

Contribution Agreement No: FED/2011/269-177

IMPROVEMENT OF LIVELIHOOD OF VULNERABLE HOUSEHOLDS IN URBAN AND PERI-URBAN AREAS OF GALKAYO

INDEPENDENT MID-TERM EVALUATION REPORT

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Terre Solidali

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LIST OF ACRONYMS AND ABBREVIATIONS

AIMS Accounting Management Information Systems
ATTI Appropriate Technology Training Institute
BIMS Business Information Management Systems

BoQ Bill of Quantities

DDF District Development Framework

EIIP Employment Intensive Infrastructure Projects
ESIA Environmental and Social Impact Assessment

EU European Union

FAO Food and Agricultural Organization
IDPs Internally displaced Persons
ILO International Labour Organization

JPLG Joint Programme Local Governance and Decentralized Service Delivery

MDGs Millennium Development Goals M\$E Monitoring and Evaluation

MSME Micro, Small and Medium Enterprises
PMSD Participatory Market System Development

PPP Public Private Partnership
SIYB Start and Improve your Business

SMART Specific, Measurable, Accurate, Realistic, Time bound

SME Small and Medium Enterprises

TS Terre Solidali
ToT Training of Trainers

TV Television
UN United Nations
USD United States Dollar

ACKNOWLEDGEMENT AND DISCLAIMER

This report presents an independent mid-term evaluation of the European Union (EU) funded project on 'Improvement of livelihoods of vulnerable households in urban and peri-urban areas of Galkayo'.

The evaluation team remains unreservedly thankful to International Labour Organization (ILO)-Somalia office in Kenya and the regional office in Addis-Ababa Ethiopia for their technical inputs in the preparation of this mid-term evaluation and secondly for their undivided support during preparation and execution of the evaluation. The assignment was challenging, but you remained on top of all field logistics, which made the work interesting and do-able.

We met and spoke to many people in Kenya and Somalia including representatives from the EU, ILO, Food and Agricultural organization (FAO), Terre Solidali (TS), local authorities, central government, businessmen and community members, who shared with us invaluable information, upon which the synthesis, conclusions and recommendations of this report are drawn. All these are the real owners of the information used in preparation of this report. They all slotted our presence into their daily schedules to give us unlimited attention. Without their inputs, this assignment would not have been completed.

We have tried to observe objectivity in this report. However, shortcomings, and errors in interpretations are inevitable. They, however, do not necessarily reflect the views of the EU, ILO-Somalia, FAO, TS, stakeholders met or any other respondents, as the author takes responsibility for them all.

Munene Charles

Consultant

EXECUTIVE SUMMARY

Background and context: Summary of project purpose, logic and structure

The overall project objective is to provide an enabling environment for investment and public private partnership (PPP) in management of public goods and services and improvement of livelihoods in Galkayo. This is to be achieved though i) strengthening of private sector enterprises and enhancing employment opportunities and social protection through labour intensive infrastructural and environment works ii) establishment and support for public private partnerships (PPP) in management of public goods and services iii) enhancement of self employment opportunities and social protection and iv) environmental awareness and protection for sustainable use of natural resources.

Notably, a vibrant and viable private sector in Somalia must lie at the core of socio-economic recovery, characterized by improved entrepreneurship and developed small and medium enterprises (SMEs) sector. The SME sector in Galkayo is weak, receives little support and therefore does not attract investors. Businesses have little or no access to financial support. Available market infrastructure is poor, and generally disorganized. Participation by private sector in economic development of the town is low, underutilized and largely unfelt. Therefore, capacity of the market systems to create employment and wealth is low. These conditions have led to few investments and increased unemployment.

This project is funded by the European Union over an implementation period of 36 months ending 31st of July 2014. The total cost of the project is EUR 3,899,696. It is being implemented by ILO in partnership with FAO and TS. ILO is the lead agency but also is responsible for results 1 and 3 on labour intensive infrastructural and environmental works and formation of market forums respectively. FAO is in-charge of result 2 and 4 on designs, construction and or rehabilitation of meat markets and livestock markets and environmental awareness and protection activities respectively. TS are supporting result 2 on establishment of PPPs in management of public goods and services and adoption of better revenue collection, accounting and information management systems by local authorities. The project is being implemented in Galkayo North and South, but environmental awareness and production interventions covered Puntland as a whole.

Present situation of the project

The project is in the second half of a total 36 months which began on 1st August 2011, and are expected to end on 31st July 2014. Project interventions commenced in August 2011 with project introduction and

consultations with the local authorities. Preliminary works, such as feasibility studies, pushed actual works to 2012. Rehabilitation of the main Galkayo tarmac road, construction of classic gravel road and construction of the market/production centers were prioritized, implemented and completed as at 31st January 2013. Rehabilitation and extension works on the Galkayo meat market in the North was 75 percent done as at the time of the evaluation. The Midnimo market in the South earlier identified for rehabilitation was taken up by another organization, necessitating a change. Construction of a new market in a newly identified site in the South was yet to begin, and so was the construction of two slaughter houses in the North and South.

Actual roll-out of PPPs has not been done due to delays in completion of related infrastructures (meat markets and slaughter houses). However, substantial ground work had been laid through stakeholder sensitizations and consultations. This was important in preparing the community for PPP, a new approach in management of meat markets in Galkayo. Both the North and the South local authorities were receiving support for the establishment of revenue collection and management systems. They have, for example, received basic IT equipments to run the Accounting Information Management System (AIMS), in addition to 2 working stations to support a Business Information Management Systems (BIMS). They also continue to receive training on the systems. Market assessments aimed at identifying local resources have been done, priority sectors (light engineering and fruit processing) identified, market forums formed in the North and South and training of the forum members done by the end of year 1. All planned activities in relation to environmental awareness and protection had been completed.

Changes in political personalities in both North and South caused slight delays in commencing the project activities. Further, insecurity in the South has continued to delay commencement of most activities including construction of roads, meat markets and slaughter houses.

Purpose, scope and clients of the evaluation

This is an independent mid-term evaluation which serves two purposes. First, it gives an independent assessment of the progress (at mid-term) in achieving project objectives and delivery of results, strategies and implementation modalities chosen, partnership arrangements, constrains and opportunities. Secondly, it provides recommendations for the rest of the implementation period in terms of strategies and institutional arrangements.

The evaluation covered the eighteen (18) month implementation period beginning 1st August 2011 and ending 31st January 2013. The evaluation benefited from inputs from project stakeholders and staff in Nairobi, as well

as field visits and consultations with stakeholders in Galkayo and Garowe. The evaluation assessed all the key outputs that have been produced since the start of the project by all implementing partners. The primary clients of the evaluation are the three implementing partners, the donor as well as other relevant stakeholders. The evaluation process was participatory. The implementing agencies, beneficiaries, stakeholders and other parties involved in the execution of the project will use, as appropriate, the evaluation findings and lessons learnt. Proposed changes to the project will also be discussed with and reported back to beneficiaries and stakeholders (in particular central and local authorities).

Methodology of the evaluation

The evaluation employed a triangulated methodology involving review of relevant project materials¹, and field data collection using qualitative approaches. Qualitative approaches were deemed appropriate for the following reasons. First, they allow for deeper examination of issues on focus within relatively shorter time duration. Secondly, a preliminary assessment of the impact of construction works on employment had been carried out and quantitative data collected and thirdly, the volatile security situation in Galkayo limited extent of movement and interaction with community stakeholders. The field mission took place from the 14th of June to the 22nd of June 2013. Data collection was guided by a checklist of issues² that fed into the evaluation objectives. Interviews were carried out using key informant interviews and focus group discussion techniques and further complimented by actual site visits and informal discussions with beneficiaries and other stakeholders met on site. Different stakeholders were interviewed in Nairobi, Galkayo and Garowe³. Data analysis was thematically done, where findings were grouped into themes and sub-themes in line with the evaluation objectives.

The volatile security situation in Galkayo was the most significant challenge faced by the evaluation team. There were significant limitations on the extent of interaction with project beneficiaries and other local stakeholders. It was, for example, not possible to visit any project sites in South Galkayo, meaning the team did not have an opportunity to verify what was reported through actual visits, interviews with local administrators and with other stakeholders. Time allocated for the field visits was also short, which further reduced the extent of consultations done.

¹ List of materials reviewed is shown in the Bibliography

² A checklist of issues that guided data collection is appended to the report

³A more detailed list of all people interviewed is appended to this report

Main findings and conclusions

The project design was cognisant of the underlying context, and it responded well to the needs of project beneficiaries and Galkayo in general. Synergies with other existing projects from the planning stage ensured the problem was properly understood and practical and effective interventions chosen. This is complimented by involvement of stakeholders at the institutional and community levels, as evidenced by the stakeholder consultations prior to commencement of interventions, and continued collaboration with local authorities. Partnerships between the three organisations are strategic in ensuring effective execution of the interventions with each organisation taking responsibilities relating to their areas of expertise. Project staffs based in the field helped in technical backup while those in Nairobi supported in overall project coordination. Finally, use of labour intensive strategies resulted into immediate job creation and capacity enhancements that will surpass the project period.

Infrastructural works have resulted into, capacity building, jobs creation and establishment of new business ventures. In total, roads and market/production centre works created 6,642 workdays⁴ against a target of 8,800, the difference being what would have been created in the South. An additional 42 direct jobs, 48 indirect jobs and 17 induced jobs were created. Rehabilitation and extension works on the Galkayo meat market were underway at the time of this evaluation. This had, by this time, created 4,680 workdays and 156 short term jobs. Notably, creation of long term jobs and employment of women were still very low.

PPPs were yet to be operationalized owing to delays in completion of the related projects. However, both the local authorities and the community had been sensitised on the PPP concept. Consequently, a PPP committee had been formed in the South and a restricted committee in the North. Drafting of the PPP roadmap was on-going, but drafting of PPP arrangements was pending. Even though, challenges were expected in collection and management of slaughter fee and identification of acceptable slaughter-house locations. Local authorities had been equipped and officers trained on Accounting Management Information Systems (AIMS) and Business Management Information Systems (BIMS). Adoption of the systems however faced some resistance, and lack of commitment by the local authority in the South. These challenges are being managed through consultations. A data base of potential tax payers had been generated through a survey.

Market assessments had been done, market forums established in both North and South and both trained. However, impressions of the evaluation team based on interactions with the representatives of the market

⁴ 2,808 from classic road, 1,548 from Galkayo road and 2,286 from market/production centre

forum in the North were that, the forum substantially relied on the project for direction, meaning they were yet to fully understand and take up their roles. Their list of their priorities, for example, delivery vans, fridges, cooling systems, fruit cleaning equipments, and revival of the vocational training centres were ambitious and unlikely to be met in the short-term. They will therefore need support in identification of practical and achievable interventions, laying more emphasis on locally available resources and circumstances. Emphasis on what is locally and practically achievable is crucial because over expectations from the project will lead to apathy in the activities of these forums. Interventions on environmental awareness have all been completed. These have formed a sound basis for more effective and inclusive environmental management because the laws and policies were developed on the basis of wide consultations.

The main internal factors that adversely affected the project include, delays in signing of agreements by partners which resulted in further delays in the project and coordination challenges resulting from movement of a project officer. These were resolved though consultations and recruitment of another project officer respectively. Other factors included low interest by finance officer in the North to adopt the accounting systems, and lack of all technical data required, such as, tariffs, investment costs and projections in meat consumption. The main external factors include the division of Galkayo into two administrative units which continues to complicate the project implementation. This has been exacerbated by the level of insecurity and political instability. Both Mayors have been changed since the project started which leads to disruptions in the flow of information and coordination of activities.

