development processes are inclusive and women are involved.
 - Capacities for gender sensitive service delivery are being built but they need to be deepened and institutionalised
 - Despite assertions of progress on gender, women working in LG face on-going systemic discrimination
- Despite the efforts JPLG II in supporting the mainstreaming of GE in civil service law, HRM policies and initiatives such as women-friendly work environments and gender sensitive districts, interviews with women working in decision-making positions highlight continued systemic discrimination. Women say:
- They are not treated on an equal footing with men in HRM practices. Women experience unequal recruitment, pay, promotion and access to training, career development and resources.
 - Their working environment is hostile and even the most basic of facilities are not yet routinely provided (toilets and spaces to eat and pray). Constraining access to these resources is used as a means to intimidate and control.
 - In decision-making processes women continue to be side-lined and excluded. Practices that subordinate is also a woman to woman phenomena (e.g., tea ladies serving men in meetings but not women) emphasizing the complexity of addressing gender inequality.
 - In meetings women lack the confidence to speak out and they fear repercussions from doing so. Women feel aid workers including international consultants could do far more to draw them in.

- Women lack champions (particularly male champions), role models and support networks.
- In Mogadishu security is an issue as AI –Shabab purposefully target women in senior and management positions.

Getting government institutions right for women should be a priority for the next phase of JPLG. A more cohesive strategy is required to understand in practice and address discriminatory HR processes in government. This should include advocacy and awareness raising but also an incentive scheme to reward good practice.

Peace building and State-building

JPLG contributes to the peace building by using local governments as entry points for the promotion of local development and peace building is in many unique ways. Through supporting civic education activities, training in conflict resolution, community participation processes, enhancing transparency in local government decision-making as a means to increase accountability and strengthen state-society relations.

State-building efforts must start through peacebuilding at the local level. This entails FGS engagement in community-based dialogues, establishment of community based interim administration and empowerment of marginalized groups that will enable dialogue on peaceful negotiation of disputes and allocation of resource. Without this component, allocation of peace dividends from international donors will risk sparking a local power contestation over limited aid resources. Through the efforts of JPLG there will be provision of necessary capacity of both the administration and communities at large which constitutes the foundation of an enabling environment for the larger scale nation and state-building.

In relation to decision-making, JPLG 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, such as women and other groups, discouraging traditional individual or clan-based capture of the local agenda. JPLG III 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 III expands to the new FMSs. 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.

Youth perspectives

The gender review (2017) also pointed out the need to include a specific focus on youth. According to the review findings in all locations, with the exception of Berbera, young people (girls and boys) understand what local government does but they feel ignored and excluded. Girls say the cost of education is a key factor, along with early marriage in high female dropout rates. Boys feel that government sees them exclusively as a security risk. This adds to their feeling of isolation; it sends a message that they have no role to play and it's a push factor in weighing up decisions to migrate.

JPLG II has integrated this in the programme design and sees it as an opportunity to get district level institutions right for youth as well as women and other excluded groups; to increase their presence in paid positions at all levels and to enhance their ability to work effectively. It's also an opportunity to deepen inclusive planning processes so that women, minorities and youth (girls and boys) have a greater role and a voice. New youth groups are emerging in Somalia and social media is playing a facilitating role. Capitalise on the opportunities these developments offer.

Human Rights

While Somalia is not signatory to many of the major international human rights treaties, 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.

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.” Although there is significant progress being made in building the state, government and civil society and enhancing the right holders and duty bearer’s role in delivering on human rights, there is a long way to go. The recent drought and continued insecurity highlights the important role of the local government in terms of respecting and fulfilling human rights.

JPLG has been instrumental, and will continue to be a central actor 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 thus far 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. By strengthening the efforts on social inclusion and gender equality, JPLG III will capitalize on lessons learnt and contribute to set standards for local government systems and practices that not only defend human rights, but actively promote them.

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 III 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.

