

## Attachment A – Program Description

### Local Governance and Reconciliation Activity

#### I. INTRODUCTION

The United States Agency for International Development’s Mission in Somalia (USAID/Somalia) is seeking applications for funding for the five-year, \$40 million Local Governance and Reconciliation Activity (LGRA) to promote more effective and legitimate local governance that offers a credible alternative to Al-Shabaab rule in southern Somalia.

#### II. BACKGROUND AND PROBLEM ANALYSIS

The collapse of the Siad Barre regime in 1991 and the years that followed saw the near total disintegration of the Somali state. Since then Somalia, particularly southern Somalia, has experienced a prolonged period of statelessness. Clan-based militias, religious and traditional elders, and the business community stepped in to fill the void left by the state, providing some degree of predictability and stability in a dangerous environment. At times these hybrid local governance structures enjoyed some legitimacy<sup>1</sup> and were even preferred to the predatory and repressive central government of years past.<sup>2</sup> Ultimately, the limitations of informal structures became apparent by the late 1990s. These informal bodies proved incapable of administering justice or security in a fair manner, and eventually became paralyzed by inter-clan competition over power and resources.

Numerous efforts have been made to revive the Somali state since the collapse of 1991. Most have focused on reviving the central government. The administrative unit that has received the least amount of support has been the third and lowest tier of government in Somalia, the district council.

The following section seeks to summarize previous efforts to re-establish district councils in Somalia and identify key lessons learned.

##### A. UNOSOM (1993-1996)

After two years of armed conflict, banditry and lawlessness, leaders of the 15 recognized military factions met in Addis Ababa for a peace conference. The subsequent Addis Ababa Agreement of March 1993 provided a framework for the re-establishment of district and regional councils as part of a transitional government structure.<sup>3</sup>

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<sup>1</sup> *Governance without Government in Somalia: Spoilers, State Building, and the Politics of Coping*. Ken Menkhaus. International Security. 2007.

<sup>2</sup> *Better off Stateless: Somalia before and after Government Collapse*. Peter T. Leeson. George Mason University. September 2007.

<sup>3</sup> *Building the Peace: Experiences of Collaborative Peacebuilding in Somalia 1993-1996*. Wolfgang Heinrich. Life and Peace Institute. 1997.

The United Nations Operations in Somalia (UNOSOM) was mandated by the Security Council to undertake this work and began to form district and regional councils in August 1993. UNOSOM started by visiting each district and convening a one-day public meeting with community leaders to explain the selection process. Once the community selected their representatives, UNOSOM returned to formally establish the new council in a public ceremony. Newly elected council members then received a one-week 'basic training' on the principles and practices of good governance, community development, and financial management while the district leadership received a two-week 'executive training'<sup>4</sup>.

Between August 1993 and February 1994, UNOSOM established 56 district councils and trained more than 800 councilors in situ. Concerns about how this work was being undertaken soon emerged, however. Observers argued that the formation of district councils was carried out too hastily and without a sufficient understanding of local political dynamics. Under considerable pressure, UNOSOM cut corners and granted recognition to deeply flawed and contested district councils, often to the detriment of local minorities.<sup>5</sup> The time allotted to establishing, training and provisioning the district councils was unrealistic and insufficient effort was dedicated to addressing existing inter-communal tensions prior to forming the new district councils.<sup>6</sup> Conflict subsequently broke out in many of the newly formed district councils while others soon became idle due to lack of resources and administrative expertise. UNOSOM abandoned the intervention in 1994.

#### *B. Transitional Federal Government (2004-2012)*

The Transitional Federal Government (TFG) was inaugurated in December 2004 and received substantial support from the international community to re-establish state authority in Somalia. The United Nations Development Program (UNDP) and the United Nations Office for Project Services (UNOPS) were mandated to support the re-establishment of district councils during the transition period and did so through two projects.

The District Based Peace Building Project (DBPB) sought to form district and regional councils in all of southern Somalia within a period of nine months. The project began by convening dialogues at the district level with traditional and religious leaders. Communities were given up to 30 days to select members of the district council. Once established, these district councils received support from the Community Based Peace Support (CBPS) Project, which trained district councilors and rehabilitated and equipped district offices.

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<sup>4</sup> *Building the Peace: Experiences of Collaborative Peacebuilding in Somalia 1993-1996*. Wolfgang Heinrich. Life and Peace Institute. 1997.