Main recommendations and lessons learnt

The main recommendations are

- All partners will need to urgently focus their attention to South Galkayo where little has been achieved. Meat markets, slaughter houses and roads works and accounting systems need to be implemented in the South.
- 2. TS will need to undertake more training and stakeholder sensitization on first, the value of and implementation arrangements for the PPPs. This is based on the realization that collection and management of slaughter fee and locations of slaughter houses would still face challenges. Secondly, better understanding and appreciation of AIMS and BIMS is crucial prior to their implementation. Resistance faced from sections of the local authority staff is mainly manifesting from the fear of the unknown.
- 3. The ILO will need to develop strategies that support creation of more long term jobs. This is important for sustainability of the results. Potential for this lies in opening up the infrastructural works to

- business activities, skills training, activating the market forums, and extending Employment Intensive Infrastructure Projects (EIIPs) in Galkayo to include regular non-technical labour intensive roads maintenance by contracted common interest groups.
- 4. Both ILO and FAO need to urgently establish systems and procedures that ensure employment of more women in the supported works. Light duties such as controlling traffic and other culturally acceptable tasks can be done by women. More widely, ILO will need to ensure that jobs created meet internationally accepted standards.
- 5. FAO will need to forge closer partnerships with the relevant ministries such as the Ministry of Livestock and Animal Husbandry, especially in designing and development of livestock markets. Initial assessments, based on the site visited in the North; show that they lack provisions for some key amenities such as washrooms, office, watchmen booths, and livestock feeding areas.
- 6. All partners should ensure that displacement of people from their working areas to pave way for infrastructure development is avoided at all costs. Where it must take place, then adequate planning should be done following wide consultations with all stakeholders, including those to be affected by such relocation.
- 7. There is need to re-evaluate the project targets in light of the remaining period.

<u>Important lessons learnt</u>

- 1. Active involvement of stakeholders in key to the success of a project interventions
- Mutual agreement by all parties and proper identification of public land is essential to the development of public utilities.
- 3. Changes in revenue collection and management systems will be more effective and acceptable to the people when they better understand what they are likely to gain from the changes.
- Effective coordination of projects is instrumental to the success of projects especially when they bring together different partner organizations
- 5. Projects being implemented in insecure environments such as Galkayo need to have flexibility as the situation changes sporadically.
- 6. Labour intensive methods are effective ways of injecting cash to the community and building peoples' capacity.

Emerging good practices

1. Use of labour intensive approaches in infrastructural development in Galkayo. The norm is use of capital intensive approaches to the detriment of job creation. It was in conformity with the laid down

- regulations and standards in infrastructural development, and is cost effective. This approach is candidate for a good practice.
- 2. Consistent involvement of the primary stakeholders; It may be easier for people to overlook the capacity of stakeholders in a situation like Galkayo. They may easily be viewed as lacking capacity to engage with the issues and treat them as passive beneficiaries. There were good efforts in most interventions to involve local institutions and the community. This improved accuracy in planning and made the implementation more efficient. It is a recipe to sustainability of the project and the same can be replicated in any other setting.
- 3. Mainstreaming sustainability measures in project activities. The use of local labour, capacity enhancement on a broad range of stakeholders, establishment of local level structures such as the market forums and PPPs all stand out as interventions, within the project result areas, that are not only meeting the project objectives but are also contributing to sustainability of interventions.

1.0 INTRODUCTION

1.1 Project background and context

The ILO observes that lasting peace in Somalia depends on a wide range of measures. Critical among them is access to decent work and livelihoods as this helps to re-orient people's minds from conflict and destructive activities. The protracted wars in Somalia, persistent draughts and harsh environment especially in the rural pastoral areas, have continued to impact heavily on Galkayo. The town continues to receive a large number of Internally Displaced Persons (IDPs) fleeing from the war in southern parts of Somalia and others simply migrating to search for better livelihoods.

This rural-urban migration and influx of IDPs has increased unemployment rates in Galkayo, in addition to causing serious strains in provision of basic services by the Galkayo authorities. For example, urban infrastructure is dilapidated and has continued to deteriorate for the past 20 years, fewer people have access to safe water and waste disposal management services. Local authorities in Galkayo generally lack capacity to improve the infrastructure or provide better services and support growth of the local economy, owing to financial, technical and human resource limitations. Market systems have therefore remained weak, disorganized and less attractive to investors. Public-private partnerships are seen as valuable approaches to remedy this situation. But their uptake has been a challenge due to, lack of understanding by stakeholders of the PPP concept, low capacity levels in local authorities and generally lack of a supportive environment.

Notably, a vibrant local economy is largely dependent on the availability of skilled labour. Yet, most job seekers in Galkayo have no skills that can enable them find or create jobs. Most youth, who form the majority of the labour-force, are therefore idle, desperate, and vulnerable to being lured to anti-social activities such as membership to militia groups, criminal gangs and piracy. Further, the rate of population growth has surpassed that of job creation. This is because the market produces low value products and services with very minimal value addition, if any. Galkayo relies heavily on primary production, a limitation that the people clearly understand but lack the means to change.

It is against this background that this project on 'improvement of livelihoods of vulnerable households in urban and peri-urban areas of Galkayo was conceived. The project's objective is to support the development and scaling-up of growth oriented/sector specific small and medium enterprises (SMEs) as the basis for fostering growth and employment creation and enhancing service delivery. A key strategy towards this objective is the support to the establishment of the institutional public private partnership (PPP) schemes and municipal finance management system, infrastructural (improved market access infrastructures) and economic

conditions for the creation of short and long-term job opportunities in Galkayo.

This project is funded by the European Union over an implementation period of 36 months ending 31st of July 2014. The total cost of the project is EUR 3,899,696. It is being implemented by ILO in partnership with FAO and TS. ILO is the lead agency but also is responsible for results 1 and 3 on labour intensive infrastructural and environmental works and formation of market forums respectively. FAO is in-charge of result 2 and 4 on designs, construction and or rehabilitation of meat markets and livestock markets and environmental awareness and protection activities respectively. TS are supporting result 2 on establishment of PPPs in management of public goods and services and adoption of better revenue collection, accounting and information management systems by local authorities. The project is being implemented in Galkayo North and South, but environmental awareness and production interventions covered Puntland as a whole.

1.2 Project rationale

A viable and vibrant private sector must lie at the core of socio-economic recovery in Somalia. This should be characterized by enhanced entrepreneurship and developed SME sector. Improvements in business environment and competitiveness of the private sector especially the small and medium enterprises are likely to improve the welfare of people trapped in the production of low skilled and low value products and services. These will, in-turn, un-lock the potential for a broad based economic development capable of yielding employment particularly to youth and women. It will further contribute to peace, security and development in Somalia.

This project is designed to deliver short-term employment opportunities through Employment Intensive Infrastructure Projects (EIIP) and long term employment opportunities induced by development of the infrastructural projects. The strategy is to inject cash into communities through the short-term employments in for example road constructions, rehabilitations and other construction works. The result of these labour intensive works is three fold. Firstly, money earned from the works is expected to be invested in small businesses which ultimately have potential to create more long-term jobs. Secondly, skills gained by the workers are expected to enable them access other employment opportunities and thirdly, the improved infrastructures are expected to directly employ more people, encourage existing businesses to expand and attract new investors. This is expected to generally increase commercial activities, job opportunities, which will trigger growth and development in Galkayo.

Youth and women are at the centre of the broader objectives of this project. Most youth in Galkayo aged 15-35 years have not benefited from normal education. They lack basic numeracy and literacy skills as well as

vocational skills that can enable them seek employment or create employment opportunities. However, as relative peace prevails in Puntland, more and more people are enrolling to schools. These are graduating to find a weak labour market not able to absorb them. Without stable opportunities for employment and income generation, youth are likely going to fall prey to anti-social behaviors. Women, on the other hand, have for long been marginalized in the labour market in Somalia. This has been as result of social, cultural and religious reasons. Yet, women are active players in the market. In 2009 for example, a large number of petty/small trade businesses in Galkayo were managed by women. Today women work more, head households and take up core household responsibilities. Inevitably, employment promotion opportunities in Somalia should as a priority focus on women and youth who are the centre of the development challenges the country is facing.

1.3 Project objectives and activities

The overall objective is to provide an enabling environment for investment, public private partnership and for improving livelihoods in Galkayo. More specifically the project aims at improving the livelihoods of vulnerable households in urban areas of Galkayo through employment creation. To achieve this objective, four (4) results, which are also the main activities in this project, are expected. These are;

Result 1: Private sector construction enterprises strengthened, employment opportunities and social protection enhanced through labour intensive urban infrastructure and environmental works

Result 2: PPP in management of public good and services established and employment opportunities enhanced

Result 3: Self employment opportunities and social protection created and enhanced

Result 4: Environmental awareness and protection enhanced for sustainable use of natural resources.

The strategy adopted in the project is to support development and scaling up of growth oriented/sector-specific SMEs, as the basis for fostering growth and employment creation and enhancing service delivery. This will be achieved through a number of inter-related activities. These are i) Cash injection to the public through intensive labour on specific public works and environmental projects, ii) market access upgrading in key economic sectors and PPP development in Galkayo to create increased long-term pro-poor employment iii) development of technical and entrepreneurial skills training packages delivering employable people into a defined and expanded labour market and iv) improving capacity on the part of local authorities to manage PPPs and provide necessary services to the community.

1.4 Purpose and Scope of the Evaluation

This is an independent mid-term evaluation. It assessed all the key outputs that have been produced since the start of the project by all the implementing partners. The evaluation serves two main purposes;

- i. Give an independent assessment of the progress (at midterm) in achieving project objectives and delivery of results, strategies and implementation modalities chosen, partnership arrangements, constrains and opportunities
- ii. Provide recommendations for the rest of the implementation period in terms of strategies, institutional arrangements and any other area within which the evaluation team wish to make recommendation

The evaluation covered the eighteen (18) month implementation period beginning 1st August 2011 and ending 31st January 2013. The evaluation benefited from inputs from project stakeholders and staff in Nairobi, as well as field visits and consultations with stakeholders in Galkayo and Garowe. The evaluation process was participatory, allowing for clarifications from the project stakeholders. The primary clients of the evaluation are the three implementing partners, the donor as well as other relevant stakeholders. The implementing agencies, beneficiaries, stakeholders and other parties involved in the execution of the project will use, as appropriate, the evaluation findings and lessons learnt. Any proposed changes to the project will also be discussed with and reported back to beneficiaries and stakeholders (in particular central and local authorities).

The evaluation was carried out by three team members led by Charles Munene, a consulting researcher. The evaluation also benefited from technical guidance of ILO project staff in Nairobi and the evaluation manager based in the ILO Somalia Country Office in Addis Ababa, Ethiopia.

2.0 EVALUATION METHODOLOGY AND APPROACH

The evaluation employed a triangulated methodology involving review of relevant project materials⁵, and field data collection using qualitative approaches. Some of the materials reviewed include the EC agreement document, project progress reports, log-frame, and monitoring and evaluation framework. Qualitative approaches were deemed appropriate for the following reasons. First, they allow for deeper examination of issues under focus within relatively shorter time duration. Secondly, a preliminary assessment of the impact of construction works on employment had been carried out and quantitative data collected and thirdly, the volatile security situation in Galkayo limited extent of movement and interaction with community stakeholders.

The field mission took place from the 14th of June to the 22nd of June 2013. Data collection was guided by a checklist of issues⁶ that fed into the evaluation objectives. Interviews were done through informant interviews technique and further complimented by actual site visits and informal discussions with beneficiaries and other stakeholders met and conveniently sampled on site. Different stakeholders were interviewed in Nairobi, Galkayo and Garowe⁷ including EU representative, project staff, local authorities' representatives and project beneficiaries. Data analysis was thematically done, where findings were grouped into themes and sub-themes in line with the evaluation objectives.

Methods chosen were in our considered opinion valid in generating the desired results, under the circumstances. First, the evaluation was carried out by people independent of the project and the implementing organisations. Second, data collection tools were well designed to respond to the objectives of the evaluation criteria. More significantly, tools were designed to elicit elaborate discussions on the issues under focus and respond to the evaluation objectives. Third, data triangulation was used to boost validity through seeking consultations from different project stakeholders. Investigator triangulation was also used especially in analysing information from the literature reviewed. To avoid bias, objectivity was maintained in carrying out all interviews.

The insecurity in Galkayo was the most significant challenge faced. There were significant limitations on the extent of interaction with project beneficiaries and other local stakeholders. It was, for example, not possible to visit any project sites in South Galkayo, meaning the team did not have an opportunity to verify what was reported through actual visits, interviews with local administrators and with other stakeholders. Time allocated for the field visits was also short, which further reduced the extent of consultations done.