8. MANAGEMENT ARRANGEMENTS

i) Programme governance and management

To ensure effectiveness, efficiency and value for money some important changes are proposed in the way that the JPLG III is managed. One is to ensure that in future, the project Steering Committee (SC) provides more strategic and timely guidance. Two, to reduce the number of structures involved, it is proposed that the Programme Management Group (PMG) is merged with the SC, thereby ensuring greater coordination. Three, the Steering Committee, (refer section below) will have senior federal and state-level representation as well as representative's local governments and donors. Four, the Programme Management Unit (PMU) in conjunction with Technical Working Group (TWG) will facilitate and provide secretariat functions to the *Steering Committee*.

Somaliland will continue to maintain its own steering committee, with membership of senior UN personnel, donors and government ministries.

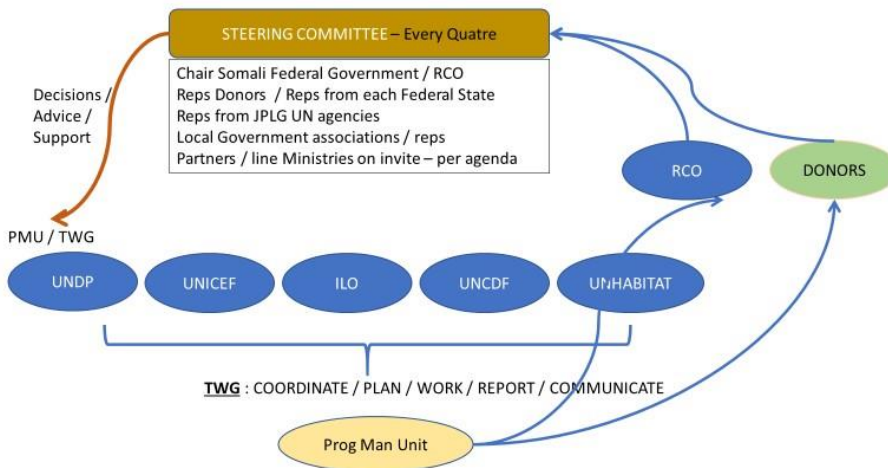
The SC will receive quarterly reports, updated work plans, expenditure reports (by line items – clearly reporting on agreed value for money indicators). Discussions will focus on performance, areas where the programme requires high-level support, core policy discussions and reviews of strategic priorities. Variations will need justification, and recommendations made by the steering committee will need to be reported against in subsequent meetings – improving accountability.

The programme it is proposed that more general guidance work plans governing up to two and a half years are prepared (i.e. two work plans during the programme's life span). These will then form the basis of more detailed annual and quarterly work plans, budgets and reports on performance/expenditure. In this way, the SC meetings will be able to focus more on substantive discussions relating to local governance.

The TORs and proposed structures of the steering committees and state technical working groups may be found in Annex 3.

The positive experiences in JPLG II of the champion's offices in Somaliland and Puntland taking the lead in coordinating inter-ministerial response to local governance enabled the two governments to take over the lead in implementation, with technical support from the UN. This model is one that both the Somali governments and JPLG III would like to replicate in the new FMS. It is proposed that these become the primary programming centres, and are supported by the JPLG staff.

The state champion's offices and their respective TWGs will be the primary partners for the programme in each state. Over time this can be done by linking with the district development forums – and resulting documents – thereby ensuring that each level of government is linked to the programme in a meaningful way. For all FMS the office of the champions (or their equivalent) will nominate their representative(s) in the strategic steering committees.



ii) Role of Participating UN Agencies

The programme follows both JPLG I and II in which five agencies - ILO, UNCDF, UNDP, UN-Habitat and UNICEF - expressed a commitment to participate in the venture. The reasoning behind this was the individual technical competencies, operational relationships and cross linkages that could be achieved by such a family of agencies.

During consultations in the development of the programme document strong opinions were expressed that the internal management arrangements of the JPLG need to be examined. Both donors and government partners felt that the programme could improve on accountability, efficiency and reduce internal competition and overly bureaucratic procedures for Somali partners (multiple contracting / reporting for individual ministries) and donor liaison / reporting. A number of concepts are outlined below to improve efficiency and improve programme unity.

This remains a sensitive and complicated issue as each agency represented in the joint programme is justified for technical competencies. For this reason, the RCO's office have requested that donor and government partners provide feedback to this **consultative** draft programme document on potential programme management.