<sup>5</sup> *Somali Land Resource Issues in Historical Perspective*. Lee V. Cassanelli, Learning from Somalia: The Lessons of Armed Humanitarian Intervention. Westview. 1997

<sup>6</sup> *Local Governance and Provision of Social Services: Lessons from Somalia*. Ken Menkhaus, Davidson College, 2002.

Over a three year period, UNDP and UNOPS formed district councils in Bay, Bakool and Gedo regions, and in three districts of Middle Shabelle. Progress stalled in Lower and Middle Shabelle, Lower and Middle Juba, Hiraan and Benadir, due in part to the emergence of the Islamic Courts Union (ICU) which established parallel governance structures in many districts. Ultimately, even the district councils that were spared from the ICU rule fell idle or reverted to previous clan-based arrangements by the end of 2009.

Similar to previous state-building efforts under UNOSOM, the DBPB and CBPS projects were criticized for not dedicating sufficient time and effort to the complex, and time-consuming task of rebuilding trust between divided communities and addressing unresolved grievances. An external evaluation of both projects noted that inter-communal reconciliation should start not end with the establishment of new district councils.<sup>7</sup> The evaluation also found that ultimately, the viability of a district council is dependent on its ability to (I) relate to and interact with traditional governance, justice and conflict resolution structures, (II) represent all members of the community fairly, including women and minorities, and (III) collect sufficient tax revenue to sustain operations and deliver basic services to the community<sup>8</sup>. Consultations undertaken by USAID/Somalia in 2021 confirm that these remain the primary impediments to functioning local government in Somalia.

### *C. Wadajir Framework (2016-Present)*

The establishment of the Federal Government of Somalia (FGS) in 2012 and new Federal Member States (FMS) in Jubbaland (2013), South West (2014), and Hirshabelle (2016) provided a much needed foundation for the return of the Somali state. Following the conclusion of these state-building processes, attention turned once again to the re-establishment of district councils.

Recognizing that previous state building efforts had been disjointed, the FGS and FMSs developed a more standardized framework for the formation of permanent district councils, known as the Wadajir Framework. The framework envisions an 18-month process for District Council Formation (DCF) and - unlike previous efforts - places an emphasis on facilitating inter-communal reconciliation and power sharing negotiations *prior* to the formation of new district councils.

While the Wadajir Framework is an improvement on previous donor-funded efforts, it is also incomplete. The framework provides a roadmap for the DCF process, up until the establishment of a district council, but stops there. The framework does not anticipate the challenges these new institutions will face once established. USAID/Somalia found that the seven district councils that have been established in southern Somalia via the Wadajir Framework have struggled to mobilize sufficient resources to cover basic operating costs and some have become idle. These consultations found that not enough attention is being dedicated to ensuring the sustainability of newly

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<sup>7</sup> *The District Based Peace and Reconciliation Project and the Community Based Peace Support Project: Final Evaluation Report*. Joakim Gundel. Katuni Consulting. October 2008.

<sup>8</sup> *Ibid.*

established district councils and there is a risk that these districts once again become defunct, reversing any gains made via the DCF process<sup>9</sup>, eroding citizens' trust in local governance,<sup>10</sup> and opening the door for the re-emergence of Al-Shabaab rule.

#### *D. Islamic Courts Union & Al-Shabaab (2000-Present)*

The FGS is not the only actor to have engaged in a state-building project in Somalia. The ICU emerged in 2000 in response to the lawlessness and banditry afflicting Somalia since the collapse of the state in 1991. The ascendancy of the ICU was initially welcomed by business elites seeking more predictable, fair and cost-effective security and justice.<sup>11</sup> At times, the ICU and later Al-Shabaab have been able to achieve a degree of legitimacy that the Somali state has been thus far unable to realize.<sup>12</sup> Al-Shabaab has established parallel governance structures in southern Somalia with 'governors', tax collectors and judges for each region.<sup>13</sup> Beyond security and justice, the social services that Al-Shabaab offers are quite limited: religious education in certain places, occasional loans and support to farmers and pastoralists, and some provision of aid in response to natural disasters. Community support or acquiescence to Al-Shabaab rule is rarely about ideological conviction. More often, it is a basic acceptance that failure to comply will have extremely negative results in the short term. On the other hand, their experience with the emerging Somali state has been mostly negative, moving from neglect to political, economic, and social exclusion, and predation in the extreme.