⁵ List of materials reviewed is shown in the Bibliography

⁶ A checklist of issues that guided data collection is appended to the report

⁷A more detailed list of all people interviewed is appended to this report

3.0: EVALUATION FINDINGS

This section presents the analysis of the main findings from the mid-term evaluation. The analysis is based on views and opinions of different project stakeholders interviewed in the course of the evaluation, materials reviewed and impressions formed by the consultant.

3.1 Relevance and strategic fit of the project

The evaluation observes that the project objectives were relevant to the needs of Galkayo and that it is strongly linked to the needs of the state of Puntland. This is clearly brought out in the context analysis on Galkayo in the EU agreement document, from consultations with local authorities prior to commencement of the project as documented in the progress reports, and from results seen, which for example show increased employment opportunities, and improving business environment. Galkayo is a strategic trade centre not only in Puntland but in Somalia as a whole. It is a strategic transit town from Mogadishu to Garowe. Its growth, therefore, will have a strong impact in Somalia as a whole. The problem analysis clearly shows how underdeveloped market systems and poor infrastructure can lead to reduced investments and increased unemployment, challenges which the project seeks to address using both short and long term goals such as labour intensive works and skills training and PPP arrangements respectively.

Further it is our observation that this project was strategically positioned to leverage on the strengths and resources available in Galkayo. This is seen in the extent to which the project invested in building capacity of local people and institutions. These, in essence, are the drivers of the local economy. The labour intensive works for example, as opposed to use of technology is a clear testimony of the capacity building efforts in the project. The same was given emphasis in the objectives of the third project result which entails skills training. It is also seen in the extent to which the local leaders were involved in decision-making particularly in prioritising project activities. The project was able to improve on what existed, for example, the Galkayo North meat market to make it more efficient and enhance its capacity to create employment. Similar initiatives were expected in the South.

3.1.1 Relevance to the needs of target groups

Youth: Most people in the working age in Somalia have not had a chance to benefit from formal education. They lack basic numeracy and literacy skills as well as vocational skills to enable them effectively participate in the labour market. The labour market on the other had has limited capacity to absorb those that continue to graduate from secondary schools following gradual restoration of stability in Puntland. The project sought to address these challenges that face the labour-force through short and long term measures of cash injection and local economic development that entails skills training respectively. The preliminary impact assessment

clearly shows that more than half the people who were employed in the labour intensive works were below the age of 30 years, further echoing that the majority of the labour-force is the youth.

Women: The project was able to recognize the role of women in economic development of Somalia and the emerging willingness among men to allow women to work. Women, on the other hand, have inevitably been pushed to work owing to increasing number of women headed households. Given the historical marginalization that women in Somalia have faced in the labour market, female headed families are rated among the poorest, and therefore efforts towards improving the livelihoods of vulnerable households needed, by design, to target women. However, women did not benefit much from employment opportunities especially the short-term which accounted for most of jobs created in year 1 of the project, a situation that needs attention in year 2. Notably, gainful employment of women and youth will result in improved livelihoods and welfare in the entire community.

IDPS and returning refugees: These categories of people are by and large the most unstable populations. Besides the conflicts experienced in the south central part of Somalia, droughts and loss of livelihoods have displaced many, who migrate to urban areas in search of employment. In the absence of interventions aimed at improving local economic environment and create more job opportunities, IDPs living in camps would continue to face unemployment and lack of viable job creation opportunities. Support towards active markets and a strong local economy that is taking place in the project is laying the basis for improved livelihoods of these unstable populations.

Local Authorities: These are generally weak and unable to provide meaningful services to the people of Galkayo. They have low resource base due to tax collection inefficiencies and general limited technical and human resource capacities. The project has progressively worked to improve the technical and human capital and service delivery capacity of the local authorities in a bid to eventually steer back the service delivery role to the rightful mandate holders (local authorities). Support for PPP will strengthen service delivery through private investments in service provision for services that would hitherto not be financed through user charges.

Private sector/SMEs: It has been rooted that a viable and vibrant private sector must lie at the core of socio-economic recovery in Somalia. This should be characterized by enhanced entrepreneurship and a developed small and medium enterprise sector (SME). Through the project interventions SMEs will benefit from entrepreneurship and enterprise development training and services. They will also be beneficiaries of a pool of skilled and semi-skilled labour supported by the project. Their role in the economy is being enhanced by

improvement in key infrastructural works, which are expected to open up more economic opportunities. PPP arrangements are expected to consolidate the growth in economic activities by ensuring inclusive and efficient management of public goods and services.

3.1.2 Relevance to the needs of the country

The project sought to address key challenges facing Galkayo. Poor infrastructural development, poorly developed market and production facilities, dilapidated road network and weak market systems and institutions requisite for local economic development. This is compounded by a fragile natural environment characterised by droughts and persistent degradation from human activities. Galkayo is strategically placed for human settlement due to the presence of shallow ground water. The sustainability of this water faces threats from increased population thus more consumption of water, which inevitably calls for better land management practices and preservation of water catchment areas. This was the focus for result 4 of this project.

Further, massive unemployment and market inefficiencies still face the country. Yet, as mentioned above Galkayo is strategic to the development of Puntland being a key transit town connecting the south of Somalia and Garowe. This project is in conformity with and contributes to the attainment of the overall objective of the 10th EDF Joint Strategy Paper for Somali, Pillar III 'poverty reduction and consolidation of peace through sustainable and equitable economic growth.' It is also contributing to fostering sustainable and social development, and the campaign on poverty in line with two of the three broad areas set out for Community Development Cooperation in article 177 of the EU treaty. Finally the project was designed to contribute to the attainment of Poverty MDG goals for Somalia.

Finally, the project design was keen to acknowledge other interventions that were taking place in Puntland and went ahead to point out areas where synergy could be sought. Indeed, the design was quick to identify activities receiving support from other interventions. These include the Joint Programme Local Governance and Decentralised Service Delivery (JPLG), District Development Framework (DDF), Youth at Risk project and Urban Development Plan. Not only did this encourage collaboration but it also resulted to more efficiency in the allocation of resources.

3.2 Validity of project interventions and design

Validity of the project interventions and design typically evaluates the extent to which the project interventions and the design were consistent and compelling. The key question in relation to validity is; how do the two link in-order to produce the desired goal?

3.2.1 Adequacy of project design process

The project design is logical and coherent. A problem analysis of Galkayo was adequately carried out in the design and contextualized to the local situation in Galkayo. Key challenges such as dilapidated infrastructure, low skills levels, weak public institutions, and weak market systems were noted in the preliminary analysis. Interventions aimed at addressing these challenges were shared and discussed widely with key stakeholders. These consultations led to changes in some activities such as rehabilitation of meat markets as opposed to construction of livestock markets. Other activities proposed by local authorities such as construction of police stations were dropped and reasons explained to local leaders. Generally, the needs of the target beneficiaries were taken into consideration at the time of project planning. The problem analysis has consequently been logically linked to the needs of the beneficiaries and further to the project interventions. This is the case, for example, in the problem of unemployment. The problem analysis lays down the context under which the problem emanates the factors contributing to the problem and practical interventions to address unemployment.

3.2.2 Appropriateness of project design process

The preparation of the project design did not include all stakeholders, especially beneficiaries at the local level. Only project implementing partners were involved in the project design. However, it is noted that before the project started, all stakeholders at the national and local levels were introduced and sensitized on the project objectives and expected interventions. This, for example, started with the introduction of the project to the local administrators in August 2011. It was followed by a project launch meeting that brought together Galkayo Municipal Authorities, Puntland Ministry of Planning and International Cooperation, Ministries of Labour and Environment and the three implementing partners. Notably, the launch turned into a workshop where the participants talked more about the project. The interim annual report notes;

'The meeting provided a forum for general discussions on project implementation, the role of the various ministries and their expectations. It was agreed that the Ministry of Planning and International Cooperation has the responsibility for overall coordination of the work between the project implementing partners, the Punt-land government ministries and Galkayo Municipality'

This shows that even though the stakeholders were not involved during the development of the project document, there is adequate evidence showing that there were subsequent consultations and involvement of all stakeholders. This worked well in preparing the people for the project, creating ownership of the project and clarifying the various roles and responsibilities.

Project activities were preceded by preparatory studies such as baseline surveys and feasibility studies. These went a long way to inform the design and eventual implementation of the project activities.

3.2.3 Project partners roles and performance

The project is being implemented by ILO in partnership with FAO and TS. ILO is the lead agency but also is responsible for the labour intensive infrastructural and environmental works and formation of market forums. ILO has performed well in its role as the project lead and in overseeing interventions under them. Both project progress reports and evidence from the ground show that the organization is able to offer adequate technical backstopping though its office based in Garowe. It was evident from interactions with stakeholders that the organization was in touch with various stakeholders. All activities planned for year one (1) were carried out with the exception of those planned for the South. It is nevertheless noted that ILO needed to improve in ensuring access to job opportunities by women as envisaged in the project plan.

FAO is in-charge of designs, construction and or rehabilitation of meat markets, livestock markets and slaughter houses and it is also supporting environmental awareness and protection activities. FAO did not have an office in both Garowe and Galkayo but they did have a National Administration Support Officer who worked as the liaison person. Discussions with the officer revealed the she was not a technical person and therefore her role in offering technical backstopping was limited to officers based in Nairobi who made occasional visits to site. As such, FAO, or any other local partner were not visible to most stakeholders, as noted by both the local authority officials interviewed as well as people from the Ministry of Environment in Garowe. This gap led to delays in execution of interventions under result 2. TS, who are involved in supporting PPP arrangements, had on several reports and meetings voiced concern that PPPs cannot be rolled out unless the associated infrastructures (meat markets and slaughter houses) were complete.FAO was responsible for these. Works on all the infrastructures was yet to commence with the exception of the meat market in Galkayo North, which was under construction at the time of this evaluation. In light of the remaining period, FAO will need to speed up its activities.

TS are supporting the establishment of PPPs in management of public goods and services and adoption of better revenue collection, accounting and information management systems by local authorities. Notably, none of these had been actualized, though adequate ground work had been done in laying the foundation for these outputs. Although TS had, jointly with the local authorities, created awareness on the need for more revenue collection, challenges were still being experienced with people not quite appreciating the need to register their businesses. This calls for more than just awareness creation but the need to practically show people the value of paying taxes and having the taxes being used for their benefit. Local authority officials

were also resisting adoption of the accounting systems despite the fact that they had been trained and their offices equipped. This also shows lack of clear understanding of the value and benefits of the system which calls for more consultations. While tax-payers database had been created, its adoption is also a challenge owing to gaps in data collected. Ideally, TS should have been able to offer more technical guidance in the data collection process to ensure that all key data is accurately collected.

TS has laid a good foundation for PPPs though community sensitization and formation of committees. Further, the evaluation team was informed in the course of this evaluation that preparation of PPPs road maps and arrangements were underway. However, the evaluation team observes that, going by the slow pace in community acceptance of these proposals, TS will need to focus more attention in community sensitization and consultations prior to rolling out the PPPs.

3.2.4 Internal and external influences

The project plan suffered from both internal and external influences. Internally, there were delays in signing the agreements between the partners; this was occasioned by administrative matters within the respective organizations. Finally, all signed and project activities commenced. Further, there was a gap in the coordination of the project following the departure of a project officer. This gap was however filled towards the end of 2012 when recruitment of another project officer was done. Reports from stakeholders consulted noted that project coordination and general management has since improved.

Externally, Galkayo town is characterized by insecurity and frequent clashes among the ethnic classes which occupy the region. Indeed, Galkayo towns falls under two (2) administrations. This has complicated project coordination and implementation. While the North is stable and it has more solid structures, the South is volatile, with weak structures and suffers higher insecurity incidences. During year 1 of the project for example, there were numerous occasions when project staff were denied clearance to travel to Galkayo. The project also suffered from changes in municipal administrators in both North and South. This led to delays and affected the effective implementation of project activities.