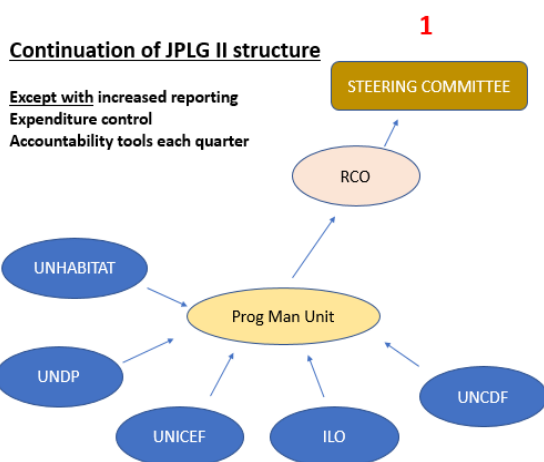
The final decision on structure and TORs will be made by the RCO's office in consultation with the Somali government.

The core competencies described below reflects organizational mandates, skill sets and history of working in Somalia and Somaliland. Some adjustments have been made compared to JPLG II as the expanding geographical scope of the programme, heavy demands and limited resources will require increased focus on core local governance functions.

Agency focus within the programme will be as follows:

- ILO for infrastructure and public works, procurement and public-private partnerships. Local economic development when prioritized for LDF financial support;
- UNCDF for fiscal decentralization policy reforms and local government finance focusing on infrastructure finance, helping set the operational, strategic and policy frameworks for, and support implementation of, local

- revenue improvement and local development/investment funds;
- UNDP for policy, administrative reforms, district council formation (either directly in JPLG or with other programme funds), participatory planning and core capacity development for local government – and focal point for institutional support to the local government institute;
- UN Habitat for municipal finance, local leadership training, local revenue generation (closely coordinating with UNCDF and ILO) solid waste management, Spatial planning and land management linked UN's durable solutions initiative (with other programme funds)
- UNICEF for community participation, social accountability and access to social services – focusing on Health, Education, social protection, social inclusion, gender and disaster preparedness / early recovery (the latter with UNDP linkages).



iii) Team locations

There is a shared perception among government, donors and UN agencies that JPLG staff need to move closer to the geographic sphere of programme implementation. In this regard, it is proposed that key senior JPLG staff are relocated to the field and given an appropriate degree of delegated decision-making authority. This will reinforce the drive for increased Somali leadership. Where possible key UN personnel should work out of government ministries, providing a coaching / mentoring role as appropriate. Such moves will, however, need to be compliant with the UN's security rules. It is also important to note that such moves will need to be mindful of programming neutrality, cost efficiencies (field based staff are costlier), and the need to retain key personnel.

iv) Programme Management Unit

The Programme Management Unit (PMU) has been in place since the inception of the joint programme. It is envisaged to continue, reporting directly to the UN's Resident Coordinator and contracted through UNDP. The PMU will have several functions:

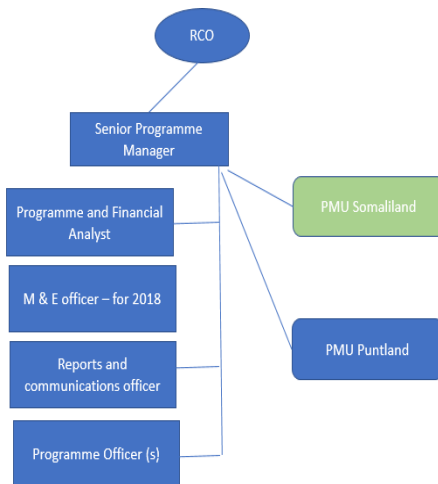
- Provide secretariat and strategic advice for JPLG governance – convening meetings, record keeping / knowledge management for the steering committee and technical working groups.
- Preparing the financial and narrative reporting for donors and the steering committee – quarterly and annually. The final annual financial report will be from MPTF.
- Coordinate and manage programme planning (annually, by-annually, quarterly and monthly).

