

United Nations Capital Development Fund
Regional Office for Africa

To: The Hon Minister of Finance, Puntland
 To: The Hon Minister of Interior and Local Government, Puntland.
 CC: Director General Ministry of Interior, Puntland
 CC: Accountant General Puntland Government
 CC: Mayors (Garowe, Bossaso, Gardo, B-Bayla, Jariban, Eyl,)
 CC: Patrick Duong, JPLG Senior Joint Programme Manager
 CC: Ahmed Noah, UNCDF National Programme Officer-Puntland

Subject: Puntland 2014 LDF

Following the approval of the Puntland JPLG Annual Work Plan and budget 2014, this letter is to officially communicate the 2014 LDF figures below. The total JPLG Budget for 2014 is **US dollars 1,876,471** of which the Central Government contribution (10%) is **USD 177,647** (excluding contribution to 2014 new districts) and JPLG contribution (85%) is **USD 1,610,000**.


PUNTLAND	JPLG LDF ALLOCATION			TOTAL LDF ALLOCATION			TOTAL LDF BUDGET(US \$)
	Equal Base	Population Ratio	Performance Ratio	JPLG Contribution (85%)	Govt Contribution (10%)	District Contribution (5%)	
OLD Districts	50%	20%	30%				
Puntland	375 000	150 000	225 000	750 000			
Garowe	125 000	33 212	75 536	233 748	27 500	13 750	274 997
Bossaso	125 000	85 572	71 518	282 090	33 187	16 594	331 870
Galdo	125 000	31 216	77 946	234 163	27 549	13 774	275 486
Total old	375 000	150 000	225 000	750 000	88 235	44 118	882 353
New 2013							
Bander Bayla	N/A	N/A	N/A	200 000	23 529	11 765	235 294
Eyl	N/A	N/A	N/A	200 000	23 529	11 765	235 294
Jariban	N/A	N/A	N/A	200 000	23 529	11 765	235 294
Total New 2013	750 000	300 000	360 000	600 000	70 588	35 294	705 882
2014 new							
2014 District 1	N/A	N/A	N/A	50 000	N/A	N/A	50 000
2014 District 2	N/A	N/A	N/A	50 000	N/A	N/A	50 000
Total New 2014				100 000	-	-	100 000
Special LED Projects							
Garowe	N/A	N/A	N/A	40 000	4 706	2 353	47 059
Bossaso	N/A	N/A	N/A	40 000	4 706	2 353	47 059
District 3	N/A	N/A	N/A	40 000	4 706	2 353	47 059
District 4	N/A	N/A	N/A	40 000	4 706	2 353	47 059
Total LED				160 000	18 824	9 412	188 235
GRAND TOTAL	1 125 000	450 000	585 000	1 610 000	177 647	88 824	1 876 471

Contribution by each district to the LDF budget is broken down in the table above. The JPLG allocation has been based on an **average of USD 250,000** per district among the old JPLG target districts, being a total of **USD 750,000** that has been allocated according to the current approved formula (50% shared equally, 20% allocated according to population ratio based on the government estimated district population figures, and 30% based on performance ratio determined through the district Performance Measure [PM] assessments). Two new districts for 2014 with limited investments of USD 50,000 each are yet to be determined. Another two additional districts, to be determined, will be selected for the special LED projects. ILO/JPLG will work with relevant stakeholders in the design and implementation of the LED projects and in the selection of the new additional districts.

As agreed during the October 2013 quarterly review workshop, the results of the PM assessments conducted during 2013 were used to inform the 2014 LDF allocation. The PM Assessments that will be conducted in the third quarter of 2014 shall inform the 2015 LDF allocation.

The relevant Central Government and district institutions should arrange to deposit their LDF contributions to the LDF accounts in a timely manner. The districts are hereby encouraged to finalize their annual work plans taking into consideration the 2014 total LDF allocation figures provided above in line with LDF implementation modalities. Given your commitment to ensure that project implementation commences within the first quarter, the districts and central government should arrange to deposit at least 40% of their budgeted contribution into the LDF accounts in the first quarter of 2014.

We look forward to continued mutual cooperation and support.

Approved by:  _____ Date: **10, Nov, 2013**
(Anka Kitunzi- UNCDF-CTA- Somalia – UNCDF-Somalia-Nairobi)