3.2.5 Linkage between outputs and outcomes

The project has one overall objective and one specific objective which led to four results. The overall objective was to provide an enabling environment for investment and public private partnership and for improving livelihoods. More specifically the project aims at improving the livelihood of vulnerable households in urban areas through employment creation. These objectives will lead to the following four (4) results;

- i. Private sector construction enterprises strengthened, employment opportunities and social protection enhanced through labour-intensive urban infrastructural and environmental works
- ii. Private Public Partnership in management of public goods and services established and employment opportunities enhanced
- iii. Self employment opportunities and social protection created and enhanced
- iv. Environmental awareness and protection enhanced for sustainable use of natural resources

The above results are the outcomes of the various interventions. Result 1 for example will be as a result of use of private construction enterprises to undertake road rehabilitations and constructions which create short term jobs through labour intensive approaches and long term jobs from businesses set up in the developed infrastructures and from people employed elsewhere on the basis of skills gained in the infrastructural works. Similarly, result 2 will, emerge from more inclusive management of public goods and services between the public and private sectors, which will lead to additional long term job opportunities for people working in the establishments, and improved businesses. Result 3 will be as a result of support to the private sector and SMEs to forge a demand driven local economic development, which will, for example, impart skills that respond to local needs. This will create a pool of skilled people ready to offer their services in the market. Finally, result 4 is a result of interventions aimed at raising awareness across Puntland on the need for better environmental management and development of laws and policies on environmental management.

The above portrays a close linkage between the project results and the immediate results from the various interventions. Further, with the exception of result 4 the other project results are directly linked to the overall objective, which is to provide an enabling environment for investment and public private partnership and for improving livelihoods. This is then expected to create direct and indirect jobs, eventually leading to improvements in livelihoods. However, the linkage of result 4 to the overall objective is not expressly stated but it is also traceable. It too, has a bearing on development and eventually on the livelihoods of the people. There is a causal linkage between interventions under result 4 and the challenges faced in Galkayo and Puntland. It is for example observed that, the harsh environment in Somalia has correctly been noted to contribute to poverty levels and eventual migration to the urban areas. This has strained service delivery in Galkayo, and resulted to high incidences of unemployment. Therefore, interventions under result 4 whose objective is better and sustainable management of natural resources remains relevant to the needs of the people and the country at large.

3.2.6 Project objectives, results and appropriateness of indicators

The logical framework, the monitoring and evaluation matrix and performance plan were prepared and these formed part of the project design tools. Specifically, the log frame was in line with the SMART principles (Specific, Measurable, Accurate, Realistic and Time Bound). The log frame is further elaborated in the performance plan which systematically shows the milestones and specific dates when the targets outlined in the log-frame would be met. Similarly, the performance plan is clear and logical, the indicators, situation at baseline, end target and most milestones towards the achievement of the end target are all well stated and realistic.

Overall, the project design was appropriate under the circumstances and it adequately contextualized to the project site. The inputs, activities and expected results are logically linked to each other and the set targets were realistic. However, monitoring and evaluation plan needs to be reworked to improve on its clarity which has an implication on its effectiveness.

3.3 Project effectiveness by result areas

The project has four result areas. These are

Result 1: Private sector construction enterprises strengthened, employment opportunities and social protection enhanced through labour intensive urban infrastructure and environmental works

Result 2: PPP in management- public good and services established and employment opportunities enhanced

Result 3: Self employment opportunities and social protection created and enhanced

Result 4: Environmental awareness and protection enhanced for sustainable use of natural resources.

These result areas directly feed into one specific objective. This is;

'Livelihood of vulnerable households in urban areas improved through employment creation'

This specific objective further feeds to one overall objective which is to:

'Provide an enabling environment for investments and public-private-partnership and for improving livelihoods'

Though all are geared towards meeting the same objective, the project is structured in such a way that the three different partners are directly responsible for the implementation of various activities under each result. Under this arrangement the ILO is responsible for supporting activities under results 1 and 3. TS are on the other hand responsible for activities under result 2, jointly with the FAO who are also responsible for activities

3.3.1 Result 1: Private sector construction enterprises strengthened

Identification of the infrastructure works followed a detailed briefing to the mayor and local authorities' staffs on the projects results framework. The local authorities then identified two sectors for prioritisation. These are the roads and drainage and small scale industry and manufacturing, covering the informal sector as well as petty traders and emerging businesses. Previously, the office of the Mayor had provided the project staff with a list of priority infrastructural works mainly drawn from the District Development Framework (DDF). A number of the listed infrastructures were eliminated for not fully fitting within the definition of a project on livelihoods and employment, while others were noted to be receiving attention from other ILO projects. Therefore, from the list provided by the municipality, three infrastructural works were prioritised for action in Galkayo North. These are; classic road, main tarmac road and Xera Deyax market/production centre.

Infrastructure feasibility studies,

These focused on the three identified infrastructural works. The feasibility studies were carried out in December of 2011, by local enumerators who were trained by ILO technical staff, using tools developed by ILO staff. This approach worked well not only in conforming with the good practices in development works, but the fact that they were carried out by local enumerators worked well in building the capacity of local people.

Training and capacity building for implementing partners, local authorities and municipalities

The training targeted actors in the private sector and officers from the local authorities. Training focused on labour standards, technical standards, tender procedures, supervision of labour intensive projects, monitoring and reporting. It provided the basics for work created to meet international standards and facilitate longer term employment. The training was carried out in December 2011. The training targeted district engineers, mayors, procurement officers and contractors. It was delivered in two separate workshops, bringing together 12 core people.

Infrastructure development

Market/production centre: Following the agreement between the mayor of Galkayo and other municipal staff on the exact location for the market/production centre, construction works began. This was completed on 23rd December 2012 and by the time of the mid-term evaluation, the market / production centre was in use. The centre was occupied by traders involved in shoe repairs, tailors, and traders selling electronic equipments and mobile phone accessories. The market further had space on the outside for blacksmiths. Findings from the field visits during this evaluation show that the facility was well designed to meet the intended needs.

Occupants of the market, (mainly vulnerable artisans) were busy working and selling their merchandize. The section planned for the blacksmiths was nevertheless yet to be occupied by the intended blacksmiths and artisans. Identification of those to occupy the spaces was underway at the time of this evaluation. The photos below show the previously empty site where the market/production centre currently stands, the completed centre, traders working inside the production centre and the yet to be occupied space for blacksmiths and artisans.

Photo set 1: Site for production centre, completed centre and centre in operation



Source; technical progress reports and photos taken during evaluation mission

The occupants of the production centre were happy with the facility. They were required to pay an estimated USD 0.25 each day to the local authority. This amount was low compared to approximately one dollar paid by other traders on the streets. This made the use of the production centre more competitive compared to working from the streets, which works as an incentive to the people working from the production centre. This project was able to be completed with speed due to the close collaboration and support from the local authorities, who readily identified the site and provided all the logistical support.

In relation to job creation, the construction works were able to generate 2,286 workdays. This was slightly more that than the projected 2,200 workdays as at 31st January 2013. Further, the centre is expected to create about 100 long terms jobs for people operating from inside the centre and another potential 40 for blacksmiths and artisans expected to occupy the outside spaces. People involved in unskilled jobs during the construction were able to gain experience that will be of benefit to them as they seek employment opportunities in the future.

Classic Gravel Road: Located in the town centre, the road links the main tarmac road (the North-South road linking Bossaso and Mogadishu) to a busy commercial zone. The road was earmarked for repair due to the economic importance of the area it serves. Prior to this intervention, the road was in a deplorable state as shown below. The construction, measuring about 850 meters long by 6 meters wide, commenced on 1st October 2012 and a certificate of completion was issued on 25th December 2012. The photos below show the state of the road prior and after the construction works.

Photo set 2: Classic Gravel road, before and after repair works



Source; Technical progress reports and photos from evaluation visits

According to business people interviewed on site during this evaluation mission, the road has opened up the commercial area to both vehicular and pedestrian traffic consequently improving business activities. This confirms reports from both the ILO field monitoring mission and the preliminary impact of construction works on employment.

In relation to employment creation these road works were able to generate 2,808 work-days. Besides, the people working in the project were able to gain experience which they could use to gain employment in other similar projects. Reports from the field monitoring visits also indicated that people with businesses along this road reported improved businesses as a result of the road repairs. This was attributed to an increase in both vehicular and pedestrian traffic.

Main Galkayo tarmac road: The road is strategic to Galkayo. It's the main road that connects Mogadishu to Garowe and Bosasso. Maintaining the road in a good state is therefore important for Galkayo, if it will remain a key transit town. The section of the road that was repaired measures 1,100 meters long. The repair works covered 6 meters wide and 0.3 meters deep. They involved sealing of potholes and repairs to the road edges that had started wearing out. The repair works were completed on the 20th of December 2012. Initial indications were that the road repairs have not only increased the people and vehicle traffic along the repaired section but they have also improved the linkage to the commercial areas of Galkayo. Regarding employment

creation, this road was able to generate 1,548 work days. The photos below show the road prior to repairs and after.

Photo set 3: Main Galkayo Tarmac road before during and after the repair works



Source: Technical progress report and evaluation visits

In total, 6,642 workdays were created from the rehabilitation of roads and construction of the market/production centre. This was less than the projected 8,800 workdays. The difference was a as a result of failure to undertake any activities in the South due to insecurity at the time, and delays in implementation of works under result 2.

Activities in the South had been lined up for year 2. The feasibility studies, including cost benefit analysis for these projects were conducted; the necessary documentation (bidding documents, budgets) for the tendering process were prepared. Funds for the commencement of the works were expected to be availed upon receipt of the second tranche of funds from the EU which was expected in the month of April 2013 but was received in June 2013.

Impact Assessment of Labour Intensive Works on Employment

Monitoring visits undertaken in January 2013 revealed that there were many positive results that resulted from the infrastructural works carried out with support from the project. To verify and validate this, ILO commissioned an independent impact assessment survey. The survey was aimed at collecting data on direct jobs created for those employed to carry out the construction works; indirect jobs created for contractors and other associated service providers who may have benefited from the contracts; and induced jobs or small businesses which may have started as a consequence of the projects.

The survey targeted sixty (60) respondents sampled across the three job categories described above. Results from the assessment reveal that the infrastructural works were able to create 42 direct jobs, 48 indirect jobs and 17 induced jobs. About 57 percent of the people employed were youth which was well in line with the objectives of the project. Notably, only men were employed in the constructions, though the project had

planned to generate employment for women as well. Failure by women to take up the job opportunities can be explained by the nature of activities which were physical in nature and culturally, the jobs were more identifiable with men. It was however interesting to note that no women were reported to have been in either indirect or induced forms of employment, yet they are active players in many other business activities.

Most (69 percent) of the people employed were unskilled. This mirrors the situation of youth in Somalia. These worked in the roads sector. Another 14.3 percent worked in the meat/production centre while about 16.7 percent of the people reported that they worked in both roads and production center. About 62 percent of those directly employed worked for more than 50 days cumulatively. Another 28.6 percent worked for between 21 and 30 days. More than half the respondents (62 percent) reported that they worked continuously throughout the project period, while the others were taken in randomly. In relation to earnings, 83.4 percent reported that they earned between USD 5 and USD 20 each day. Another 14.3 percent took home USD 21-30, while a small number 2.4 percent reported that they earned less than USD 5 per day. These earnings were in line with the minimum expenditure basket estimated at about USD 125 each month.

While more than half (57 percent) noted that the amounts earned were adequate, an overwhelming majority (90.5 percent) reported that engagement with the project had other non-monetary gains such as acquisition of skills and experience, which they could use to access other opportunities. No wonder, about 67 percent reported that they had gotten other placements after the project interventions ended, while 16.7 percent had reported that they had worked in both the roads and production centre works. Majority, (93 percent) further reported that their lives had improved. When asked to state what they viewed as the most important achievement of the project, 83.3 percent reported that it was job creation. This is an indication that the effect of the short-term jobs was actually being felt.

Capacity building of local authorities: As part of capacity building on labour based technologies, the project supported one municipal engineer to undertake an intensive training course on labour-based infrastructure development. The engineer was among 10 other engineers who attended the training held at the Appropriate Technology Training Institute (ATTI) in Mbeya, Tanzania. The objective of the training was to enhance the participants' capacity in the implementation and supervision of labour intensive projects. This builds into the sustainability of the interventions particularly labour intensive approaches.