- Manage and or coordinate primary functions of programme oversight, such as overall M&E action plans / strategy, advocacy, external communications, evaluations, cross agency thematic consultancies (such as outcome evaluations, gender audits or mid-term reviews).
- Coordinate with the TWG to develop common tools (such as M and E, planning, reporting, and communication). Produce strategy documents, proposals.
- Coordinate with the MDTF and ensure timely disbursement of funds and follow-up on expenditures. Review allocation proportions to UN agencies, based on work plans commitments, and expenditure.
- Maintain positive relationships and liaison with donors, Somali governments and other key actors relevant to local governance.
- Provide support to key analytical functions and ensure findings are injected into programming as appropriate (such as socio political and conflict assessments).
- Ensure that the agencies act within agreed strategic limits, through tracking work plan implementation, ensuring variations are brought to the attention of the quarterly steering committee meetings.
- Provide, if requested, mediation services in the event of disputes between participating UN agencies / partners and recommend action to UN senior management.
- Provide advice on agency HR organigrams to ensure programme complementarity. Assist UN agencies to recruit all senior vacant posts. Work with the JPLG family to ensure that key resources are pooled and utilized for the programme, such as use of M&E teams, communications officers, field coordination and liaison units and security.
- Work to unify as far as possible tools for interaction with Somali government bodies. Work to bring the numerous MOUs, for example the Somaliland Ministry of Interior, into a common primary document for common reporting and to remove duplications.
- With the agreement of the SC/TWG fill common administrative functions (to avoid multiple agency recruitment) such as common administrative / logistical support to JPLG operations in areas where field presence is limited. When applicable, agree to joint organograms for JPLG teams working in new areas of operation.
- Manage the programme calendar
- Data and information management through the joint web site and compilation of historical and current materials – research, training courses, local, state and central plans etc.

Under the matrix management arrangements, provide supervision of UN Agency Managers of the JPLG.

The table below is envisaged as the PMU staffing Organigram. It is however anticipated that in 2018 the field monitoring and evaluation officers will cease to be on direct contract. The programme will aim to place these posts into the champion's office so the government is able to build a holistic oversight of the programme. Primary responsibility for field monitoring will be with the individual agencies. The PMU M&E capacities will focus on data analysis, developing and overseeing JPLG monitoring plans, facilitating third party monitoring, organising joint missions, maintaining data bases, and identifying gaps.

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The post of reports and communications officer is being re-established to improve external communications, manage all communications tools (newsletters, web site, social media, press, reports etc.) and work with the M&E officer to oversee data and document management.

The PMU will be moving team members and structures into Somalia / Somaliland. This will not happen in isolation and will be contingent on the majority of JPLG team members being Somali based – as much of the PMU’s work is to support the TWG. If the team remain in Nairobi they will continue to commit to a minimum of 40% of time to be inside of Somalia and Somaliland.

As with all programme partners, the PMU will to be compliant with work plans, expenditure reporting, demonstrate value for money and responsiveness to the strategic steering committee. Where most appropriate the PMU will work with partner agencies to ensure that common programme functions are undertaken and delivered in a cost-effective manner, such as working with agency monitoring and evaluation teams, or common logistical and operational support. The transfer of PMU functions to government bodies and the movement of staff into Somalia in the short term will not be ‘cheaper’ however it will result in a considerable enhancement of Somali leadership – a core programme principle.

9. MONITORING AND EVALUATION FRAMEWORK

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

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

1. A Logframe (Monitoring & Evaluation Framework), that defines the impact, outcomes and outputs along with associated indicators and means of verification;
2. Monitoring & Evaluation Plan, which schedules all major communications and M&E activities such as surveys, studies, assessments, reviews, evaluations, and specific M&E capacity-building exercises;
3. A Monitoring & Evaluation System that contains common tools and templates (as far as possible) applicable to the participating UN organisations and their implementing agents/sub-contracts. For example, assets and

inventory control, financial and narrative reports formats, risk logs and field monitoring forms, and a common system for generating feedback and lessons.

4. The final M&E Concept and Plan will be submitted for endorsement by the TWG and approval by the Joint Programme Strategic Steering Committee.

There are four layers/tools in programme reporting mechanisms

- (i) Monthly update and reporting
- (ii) Quarterly reporting / work plans
- (iii) Annual reporting / work plans
- (iv) Ad-hoc and field visit reports

Monthly update and reporting: The main purpose of this *internal tool* is twofold: monitoring of the implementation of the programme activities for TWG. Secondly, for internal coordination / understanding to ensure complementarity.

There are no specific indicators assigned to the monthly reporting. The objective is a timely update on activities, with some details on budgets, locations, participants, follow-ups and challenges encountered.

Quarterly reporting: This serves two objectives: 1) monitoring programme activities at output/outcome level 2) communicating programme progress (narrative and financial) and challenges to external stakeholders. Quarterly reporting is also part of the MPTF SDRF reporting system. They will be an integral tool for SC meetings.

Annual reporting: These aim to promote better understanding of resource usage against work plans and how to improve performance. JPLG will be utilizing two templates – MPTF and its own. JPLG annual reporting will focus on system and behaviour changes that the programme achieved, and will be complimented by success stories or results / findings around impact.

Ad-hoc and field visit reports

The JPLG agencies will prepare ad-hoc reports on monitoring visits, coordination activities and significant consultant findings conducted during the reporting period. The main purpose of these reports is to document notable examples of success or needs for corrective action.

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

- Bi-Annual Reviews: Organised with national counterparts to review progress and adjust plans on a bi-annual basis. Reports will include an analysis of programme results, VfM, impacts of interventions particularly in relation to institutional development, service delivery, peace building and gender;
- Mid Term Review (MTR (close to end of 2020)): An independent MTR focused on assessing programme relevance, effectiveness and efficiency of management and implementation, impacts of interventions and sustainability of results. The MTR will produce a set of recommendations in response to its findings. The Steering committee will follow closely on the action plans drawn from the recommendations.
- Programme Final Evaluation (close to end of 2022): A final output to outcome to impact evaluation based on all prior reporting, monitoring and other documents. It will evaluate the extent to which JPLG is contributing to the results anticipated in the ProDoc, and the extent of change in development conditions associated with local governance and service delivery in Somalia. The Evaluation will focus on results, impact and VfM, including support for PSGs and the SDGs, and will consider the effectiveness, efficiency and impact of interventions and the sustainability of results. Importantly, the differing lessons based on the different contexts in Somalia will also be captured in relation to programme design, implementation arrangements, management and partnerships.

- **Thematic Reviews:** Given the rapid evolving situation in Somalia, the Steering Committee may call for other thematic reviews and assessment;

The data at outcome level will also be addressed by the Local Governance Barometer (LGB) and Community Score Card (CSC). Both tools will enhance the collection of qualitative and quantitative information on Local Government's performance. These will be implemented if the programme is close to 100% funded. Other data sources such as the Observatory of Conflict and Violence Prevention (OCVP), District Conflict and Security Assessments (DCSAs) and Fragility Index & Maturity Model (FIMM)¹² will provide more data for the outcome to impact level evaluation.

Third party monitoring

The programme will continue to encourage Third Party Monitoring supported by donors. Such linkages will help strengthen control mechanisms and verify outcome data and information collected by JPLG agencies.

10. VALUE FOR MONEY (VfM)

The value for money component will form an integral part of JPLG 3 an explicit commitment by the programme to demonstrate more transparency, accountability and ensure the maximum benefit from the resources utilized.

JPLG 3 will adopt a value for money approach in the planning and delivery of the programme activities. Factors of leverage and replication will be a key consideration in the identification of activities to be implemented ensuring significant potential for expansion or scale-up thus increasing the effectiveness of the programme. An example being using the JPLG interventions as a stepping stone to greater support for government initiatives in particular for the service delivery. Planning for the implementation of programme activities will be done jointly with the participation of all agencies, this will ensure sequencing of activities supports delivery and measurement of productivity against which each agency will be held accountable for. For the procurement of the inputs for project activities the programme will ensure the costs are below benchmarked unit costs with transparent and competitive procurement practices based on international and local standards applied. In addition, the costs for activities and outputs will be compared to those of similar programmes implemented within the same context thus enhancing the efficiency of the programme for example, TIS+, stability fund. The programme will promote the institutionalization of the tools and systems developed, this will ensure ownership and in addition enhance sustainability.