Office equipment for north and south Galkayo municipalities: Following the standard procurement process, ILO was set to purchase office equipment for north and south Galkayo municipalities, with a value of

USD 4,000 for each municipality. It was agreed between the parties that the equipment is for the use by municipal personnel contributing directly to the implementation of the project and not for general use. These equipments were delivered in May 2013.

Observation of the effectiveness in the implementation of result 1: The infrastructural works under result 1 were properly executed and they have achieved the set objectives. Further, implementation of other activities under this result is on course and it expected that there will be no reason hindering the project from achieving the intended results by the end of the project. However, the implementation of these activities did poorly in encouraging participation by women. While socio-cultural roles were easily blamed for lack of engagement of women in what was seen as male dominant activities, one would have expected to see more women taking up the indirect and induced jobs. It is on record that women are key participants in business in Somalia and that increasingly; they are taking up roles previously done by men. The project should therefore, have gone out of its way to ensure participation of women in lighter jobs such as directing traffic.

3.3.2 Result 2: Public Private Partnership (PPP) in management

Activities under result 2 were being implemented by Food and Agricultural Organisation (FAO) and Terre Solidali (TS). FAO in collaboration with the local authorities for both North and South Galkayo were responsible for implementation of some preliminary activities. These are identification of priority meat infrastructures to be rehabilitated/built, identification of appropriate land for the development of the infrastructures, and collection of some information on the meat value chain. TS on the other hand, was responsible for supporting the introduction of four (4) PPPs, two for the meat markets and 2 for the slaughter houses. In addition, TS was also charged with supporting the introduction of a modern municipal revenue automated billing system. The PPP were therefore pegged on the completion of the infrastructures.

Prior to commencement of activities under result 2, consultations were held during the project launch in May 2012, where activities were endorsed by the Ministry of Planning and International Cooperation. This was soon followed by a consultative meeting with stakeholders in the meat sector where a mapping of meat markets in Galkayo North and South was done.

Proposed priorities: From the workshop, the two (2) local authorities preferred to have meat markets rehabilitated as opposed to construction of livestock markets. This preference was forwarded to the donor and the change in priority was approved. Consequently Galkayo meat market in the North and Midnimo meat market in the south were prioritized for rehabilitation. Further, the construction of two (2) slaughter houses was agreed on. Both local authorities were to provide details of the sites for the slaughter houses. Later it emerged that the Midnimo meat market in the South had been rehabilitated by another organization. The local authority

therefore provided land for the construction of another market. Identification of land however took some time because the proposed land was reported to be too far. This could not be verified by ILO technical officers due to travel restrictions to the South.

Capacity building: FAO's technical staff trained participants from Galkayo North and South on the basic principles of slaughterhouse site selection. The participants included meat traders, meat sellers, community and religious leaders, local authority staff, regional veterinary officers and livestock traders. Notably, involvement of local stakeholders was strategic in forging ownership of the project interventions. It also builds the capacity of stakeholders to undertake similar activities.

Rehabilitation of Galkayo North meat market: The main reasons for the rehabilitation of the meat market were to create short-term employment, improve hygiene issues and handling of meat, undertake maintenance of the facility, expand and improve its capacity to employ more traders on a long term basis. Tenders were advertised and later awarded to the winning contractor. Following consultations with stakeholders, it was agreed that the market should be extended to allow for an area where meat not sold can be dried. The proposal for extension was forwarded to FAO staff. At the time of this mid-term evaluation, the rehabilitation and extension of the Galkayo North meat market was about 75 percent complete. A visit to the market revealed that the final touches were being done on the interior of the market, while construction of the extension was still underway. The photo set 4 below shows the status of the market.

Photo set 4: Galkayo North Meat Market



Source, field visits

This was an existing market, and therefore its rehabilitation and extensions were meant to increase the number of people working from it, and ensure better hygiene and meat handling. As such, the potential negative impacts of the facility are minimal. Notably, the extension of the project had envisaged possible disruptions and loss of trading space by some traders if due diligence was not observed as traders re-occupy

the market. Additional traders will have space in the market and a consulted approach will need to be adopted in selecting the beneficiaries so as to avoid possible incidences of conflict. The local authority reported that they were thinking though the best approaches to employ so as to ensure fairness in the entire process. Reports from FAO indicate that the invitation for bids to supply meat retail equipments had been sent out and they expected to receive them in time for the re-opening. In relation to the number of jobs created, the rehabilitation and extension of the meat market generated 156 short term jobs and 4,680 workdays.

Besides the meat traders, vegetable traders who previously operated from outside the meat market were also displaced to pave way for the market expansion. While the project documents fail to outline clearly how this was done, reports from people interviewed revealed that consultations between the local authorities and the traders saw their peaceful relocation to another site. Notably, displacement of people from their areas of work to pave way for infrastructural development should be a last result, as this negates the primary objective of this project i.e. job creation.

Galkayo South meat market: Midnimo meat market had been earmarked for rehabilitation in South Galkayo. However, it was reported that the market had been rehabilitated by a different organisation. The local authority, FAO and stakeholders therefore settled for construction of a new meat market. However, site selection problems further delayed commissioning of the project. An alternative site was finally identified in downtown Galkayo and procurement process was launched in June 2013. The evaluation team was not able to visit the new site due to insecurity related challenges, but the team was informed that construction was scheduled to commence in July 2013. Notably insecurity in the South adversely affected the execution of interventions.

Slaughter houses in North and South Galkayo: Two slaughter houses were earmarked for construction in North and South Galkayo. The evaluation team was informed during the course of this evaluation that the procurement plan for slaughterhouse construction was reported to have been prepared and submitted to the FAO procurement division. Further, design drawings and Bill of Quantities (BOQ) have been developed. Tenders for these works were launched in June and construction was scheduled to commence in August 2013.

In Galkayo North, the compound where the slaughter house will be constructed was visited. It will be located within the livestock market, which has been constructed with funding from other sources. It is noted that it makes sense to locate the slaughter house close to the livestock market for convenience of movement of animals. However, it was also noted that the livestock market did not have provision for support facilities such as office.

washrooms, cubical for the watchman etc. These will need to be provided for. FAO reported that the technical specifications for slaughter house equipments were also ready and waiting to be procured once construction is done. Photo set 5 below shows the compound for the livestock market where the slaughter house is expected to be constructed.

Photo set 5: Galkayo North Livestock Market and Proposed Site for Slaughter House



Source. Evaluation mission field visits

Feasibility study on the viability and sustainability of the interventions: FAO technical staff conducted the feasibility study on the viability and sustainability of these interventions in mid May 2013, with support from ILO trained enumerators. The study report was not out by the time of this evaluation. However, this evaluation notes that while such studies are useful for planning and learning purposes, the timing for these feasibility studies was inappropriate. Firstly, the works and the sites had been decided on, some works had started and others were in advanced stages of tendering. A feasibility study at such a point would add little or no value. Secondly, sustainability of the interventions would be difficult to measure if interventions are not already operational. Rather, the viability study should have been carried out long before the projects were fully settled on as the case in result 1 under the employment intensive projects, while the sustainability would serve better purpose if carried out when the interventions are operational.

Design and implementation of PPPs: Given that the infrastructures for which PPPs will be established were still under construction or yet to start, the focus under this result area has largely been to create awareness and prepare stakeholders for the PPP structure. Therefore, activities so far have been in laying foundations for the establishment of the PPPs. In Galkayo south for example, TS, had facilitated the formation of a PPP committee by December of 2012. Further, TS is providing technical assistance to design the PPP road map for the slaughter house and the legal framework (PPP agreements). Galkayo North had on the other hand not yet appointed the PPP committee for the slaughterhouse, but they had constituted a restricted committee for the meat market.

To better equip stakeholders with information and knowledge on the PPP as a management strategy, four meetings, two (2) in the south and two (2) in the North were held, with three objectives. The first was to create

the general understanding of the concept. The second was to consult with stakeholders and understand their fears and interests and finally the third objective of the workshops was to sensitize the community of the benefits of PPP. To ensure that the primary stakeholders understand the PPP concept, TS proposed that the local authorities carry out a door to door campaign targeting the meat sellers, brokers, slaughter people, etc who ordinarily do not listen to radio due to the nature of their work. The local authority responded by appointing a focal person (head of social services) to lead awareness creation on PPP. This further led to the formation of a meat vendors committee, which represents the views of other vendors.

Further, development of a PPP framework has also commenced. The process involves consultations with actors from various fields. TS is cognizant of the explosive issues in Galkayo such as the clan divisions, the slaughter fees etc and were already holding consultations to get key stakeholders discuss and propose various ways of handling these challenges. Notably, the actual roll out of the PPP arrangements has been delayed by the delay in completion of the associated infrastructures such as the meat markets and slaughter houses. These delays have however not been in vain. They have offered TS and the local authorities an opportunity to consult widely and extensively on PPP. However, PPP will not be operationalized unless the associated infrastructures. For example, the tax collection system in Galkayo which is still very much informal and inefficient, poses significant challenges to the implementation of PPP. Individuals involved in tax collection may for instance frustrate the PPP to maintain the status-quo and protect their personal interests. This therefore calls for more consultations between the key players in Galkayo, and efforts to ensure stakeholders buy into the proposals.

Establishment of Local Government Revenue Collection System: Galkayo lacked a reliable database of potential tax payers that could be used to project revenue collection. Following consultations between TS and the local authorities, it was agreed that a more detailed survey be carried out with a view to developing a more comprehensive data base of potential taxpayers. Data collection began mid 2012 and went on till November of the same year. As at January 2013, reports from the survey showed that Galkayo north had an estimated 10,835 properties and 2,137 businesses. Galkayo South on the other hand had 621 properties and 391 businesses. Awareness creation complimented data collection efforts as many people were refusing to cooperate and deliberately refused to reveal information on property and business owners. In some cases, the local authority sought the intervention of village committees to win confidence from the public. While this worked well in Galkayo North, it was different in the South where the local authority lacks the capacity and commitment to streamline revenue collection.

This not-with-standing, the project has supported the equipping of Galkayo North municipality with Basic IT

equipments for the running of AIMS (Accounting & Information Management Systems). In addition, TS has provided other four (4) computerized working stations (two (2) for each municipality for the taxpayers' database collection and Business Information Management Systems (BIMS). Although the finance staffs in North Galkayo were trained on the use of both AIMS and BIMS the head of finance was reluctant to use the system. This was despite the fact that TS had employed a technical person to assist the local authority roll out the automated system. There were additional challenges; recorded tax payers' data for both municipalities could not be converted to BIMS database. Reasons given for this were that the revenue and finance departments could not clearly state the specific tax codes for each registered tax payer, and that Galkayo South did not provide their tariff. This shows more efforts were required to ensure that the staff and other stakeholders understand the value of the systems.

Observations on the effectiveness in the implementation of result 2: There are significant gaps in the execution of activities under result two. As at the time of this evaluation little had been achieved in development of core infrastructure for PPP. Much however, had been done in preparing the community for PPP. Stakeholders were nevertheless yet to fully embrace the changes in the systems and management plans. Asked why little had been achieved in this result; the local authority stated that there had been gaps in technical backstopping by FAO which takes place from Nairobi. This is time consuming and usually less effective. This is best exemplified by reports by the contractor working on the meat market, who noted that he had as at the time of this evaluation not agreed with FAO the actual costs for the market extension. He observed that FAO was of the opinion that the cost would not change, yet he felt he had spent more than had been allocated. This shows lapses in communication, which tended to take longer than necessary to resolve. Delays in the completion of markets and slaughter houses had evidently delayed roll out of the PPPs.

Similarly, TS was doing well in supporting revenue management in the local authorities. Reports available and consultations with stakeholders in Galkayo however revealed that besides data collection of potential taxpayers, which also faced teething challenges, little had been achieved in getting the local authorities to take up the automated systems. Key challenges in the North were on tariffs while the South had commitment issues. Failure to capture the tariffs during data collection for example, was costly, and has resulted to further delays in rolling out the systems. This calls for closer technical guidance at each stage. In the South, more consultations and lobbying the local authorities will possibly aide in rejuvenating their interest. Otherwise, additional technical support in the absence of the will and commitment to implement the accounting systems may result to unnecessary wastages.