In terms of the programme management JPLG 3 will adopt greater transparency and accountability for both programmatic and financial reporting. Currently, programmatic reporting is not linked to the financial reporting, JPLG 3 will adopt a more detailed financial reporting and will reflect expenditure against approved work plans. For the allocation of resources between operational and direct programme costs, a ratio of 30%:70% will be applied by all participating agencies, with resources being allocated to interventions with greater impact. The programme will also adopt an approach of sharing common resources in terms of office space and support staff by all the participating agencies. This will avoid duplication thus reducing costs and increasing efficiency in the utilization of these resources. In terms of staffing for the individual agencies the current structures will be reviewed in line with value for money principles, with revised structures based on this. More robust monitoring systems will be adopted with annual reviews placing greater emphasis on scoring based on a comparison of the results actually achieved against those expected.

In addition, the programme will adopt knowledge management tools to improve efficiency, relevance and effectiveness of what it does. Knowledge management will focus on capturing learning through the documentation of innovations/best practices and lessons learned. These will be used not only for learning but for the design of new interventions.

¹² Initiated under Peacebuilding Fund Priority Plan for Somalia 2016-2019

11. COMMUNICATION, ADVOCACY, INFORMATION AND KNOWLEDGE MANAGEMENT

The **key communication objective** will be to demonstrate and **advocate** for progress towards the programme's vision – Create accountable, inclusive, gender-equal and democratic local governance structures and practices. Key communication activities with the FGS and States' Governments will promote behavioural changes around effective, inclusive and accountable governance to improve people's lives and stability.

Communication activities will **target relevant audiences** both within and outside the country, focusing primarily on national stakeholders at the federal, state and local levels. Strong visibility is expected to be promoted and maintained by the government at all levels as well as by non-government actors involved in project implementation. The visibility of the governments will be prioritized under the motto 'Somali-led, Somali-owned'.

Communication efforts will be made to reach out to opinion formers and influential figures, as well as those beyond government and media. These include local non-government and civil society organisations, such as interest and professional groups, citizens' associations as well as private sector entities. Specific communication messages will be developed for each target group, focusing on how JPLG works together with its international and Somali partners to support inclusive local governance, decentralized service delivery and economic development for domestic stakeholders and how the solutions piloted and implemented.

The **main communication activities** will include public events and visits, press conferences, media campaigns (adverts), promotional & outreach campaigns, awareness-raising competitions and information sessions aligned with the key programmatic developments at the national and subnational level linked to the JPLG goal and objectives.

Communication tools will include appropriate/applicable information and promotional items to increase engagement with the public to embed programme results within the broader context of the wider Somali State-building project. Such an approach will facilitate the collection of human interest/success/impact stories and enhance advocacy and programme impact.

JPLG communication and publicity will be achieved through development of regular reports and programme achievements including women and youth participation, and their inclusion in local governance. The JPLG website and MIS will be also be used to update programme information and as a feedback forum for stakeholders on progress, achievements, challenges contributing to both resource mobilization and JPLG awareness creation. The JPLG communication strategy will seek to actively engage government and non-government counterparts to disseminate information about programme events and achievements and amplify the JPLG messages.

Equal **visibility** of all contributing donors will be encouraged and donors will be recognized in public meetings as well as through proactive publications, web presence (web site – www.jplg.org, twitter - @SomaliLG, Facebook) and interactions with mass media.

The programme will promote internal communications to strengthen coordination between UN agencies through consistent and reliable information sharing with donors on the impact of their support via a structured reporting cycle.

Each participating UN organisation will take appropriate measures to publicize the Programme. Information given to the press, the beneficiaries of JPLG and all related publicity material will acknowledge the role of the host government/s, donors, participating UN organisations and any other relevant parties. In particular, the PMU will include and ensure due recognition of the role of each participating UN organisation and national partner in all external communications relating to the joint programme.

12. FINANCIAL MANAGEMENT ARRANGEMENTS

Pass-through mechanism

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

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

Administrative Agent

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

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

Agency staffing and core costs

The programme aims to make a commitment of a maximum of 30 per cent overhead charges (please see Annex 4 in budget notes). This will vary from one agency to another, as those managing large grant tools will have lower overhead costs (e.g. UNCDF), while agencies taking the lead on operational support, and the programme 'foot print' in the new FMS will incur greater overhead costs.

The target is 30%, and variations will be reflected in agency and programme budgets – and will require authorization from the steering committee. In the event of the programming being fully funded lower overhead costs can be envisaged. However, if lower than projected figures are generated (as was the case with JPLG I and II) then it will be a challenge to meet the 30 per cent target. This is simply because the cost of doing business in Somalia and Somaliland are high, and JPLG requires to work countrywide.

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

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

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

Mid-term evaluations and yearly reviews of the outcomes and impacts of the programme will be embedded to provide critical information on whether structures and modes of operation are still optimal. A revolving action plan on cost cutting measures will be developed and periodically reviewed. The action plan will be an accountability tool for the steering committee.

Guidelines for staffing will include but not limited to:

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

Accounting, Indirect costs and fees

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

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

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

Agency and project-level funds

Project-level agency 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 in conjunction with the TWG will set the tolerance levels and subject to review will endorse any excessive deviations and substantive budget and project revisions for approval by Joint Programme Steering Committee.

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 AA. In addition, a joint audit of the programme will

be encouraged and agreed to by the steering committee. 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 will then be reported against by the relevant agency and will be monitored by the steering committee.

Audit TORs will aim to reflect requirements of donors contributing funds for the Programme. These audits will provide information to enable JPLG to measure progress in reducing fiduciary risk and improving value for money. This will be further complemented by evaluations and reviews.

Resource mobilisation and donor harmonization

Joint fund raising with the government will be encouraged to take place in line with the joint programming, and donors will be requested to harmonize their funds flow to minimize the delays experienced in the past, where delivery against work plans has been over 90% (2016-17).

A Programme-specific resource mobilization strategy will be guided by the Joint Programme Steering Committee, coordinated by the PMU and Resident Coordinator's office, and fund raising will be undertaken for the Joint Programme and not for specific agencies. The Senior Joint Programme Manager together with the Steering Committee will regularly review resource mobilization efforts and requirements, and identify possible sources of funds for overall support. It is also anticipated that partner governments will also advocate for support directly to donors.

As a principle, and in line with the Aid Effectiveness agenda and harmonization principles, donors will be discouraged from earmarking funds for specific agencies, geographical areas or thematic activities. Donors are not being requested to issue 'blank cheques', and can exert oversight and control through a much more vibrant steering committee, which will be able to monitor programme performance against targets.

Financial discipline

All agencies and the PMU will be expected to use finances only on approved work plans and budgets, and any extra-budgetary expenditure will need the prior approval of the Steering Committee. Non-performance complaints will be channelled to the Senior Programme Manager who will then inform the Steering Committee for further action. This will enhance programme accountability to the government, donors and stakeholders.

13. SUSTAINABILITY

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

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

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

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

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

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

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

Secondly, **technical sustainability** is ensured through multiple layers of quality assurance carried out at three levels: at the level of participating agencies directly responsible for such activities, at the level of the programme represented by the TWG and PMU and, lastly, at the level of government counterparts – local, state and federal who will validate and refine the technical solutions developed by the programme. The participating agencies will tap into their global resources and networks to provide specialized expertise for quality assurance. This will ensure that all technical solutions developed by the programme are based on a thorough technical analysis, reflect recognized good practices and are at the same time adapted to and contextualized within the specific Somali environment.

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

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

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

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

Fourthly, **political sustainability** is based on the thorough alignment of the programme design and objectives with the Somali national priorities, including the Somalia National Development Plan and Somaliland National Development Plan II as well as its positioning at the centre of governance whom will co-chair the Steering Committee. A broad and inclusive policy dialogue facilitated by the JPLG III that will incorporate and reflect

various dimensions of local governance will ensure the political acceptability and buy-in of stakeholders at the national and subnational levels into the local governance agenda. It will ensure that policy, legal and regulatory innovations introduced with the JPLG support are grounded in a firm political consensus, owned by political elites and have a strong public support.

ANNEXES

Annex 1: Somalia National Local Government Capacity Development Policy

Annex 2: LGI Training Modules, Policies and Manuals (Draft)

Annex 3: Structure of Steering Committee and state Technical Working Group (TWG)

Annex 4: Draft Budget and Notes