In light of this, it makes sense for the implementing partners to re-think the range of activities under result two and possibly decide what is feasible given the time left for the project. It will be of no use to rush interventions which eventually will not effectively serve the people of Galkayo. For instance, there is need to re-think if it would make sense to revise the targets for PPPs, for example, from four (4) to two (2). Ideally, efforts should be re-focused towards consolidating the gains made this far and ensuring their sustainability.

3.3.3 Result 3: Self employment opportunities and social protection created and enhanced

Activities under result 3 were being supported by the ILO. The activities foster the development of existing SMEs and associations and strengthening of new ones, providing them with the means to improve the management of their businesses, strengthen their technical skills, access finance and equipment, especially related to appropriate technology. The project's approach to enterprise development is based on the premise that value chain analysis and development of interventions driven by market actors ensures appropriate selection of demand-driven products, more efficient production, higher quality commodities, stronger business linkages and increased employment opportunities.

Appropriate training for implementing staff from the local partner, Horn Relief⁸, was conducted to enable them assess viable markets, understand the links of the value chain, conduct workshops and establish market forums. Training on Participatory Market Systems Development (PMSD) was organized and was carried out over 3 days in Garowe.

Market Assessments: Two sets of market assessments were done, first by Horn Relief and later by Smart Vision after Horn Relief pulled out of the project. Six (6) sectors were identified and assessed. These are: waste collection, fruit and vegetable selling, water, bread making, construction and light engineering. The survey assessed 60 micro and small/medium enterprises (MSMEs). The survey also assessed gender profile of the sector, performance, constraints and lessons. This was conducted only in the Northern part of Galkayo. The preliminary baseline survey concluded that detailed assessments be conducted for the prioritized sectors – light manufacturing, and fruit processing. The findings from the assessments will be discussed with the forums, leading to the development of an intervention strategy for the two sectors aimed at increasing their competitiveness and employment opportunities.

Establishment of market Forums: Two market forums have been established, one in the North and another in the South. The technical progress report indicates that the North Galkayo market forum is advanced than the one in the South. The forum had for example been registered as *Danwadaag forum*, was in the process of

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⁸ Later, Horn Relief declined to continue with their engagement in the project. This saw the coming on board of Smart Vision

opening a bank account, had outlined a draft strategic plan, work-plan and identified potential actions. Similar steps were yet to commence for the South. This should however pick up quickly based on the experiences of the one in the North.

Road assessment: Result 1 of the project proposal provided for the rehabilitation of road networks. One of the roads earmarked for rehabilitation was the Omar Smatter road. Under result 3, the road was assessed to determine what businesses presently trade along the road and the potential for growth and development of new businesses once the road was improved. Residents were confident of seeing increase in business activities when the road was finally improved. They also identified spaces between the built-up areas which people could use for businesses following consultations with the owners.

Development of criteria for the selection of appropriate production businesses: Following the completion of the market/production centre, the market forum undertook to draw up criteria to select the people to benefit from the market centre. This was to be presented to the local authorities. There were delays following the departure of the mayor and it was not until February 2013 when another mayor was appointed. Identification of people to occupy the market was eventually done and spaces inside allocated. As at the time the evaluation was taking place, blacksmith and artisans who were to take-up spaces on the outside of the market/production centre had still not been identified.

Formation of forum sector sub-groups: During the workshop with the market forums, stakeholders narrowed down on two sectors in which they would first concentrate their efforts. These were light industries and fruit processing. Besides being viable and strategic sectors to support for the broader development of Galkayo, the two sectors also served immediate project objectives. The fruit sector was predominantly engaging women. It would therefore assist in satisfying the gender requirements in the project employment targets. The light industry sector was also fitting well within the plan as players in the sector were the target category of the people to acquire space at the market/production center.

Support for self –employment, income generating activities, training and tools supply: This had not taken place. It is nevertheless a viable strategy on account of two main considerations. Firstly, the youth in Galkayo lacked skills which they could rely on to engage effectively with the labour market. Secondly, there is a vocational training centre in Galkayo which was not functioning properly. The market forum plans to revive the centre. But given that there was no budget available to revamp the vocational centre just yet, it may be worthwhile to consider other cost effective methods of impacting skills on youth through apprenticeship attachments. Youth could be easily attached to workshops of existing artisans, from where they could learn on the job. This may be cheaper and more effective in impacting practical skills.

Observations on effectiveness in the implementation of result 3: The objective of result 3 is to ensure a demand driven skills supply and services in the market. It will support the establishment of a market forum, which will effectively engage the local authorities on issues that affect them and lobby appropriately. Key activities under this result started well with participatory formation of the market forum in the North, capacity building of the forum through training, and market assessments aimed at identification of locally available resources. However, activities appear to have slowed down first due to a delay in the subsequent disbursement of funds from the donor and secondly the change in political personalities at the local authorities in North and South Galkayo.

However, impressions of the evaluation team based on interactions with the representatives of the market forum in the North were that, the forum substantially relied on the project for direction, meaning they were yet to fully understand and take up their roles. Their list of their priorities such as delivery vans, fridges, cooling systems, fruit cleaning equipments, and revival of the vocational training centres are ambitions with most unlikely to be met in the short-term. They will therefore need support in identification of practical and achievable interventions, laying more emphasis on organisational aspects within the sector, use of locally available resources and more engagement of local authorities in pressing for the delivery of better services. Over expectations from the project will lead to apathy among the forum members. Notably, gains made in result three can comfortably be consolidated in year 2.

3.3.4 Result 4: Environmental awareness and protection enhanced for sustainable use of natural resources

Result 4 activities were being supported by FAO, working in collaboration with the Ministry of Environment Wildlife and Tourism. The activities were straight forward. They included; carrying out environmental impact assessments of the target infrastructural works, support to central authorities in terms of policy and strategies development, development of Draft Customary Law for Sustainable Use of Natural Resources in Puntland, sensitization workshops in Puntland to support and enrich the draft environmental policy, public awareness creation activities regarding the project and customary laws conducted through print media, TV and radio adverts, posters and flyers, T-shirts and caps and engaging and supporting Ministry of Environment, Wildlife and Tourism to start educating the public on the need for proper utilization of natural resources.

Environmental impact assessments: An international Environmental and Social Impact Assessment (ESIA) consultant and 2 local associates were contracted to undertake the ESIA on the 2 slaughterhouse sites and 2 meat market sites. This was effectively done and the reports released. The teaming up of an international consultant and two local consultants worked well in building the capacity of local associates.

Draft customary law developed: Five (5) experts were hired to draft the customary law and policy on sustainable management of natural resources. The draft customary law is ready having been prepared through wide consultations with stakeholders and the Puntland community. Ministry officials were optimistic that the customary laws will eventually lead to an Environmental Act.

Input to the draft environmental policy: Eight (8) workshops were held across Puntland to collect views from the public on the environmental policy. This was in a bid to ensure wide consultation on the policies so as to forge ownership by the members of the public and other key stakeholders. Some of the consultative sessions are seen in the photos below.

Photo set 6: Environmental Policy consultative meetings



Source, Technical progress reports

Observations on the effectiveness of implementation of result 4: Indications from consultations with officers from the Ministry of Environment, Wildlife and Tourism and reports from the technical reports show that activities under result 4 were effectively and timely carried out. The teaming up of local associates and international consultants worked well in building the capacity of the local people, which is a plus towards sustainability. Notably, implementation of activities in result 4 was boosted by the presence of qualified and committed officials in the Ministry of Environment. They evidently understood their sector well and were keen to see the successful implementation of the project activities.

3.4 Efficiency of resource use

Project Cost-Effectiveness: In the absence of data on projects costs and general flow of expenditure, a thorough analysis of the project cost effectiveness is difficult to achieve. However, there are several pointers within the project design and execution which suggest that there was prudence in the utilization of the resources and in-deed based on the design, less costs were incurred compared to the results posted. For instance, the three partner organizations brought on board expertise which would ideally have been costly to hire directly.

The project partners with the government ministries and local authorities in very cost effective ways. If anything, this partnership was not only contributing to the project objectives, but it was also an investment to the knowledge economy of various actors in Puntland. This capacity would have been costly to acquire through formal training. The capacity development across all those who interacted with the project will outlive project activities. Additionally, partners in government and local authorities played important roles in building rapport with the community and carrying out community sensitization in very effective and efficient ways.

The project lays emphasis on labor intensive approaches to carry out infrastructural works. This is prudent in ensuring that major project costs are directly ending up with the local community. This also brought costs down, compared to what the project would have cost if a fully mechanized approach was used. Yet, repair works were done to acceptable standards. Key infrastructures developed such as production centers, roads, slaughter houses, and meat markets are for the direct benefit of the local community. Throughout the project, direct costs have been kept low which portrays sound utilization of the project funds.

However, delays and anomalies experienced in execution of activities under result 2 do not reflect sound management of time and capital resources. Inconsistencies such as prioritizing a market in the South that was eventually rehabilitated by another organization and further the long delay and errors in identifying a site for another market has led to loss of time, and loss of value in this and other capital investments in result 2. Such

delays and inefficiencies in execution could have been avoided, through closer involvement of local institutions and stakeholders.

Bottlenecks encountered: Timely execution of project activities has been a challenge in the South. Further, technical back-stopping and monitoring of project activities in the South has also been a challenge for all partners, who at times are forced to cancel their field missions. In addition, delays in carrying out infrastructural works under result two have also adversely affected implementation of other subsequent activities such as the PPPs. The earlier the infrastructures are done, the better for PPP implementation which unlike other interventions requires time to be natured towards their effective operation.

3.5 Project management, monitoring and governance

The choice of ILO as the lead agency is good for the project given the organization's expertise in SME development and job creation. ILO's expertise and experience is further complemented by both FAO and TS. This teaming up of implementing partners was strategic and purposeful and it is working well for the project. Project management is therefore effectively done with each organization talking charge of their areas of expertise, and in addition, ILO taking overall lead. The organizations have further partnered with local authorities and organizations. This works well in getting people to identify the interventions with the local authorities. Project monitoring takes place effectively and results documented in project progress reports each quarter. Overall, in relation to the project management, the following is noted,

- ILO has done well in coordinating project activities and in consolidating the project reports from each of the partners for onward submission to the donor
- ILO has had challenges in getting project reports submitted in time by the partners and further in getting the reports to standard, in terms of depth of analysis and formatting.
- EU has been effective in tracking project performance. In addition, the donor was supportive of the
 project as evidence by their flexibility to changes in project design. They were able, for example, to
 approve change of project activities from market construction to rehabilitation and extension and from
 livestock markets to slaughter houses as prioritized by stakeholders. This worked well under the
 circumstances.
- ILO and TS have done well in offering technical backstopping to the local institutions and other stakeholders. Both organizations have technical staffs in Garowe and Galkayo who work closely with the stakeholders. FAO does not have a technical staff stationed in Puntland, which as noted earlier results to communication and coordination challenges which further result to inefficiencies in execution of interventions. It was for instance noted in the course of this evaluation that the FAO's

- National Administration Support Officer was not always privy to communication between the local authority and FAO, and she sometimes received the information from the Mayor.
- The project is receiving reasonable support from the local authorities and the national government. Focal persons were appointed in each of the institutions. Sometimes additional persons were identified to lead specific tasks such as the appointment of a local authority officer in North Galkayo to accompany data collectors during the development of database on taxpayers. Commitment issues were however raised in the case of the local authority in the South, a situation that has been partly blamed for delays in interventions.
- The division of Galkayo into two administrative units continues to complicate the implementation of interventions especially in the South.

A monitoring and evaluation system is in place with set indicators and means of verification. The system needs further development to allow it monitor indirect impacts from direct project interventions. For instance, it may be useful to have a feel of jobs created as a result of skills gained from the labour intensive works outside the project activities. This would involve tracking of beneficiaries of the labour intensive works. The system was however strong in capturing key lessons in each of the reporting periods that were used to inform activities in subsequent implementation periods. Each report is able to capture the challenges encountered and propose ways of countering the challenges. For example lack of cooperation from the financial officer in Galkayo North was being countered through more consultations with the local authority and the officer.

3.6 Impact orientation and project sustainability

This section explores the extent to which the projects activities already implemented have created or are likely to create impact, as well as the sustainability measures put in place to ensure that the project impacts continue to be experienced beyond the project period. The evaluation mission observes the following;

Capacity development: To a great extent, the project invested in building capacity of government institutions and individuals through training, partnering in project implementation and equipping officers. This is making them better knowledgeable and more efficient in service provision. This knowledge and skills will not fade with the project but will continue to be of use in development of Puntland.

Within national government, line ministries including Ministry of Planning and International Cooperation, Ministry of Labour, Ministry of Environment, Wildlife and Tourism, Ministry of Livestock and Animal Husbandry, Ministry of Interior and Ministry of Public Works., have closely collaborated with the project. This collaboration has not been in vain, it has led to increased understanding of issues that fall under their respective dockets. The ministries have

for example been part of the feasibility and impact assessment studies and others that have been carried out within the project. Such opportunities have worked well in equipping the ministries with different technical skills, information and experiences.

Local authorities have equally benefitted from interacting with the project. As key partners, the local authorities even had staff attached permanently on the project such as the Engineer in North Galkayo. These staff will be able to offer the knowledge gained to other programmers in the local authority. In addition, efforts to improve the local authority revenue collection systems will result into a more effective and strong local authority when the revenue collection and management systems are fully operational. Further, the project supported the training of 10 engineers for an intensive training course on labour based infrastructural development at the ATTI in Mbeya, Tanzania. The 8 week training, attended by among others, the Galkayo District Engineer, aimed at enhancing the participants' capacity in the implementation and supervision of labour intensive projects.

Plans were underway to supply the North and South Galkayo Municipalities with equipments worth about USD 8,000. The equipments would be distributed across staffs that were directly contributing to the implementation of the project. While the equipments will support project implementation, they will later be available for use in other local authority projects.

Improved business environment: The infrastructural developments have already and will continue to improve the business environment in Galkayo. Reports from the impact assessment indicate that businesses had reported increased pedestrian and vehicular flow on sections of the road that were rehabilitated. This has not only increased the number of customers but investors responded through expanding their businesses while new ones were attracted to the areas by improved roads. This information was confirmed by people that were conveniently sampled and informally interviewed during the field visits, some of whom also mentioned that the costs of repairing their vehicles had come down. The roads seem to have had a guick and direct impact to businesses.

However, the challenge lies in the sustainability of the road works that were done. It is known within the local authorities that Galkayo lacks a good drainage system. The town quickly floods following heavy rains and this puts the sustainability of the road works in an awkward situation. While simple drainage tunnels have been dug on the side of the repaired roads, these cannot sustain heavy and prolonged downpour. Notably, the project had set aside money equivalent to 5 percent of the cost of repairs or construction, for the maintenance of the roads at least in the initial years. Maintenance is scheduled to be done every 6 months. This should help to keep the drainage clear of any blockage and help in the flow of water. In the long term though, a more sustainable solution

is needed in fixing the drainage issue in Galkayo.

Besides the roads, the market/production centre has provided a more conducive environment for informal service providers and traders, most of whom represent the vulnerable traders in Galkayo. The outside of the facility will soon host blacksmiths and artisans who will for the first time be operating from a more conducive environment. Traders in this facility pay less than their counterparts operating from the streets, under the scorching sun. The facility is now able to get some of the service providers better organized and earn the local authority a more consistent and predictable income. This should improve on its planning.

Galkayo North meat market has been rehabilitated while one will be constructed in the South. The one in the North is owned by the local authority and it has previously been operating. With the rehabilitation, the market will create more jobs and offer better hygiene. Other than rehabilitation, an extension of the market is being done. This will provide space for drying meat not sold, effectively reducing losses. Better meat handling will mean better incomes for the traders. The same will be achieved from the construction of the proposed meat slaughter houses. The facilities are also expected to boost revenue collection to the local authorities.

Public Private Partnership (PPP) arrangements for managing these infrastructures and services are expected to boost sustainability of the facilities. The arrangements allow for partnerships between government and the private sector, which brings on board, business oriented community ownership. More user fee is expected to be collected, meaning more incomes for the trader and the local authorities, which should in turn enable them maintain the facilities and services therein in good standards. The PPP arrangements are expected to address the two main challenges facing the meat market: hygienic standards and regular maintenance, while enhancing job creation.

This notwithstanding, the success of the PPP will largely depend on the how well the public and private players are prepared to embrace the concept. Notably this is a new concept in Galkayo. Similar initiatives have been experienced in, for example, provision of public goods such as electricity and water and in Somaliland. While the technical issues are being facilitated and supported by the implementing partners, the goodwill and readiness to embrace the concept may not be guaranteed, given that there are various interests at stake, including loss for income for those that collect it informally. The local authority is also seeing an opportunity to collect more revenue from a rehabilitated and expanded meat market and slaughter houses. More critical is the political stability in Galkayo and good will from leaders towards PPPs. An efficiently working PPP arrangement will in our opinion require more time than the project had provided for.

Job creation: The project has resulted in direct, indirect and induced jobs. The direct jobs are as result of labour provided in the labour intensive infrastructural development projects. These were road repairs, construction of meat/production centre. These will continue to be created in year 2 of the project. Most direct jobs were short term but others such as the people working from the market/production centre and those expected to occupy the meat markets and slaughter houses will take up long term direct jobs. In-direct jobs involve people who supply services to the infrastructural works such as suppliers of construction materials, etc. The induced jobs on the other hand are those that were triggered by the repair works, such as the businesses that expanded and those that opened following improvement in the infrastructure.

Through these jobs, the project directly and immediately impacted on the lives of those people that were employed, through the cash they earned. Further, many of the people that worked in the short-term jobs reported that they had gained skills, which they use to access similar or other jobs in other organizations. Skills gained by people who provide labour to these projects will not be erased and they are likely to continue earning from them for a long time.

In terms of sustainability of the jobs created, the long-term jobs and the induced jobs will be sustained. However, the short- term jobs, which are majority of the jobs created, are not sustainable as they are only available when the infrastructural works are in progress. The idea behind short-term labour intensive jobs is cash injection. This cash is used to improve the welfare of the people benefiting. Part of this money could also be used for investment purposes. This was noted among 4 people who reported during the impact assessment that they established their own businesses with the money they earned from the road repairs. This is an indication that if people could access several such labour intensive jobs, they are likely to invest in more long term engagements.

Implementation approach and arrangements: One notable move towards sustainability of the interventions under this project is the strong involvement of the local and central governments in the planning and implementation of project activities. The project partners ensured that both structures of government were on board the project. They started with preliminary meetings with the central and then the local governments. They have further built the capacity of officers working in these offices through training. The local authority offices will further be equipped with support from the project. There were officers within government and local authorities that worked in the project. This is a sure way to ensure that there is continuity even after the project funding comes to an end. In addition, this arrangement created a sense of ownership of the project by the government, local authorities and the community. Ownership is a crucial element in sustainability.

The actual implementation of activities including the infrastructural projects was done by the local community

members. This made the community identify with the project. Further, the project will leave a different populace, masses of people who in various ways will have been empowered with skills and experiences. Further, when PPP arrangements are finally operational, they will also ensure that the gains in rehabilitation and construction of meat markets and the slaughter houses are not lost. They will be managed by the primary beneficiaries, the users of the infrastructures.

Finally to ensure more sustainable engagement between the local authorities and the local business community, the project is supporting the formation of market forums, made up of business community and other stakeholders including actors in different value chains, NGO's, government ministries and religious representatives. The market forums ideally reflect the market system in Galkayo whose elements includes, the value chains⁹ or sectors of the economy, market support systems¹⁰ and the enabling or business environment¹¹. These forums when fully empowered and operational will ideally embark on identifying and supporting various market systems. This will result in sustainable local economic development. At the time of this evaluation, the market forums were yet to fully understand their role and they appeared to still rely substantially on Smart Vision and direct support from the project. This was no surprise given that it was not long since they were constituted. There is time before the project end to improve on their capacity.

It is the view of the independent evaluator that this project has made significant strides in meeting the project objectives. Activities under results 1 and 4 were complete; those under result 3 were on course while those under result 2 had delayed, in light of the remaining period. Further the evaluator notes that practical and realistic measures have been put in place to ensure sustainability of the project interventions as discussed above. The gains made should be further consolidated in year 2.

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⁹ This consists of a network of producers, suppliers, processors, traders, buyers, and consumers that are all involved in producing, exchanging, and consuming various items or services. The value chain is where a commodity passes through the hands of the various actors.

¹⁰ The market system also includes various forms of infrastructure, input providers, and services which support the value chain.

¹¹ The market system operates within the context of institutions, rules and norms that shape the system's particular business environment and define the 'rules of the game'.

4.0: MAIN CONCLUSION

The project design is logical and relevant to the needs of the direct beneficiaries, the local government and the country. It was based on comprehensive review of relevant materials and wide consultations which led to sound understanding of the context in which the project is taking place. This informed the project log-frame and the implementation plan as well as the setting of milestones. In general, the project objectives were well aligned to the project activities and the needs of the people of Galkayo.

The partnership of ILO, FAO and TS to oversee the implementation of the activities was also well calculated. Each brought on board strong expertise in their result areas. Notably, there were delays in signing of agreements by some partners but this was later resolved. Timely submission of reports was also mentioned as a challenge, coupled with the fact that reports coming from different partners were different in terms of detail. Challenges were also faced in the initial project months and after one project staff quit. This was however resolved with the recruitment of another staff late 2012.

Project activities were on track and expected results have substantially been achieved. Activities planned for year 1 under results 1, 3 and 4 were on track. Community sensitization and preparation of the stakeholders for PPP was also on track but other activities under result 2 had delayed in light of the project time frame. In some activities lost time will easily be made up in year 2 while in others for example rolling out of effective PPP time may be short and revision of targets may be inevitable.

Sustainability measures put in place, including training, partnerships with local institutions, support for establishments of local institutions among others, are sound and most had been entrenched into the project activities. However, insecurity in Galkayo, poses great threat to sustainability of the interventions. Additionally, the road infrastructure repairs may not last long unless a lasting solution is sought to fixing the drainage problem in Galkayo.

5.0. Emerging Good Practices and Lessons learned

In any project there are strategies, activities, and processes or part of them that really work well in contributing to the overall project objectives. Their identification does not require the project objectives to have been fully achieved. Rather, they only need to have been tried and seen to have worked well. This section highlights some of the potential areas for good practices that are emerging from the project

- Use of labour intensive approaches in infrastructural development in Galkayo. The norm is use of capital intensive approaches to the detriment of job creation. It was in conformity with the laid down regulations and standards in infrastructural development, and is cost effective. This approach is candidate for a good practice.
- 2. Consistent involvement of the primary stakeholders; It may be easier for people to overlook the capacity of stakeholders in a situation like Galkayo. They may easily be viewed as lacking capacity to engage with the issues and treat them as passive beneficiaries. There were good efforts in most interventions to involve local institutions and the community. This improved accuracy in planning and made the implementation more efficient. It is a recipe to sustainability of the project and the same can be replicated in any other setting.
- 3. Mainstreaming sustainability measures in project activities. The use of local labour, capacity enhancement on a broad range of stakeholders, establishment of local level structures such as the market forums and PPPs all stand out as interventions, within the project result areas, that are not only meeting the project objectives but are also contributing to sustainability of interventions.

Further, various stakeholders had different lessons they learnt from the project. These include;

- Active involvement of stakeholders in key to the success of a project interventions
- Mutual agreement by all parties and proper identification of public land is essential to the development of public utilities.
- 3. Changes in revenue collection and management systems will be more effective and acceptable to the people when they better understand what they are likely to gain from the changes.
- 4. Effective coordination of projects is instrumental to the success of projects especially when they bring together different partner organizations
- 5. Projects being implemented in insecure environments such as Galkayo need to have flexibility as the situation changes sporadically.
- 6. Labour intensive methods are effective ways of injecting cash to the community and building peoples' capacity.

As the project progresses into year 2 the following recommendations are made.

- 1. All partners will need to urgently focus their attention to South Galkayo where little has been achieved. Meat markets, slaughter houses and roads works and accounting systems need to be implemented in the South.
- 2. TS will need to undertake more training and stakeholder sensitization on first, the value of and implementation arrangements for the PPPs. This is based on the realization that collection and management of slaughter fee and locations of slaughter houses would still face challenges. Secondly, better understanding and appreciation of AIMS and BIMS is crucial prior to their implementation. Resistance faced from sections of the local authority staff is mainly manifesting from the fear of the unknown.
- 3. The ILO will need to develop strategies that support creation of more long term jobs. This is important for sustainability of the results. Potential for this lies in opening up the infrastructural works to business activities, skills training, activating the market forums, and extending Employment Intensive Infrastructure Projects (EIIPs) in Galkayo to include regular non-technical labour intensive roads maintenance by contracted common interest groups.
- 4. Both ILO and FAO need to urgently establish systems and procedures that ensure employment of more women in the supported works. Light duties such as controlling traffic and other culturally acceptable tasks can be done by women. More widely, ILO will need to ensure that jobs created meet internationally accepted standards.
- 5. FAO will need to forge closer partnerships with the relevant ministries such as the Ministry of Livestock and Animal Husbandry, especially in designing and development of livestock markets. Initial assessments, based on the site visited in the North; show that they lack provisions for some key amenities such as washrooms, office, watchmen booths, and livestock feeding areas.
- 6. All partners should ensure that displacement of people from their working areas to pave way for infrastructure development is avoided at all costs. Where it must take place, then adequate planning should be done following wide consultations with all stakeholders, including those to be affected by such relocation.
- 7. There is need to re-evaluate the project targets in light of the remaining period.

7.0 APPENDICES

7.1 Terms of Reference

Scope of work and Terms of reference

Mid-term Evaluation Improvement of Livelihoods of Vulnerable Households in Urban and Peri-Urban areas of Galkayo

1. Background

A viable and vibrant private sector must lie at the core of socio-economic recovery in Somalia. This should be characterized by enhanced entrepreneurship and a developed small and medium enterprise sector (SME). These entities form the principle driving forces in economic development and employment generation. Promotion of innovation and entrepreneurship has a vital role to play in improving competitiveness, creating employment and delivering products and services that are needed by the population.

The objective of the 'Improvement of Livelihoods of vulnerable households in urban/peri urban areas of Galkayo' is to support the development and scaling-up of growth-oriented/sector-specific small and medium enterprises (SMEs) as the basis for fostering growth and employment creation and enhancing service delivery. Supporting the establishment of the institutional (PPP schemes and municipal finance), infrastructural (improved market access infrastructures) and economic conditions for the creation of short and long-term job opportunities in Galkayo is also a key aspect of the strategy.

The project being implemented over a period of 36 months will result in:

i) Cash injection through intensive labour on specific public works and environmental projects ii) Increased long term, pro-poor, employment created through market access upgrading in key PPP economic sectors and development in Galkayo. iii) Technical and entrepreneurial skills training packages developed and/or refined delivering employable people defined and expanded labour market into а iv) Improved capacity on the part of local authorities to manage PPPs and provide necessary services to the community

The total budget of the project is Euro 3,899,696 and is implemented by the ILO in partnership with FAO and Terre Solidali.

2. Purpose and objective of the Mid-Term Evaluation

The independent evaluation serves two main purposes:

i. Give an independent assessment of progress to date in achieving project objectives and delivery of results; strategies and implementation modalities chosen; partnership arrangements, constraints and opportunities ii. Provide recommendations for the rest of the implementation period in terms of strategies, institutional

arrangements, and any other area within which the evaluation team wish to make recommendation

3. Scope of the evaluation

The mid-term evaluation will focus on the implementation period 1st August, 2011 to 31st January, 2013 (18 months of the total project period of 36 months). The evaluation will assess all key outputs that have been produced since the start of the project by all implementing partners. The evaluation should be completed by 15th June, 2013.

4. Clients

The primary clients of the evaluation are the three implementing partners, the donor as well as other relevant stakeholders. The evaluation process will be participatory. The implementing agencies, stakeholders and other parties involved in the execution of the project would use, as appropriate, the evaluation findings and lessons learnt.

Key lessons learned and any proposed changes to the project will also be discussed with and reported back to beneficiaries and stakeholders (in particular central and local authorities) and the donor who will be involved in the mid-term evaluation process as well.

5. Key qualifications and experience of the Evaluation Team

The international consultant should have the following qualifications:

- Master degree in Business Management, Economics or related graduate qualifications
- A minimum of 10 years of professional experience specifically in evaluating international development initiatives in the area of skills, employment, micro enterprises, entrepreneurship, rural development and management of development programmes, preferably in Africa.
- Demonstrated expertise and capability in assessing technical and vocational skills training in rural and informal economies, business support services in support of micro-enterprise development including entrepreneurship and small business management training, access to finance, business linkages and markets.
- Proven experience with logical framework approaches and other strategic planning approaches, M&E
 methods and approaches (including quantitative, qualitative and participatory), information analysis
 and report writing.
- Working experience in conflict affected countries
- Knowledge and experience of the UN System.
- Understanding of the socio economic and political context of the project country (Somalia) would be a clear advantage.
- Excellent communication and interview skills.
- Excellent report writing skills.
- Demonstrated ability to deliver quality results within strict deadlines.

The National consultant should have the following qualifications:

- Master degree in Business Management, Economics or related graduate qualifications
- A minimum of seven years of professional experience, specifically in the area of monitoring and evaluation of international development initiatives and development organizations.
- A minimum of 5 years of professional experience specifically in evaluating development projects/programmes in the area of skills, employment, micro enterprises, entrepreneurship, rural development and management of development programmes, preferably in Africa.
- Demonstrated expertise and capability in assessing technical and vocational skills training in rural and informal economies, business support services in support of micro-enterprise development including entrepreneurship and small business management training, access to finance, business linkages and markets.
- A track record of conducting various types of evaluations, including process, outcome and impact
 evaluations in Somalia and preferably in the area of skills, employment, entrepreneurship, rural
 development.
- Knowledge and experience of the UN System
- Excellent communication and interview skills in Somali and English language.
- Excellent report writing skills.
- Demonstrated ability to deliver quality results within strict deadlines.

Travel to Somalia expected.

How to apply:

Please send your applications marked "Mid-Term Evaluation EU Galkayo Project" by COB 06th May, 2013 4.30 pm to: The Chief Technical Adviser, ILO Somalia/Employment for Peace Programme. Email address: hrsomalia@ilo.org

7.2 List of People Interviewed

NAME OF RESPONDENT	Organization and Designation
Nairobi	
Wamalwa Kinyanjui	FAO,
George Obae	FAO, Monitoring and Evaluation Officer
AbdulKadir Ali	ILO Project Officer
Angela Atsiaya	ILO,
Paul Smith	EC
Galkayo	
Fatuma Hussein	FAO, National Administration Support Officer
Farah Mohamed Hajj	Terre Solidali Project Officer
Abdelmalek Jama	ILO Project Officer
Ahmed Ali Salad	Mayor, North Galkayo Municipality
Abdirashid Hassan Dhaqane	Municipal Engineer (North Galkayo)
Mohamed Ismael	Chairman, Danwadaag Market Forum
Farah Abdulkadir Egal	Vice chair, Danwadaag Market Forum
Mohamed Gaas Dhunkaal	Danwadaag Market Forum, Light Engineering Section
Kadija Jama Abdulahi	Danwadaag Market Forum
Garowe	
Abdikani Yussuf Elmi	Minister of Environment
Kafi Nidamudin Adam	Ministry of Environment
Issa Omar	Ministry of Works
Abdulkadir Abdidahir Farah	Ministry of Works
Different Artisans	Production market

Evaluation tools/ guidelines for interviews

The following were the checklist of questions that were used to guide interviews with the various partners and stakeholders.

Project Donor (EU)

Relevance

- Brief general description of the project.
- Why this project?
- How does it fit into EU broader objectives
- To what extent does this project address the needs of the country, target groups?
- Do the needs that led to this project still exist in the project area?
- Design
- How valid was the project approach?
- How does the design fit within the local level and national structures

Efficiency of resource use

- Are the available resources adequate to meet the project plans
- How have the disbursements taken place?
- · Are they in line with expected budgets?
- Were there any challenges
- What is the possibility for future funding

Efficiency of management arrangements

- How would you assess the management of this project this far?
- How has been the cooperation between the implementing partners on one level and with the donor?
- What other challenges do you think the project has encountered.

Sustainability

- What are some of the sustainability measures put in place?
- How effective do you think these measures are?
- What has been the projects contributions in strengthening the capacity of project stakeholders
- How would you assess the level of commitment, technical and financial capacity, of project partners (e.g. Ministries and local authorities) to assume ownership of the interventions

Project Staff/Partners (ILO, FAO, TS, Municipalities, Ministries)

Relevance

- Brief general description of the project.
- To what extent does this project address the needs of the country, target groups?
- How useful have the project interventions been in meeting the needs of the target groups
- Do the needs that led to this project still exist in the project area?
- Would you recommend the extension of the project beyond this project period? Why?

Design

- How was the planning process, was it participatory?
- How valid is the design of this project to the needs and structures in this country?
- How logical is the project design, does it add up?
- How do the inputs, outputs and project results link?
- To what extent were the needs of the stakeholders taken on board the project design?
- How do you assess the project timeframe and sequencing of activities? Are they realistic?

Effectiveness

- To what extent are have the project results been achieved (complete a summary table as per the
 activities)
- What major factors influenced the achievement and non achievement of the results
- How would you rate the quality of the work done and results achieved?
- Are there any unintended results? If yes how have these affected the intended results?
- How effective was the backstopping from the country and regional offices?
- What challenges were encountered and how were they resolved

Efficiency of resource use

- Are the available technical and financial resources adequate to meet the project objectives?
- Are the project activities and budget disbursements in line with the set plan? In not what challenges have you faced.
- Have the funds disbursements been timely?
- Looking at the interventions already done, is there value for money?

Effectiveness of management arrangements

- How would you assess the management and governance arrangement for this project?
- Have the partners been complimenting each other or not?
- Is there a clear understanding of roles?
- To what extent have the partners cooperated in meeting the project objectives?
- Have there been any challenges in the relationship between partners?
- Has there been any value added in the cooperation?
- How effective was the monitoring and evaluation arrangements
- How effective is the M\$E system in collecting useful date

Are gender considerations visible in the M\$E system.

Impact

 Has there been any notable impacts resulting from the project activities? Which ones and what evidence exists?

Sustainability

- What sustainability measures were put in place?
- How effective do you think these measures are?
- What has been the projects contributions in strengthening the capacity of project stakeholders
- How would you assess the level of commitment, technical and financial capacity, of project partners (e.g. Ministries and local authorities) to assume ownership of the interventions
- What is the likelihood that the project interventions and benefits will continue after the project funding comes to an end.
- What is the biggest challenge to sustainability of the project benefits?
- What key lessons have you learnt from this project?

Project target groups

Relevance

- Understanding of the project
- Extent to which the project is meeting their needs?
- Do the needs that the project is addressing still existing

Design

- Do you think the project activities are adequately meeting the needs as they expected?
- To what extent are they involved in planning for the activities (local authorities, market forums)

Effectiveness

- How would they assess the quality of the outputs from the project?
- Are there areas where they would want to see improvements?

Impact

- What positive and negative benefits have you seen from this project so far?
- How do you think the project once completed will change the lives of people in Puntland?

Sustainability

- What is the likelihood that project activities will continue after donor funding ends
- What capacity building/training interventions have you received?

7.4 Bibliography

- 1. European Commission (2012): Improvement of livelihood of vulnerable households in Urban and peri urban areas of Gal kayo. First annual report: 1st August 2011 to 31st July 2012.
- 2. European Commission (2013): Third Technical Progress report 1st August 2012-31 January 2013.
- 3. EU Agreement Annex 1
- 4. ILO Somalia Programme (2013), Economic Evaluation of Road Projects, Galkaiyo Puntland
- 5. ILO Somalia Programme (2012), Galkayo Feasibility Studies (Classic road, Xera Daya Production centre and Tarmac Road)
- 6. JPLG, 2011: PPP Guide for Puntland January 2011
- 7. Smart Vision for Consultancy and Development (2013), Preliminary Impact of construction Projects on Employment
- 8. Project Monitoring and Evaluation Framework
- 9. Project Performance Plan