While Al-Shabaab has positioned itself as 'clan neutral' and has been perceived as an effective mediator of inter-clan conflict in its early years - offering communities some protection from predatory clan, business or state behavior - there are indications that the group has begun to lose its impartiality.<sup>14</sup> Al-Shabaab has used its political and military capabilities to favor one clan over another, which has exacerbated inter-clan conflict.<sup>15</sup> Al-Shabaab has a mixed record in responding to disasters in southern Somalia. Evidence from the Al-Shabaab's response to the 2011/12 famine strongly suggests that the restrictions put in place by the group worsened the humanitarian crisis and eroded community support for the group.<sup>16</sup> Research undertaken in five districts in Middle and

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<sup>9</sup> The Wadajir Framework estimates that the DCF process DCF costs approximately \$1.3 million per district.

<sup>10</sup> Exploring Options for Political and Economic District Council Sustainability. Somalia Stability Fund. 2021.

<sup>11</sup> Negotiating Injustice: Mapping the Dynamics of Hybrid Order in Lower Shabelle. Expanding Access to Justice (EAJ). June 2021.

<sup>12</sup> Rivals in Governance: Civil Activities of Al-Shabaab. Roland Marchal. War and Peace in Somalia: National Grievances, Local Conflict and Al-Shabaab. 2018.

<sup>13</sup> Negotiating Injustice: Mapping the Dynamics of Hybrid Order in Lower Shabelle. Expanding Access to Justice (EAJ). June 2021.

<sup>14</sup> Ibid.

<sup>15</sup> Ibid..

<sup>16</sup> Famine in Somalia: Competing Imperatives Collective Failures, 2011-12. Daniel Maxwell and Nisar Majid. 2016.

Lower Juba found that Al-Shabaab extracts more resources from and offers less services to minority clans, such as the Somali Bantu, compared to majority clans.<sup>17</sup>

#### *E. Lessons Learned and Implications for Programming*

Early donor-funded efforts reduced institution-building to a purely technical exercise of providing basic equipment and training to new district councilors.<sup>18</sup> These district councils were hastily established, lacked legitimacy among the wider population, and ignored traditional governance structures. The process of re-establishing district councils produced inter-communal conflict in many instances while the few district councils that did emerge unscathed eventually fell into a state of inactivity, due to a lack of resources and legitimacy. Looking back at two decades of local governance programming in Somalia, two key lessons stand out. First, efforts to re-establish and support new district councils must be combined with approaches that rebuild trust between communities and begin to address unresolved grievances. Second, district councils, once formed, are exceedingly fragile, quick to atrophy, and thus need immediate and sustained support.

Al-Shabaab has emerged as a credible alternative to the state in much of southern Somalia. Yet there is growing evidence that Al-Shabaab has not been able to transcend clan politics and has struggled to provide truly inclusive or responsive governance. Building on the lessons learned from two decades of programming, USAID/Somalia's LGRA Activity will partner with districts in southern Somalia to offer a credible alternative to Al-Shabaab rule.

### **III. TECHNICAL APPROACH**

#### **A. Theory of Change**

While the Somali state has achieved important gains in expanding and consolidating its authority in recent years, local governance is still extremely nascent in southern Somalia. Most district councils/administrations are not representative of all the communities they serve (with many being appointed by the FMS President), struggle to perform basic functions that benefit citizens, and are not perceived as fair or inclusive. As a result, confidence in the state in southern Somalia is low. LGRA seeks to address this dynamic through the following theory of change:

**If** citizens perceive district councils as more fair, open and inclusive; and **if** citizens benefit from improved performance of district councils, **then** local government will be seen as more effective and legitimate, thus providing a more credible alternative to Al-Shabaab rule.

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<sup>17</sup> Al-Shabaab Governance in the Lower and Middle Jubba Regions of Somalia: Findings from the 2017 Somali Minorities Survey. Lindsay J. Benstead, Daniel Van Lehman and Andrew Tanner, Portland State University. May 27, 2019.

<sup>18</sup> *State Failure, State-Building, and Prospects for a 'Functional Failed State' in Somalia*. Ken Menkhaus. *Annals of American Academy of Political and Social Science*. 2014.

This theory of change is informed by lessons learned from previous programming in Somalia, presented above, as well as from emerging literature on the social contract in Somalia.<sup>19</sup>

Activities under Intermediate Result 1 seek to enhance *legitimacy* of the Somali state by supporting districts to prevent and manage conflict impartially (sub-IR 1.1) and promote greater participation of citizens in decision-making, particularly among women, youth and historically marginalized communities (sub-IR 1.2). Activities under Intermediate Result 2 seek to improve the performance - or *effectiveness* - of the Somali state by supporting districts to mobilize and manage resources (sub-IR 2.1), and identify and respond to citizen priorities (sub-IR 2.2).

Both results will contribute to the overall objective of promoting more effective and legitimate local governance that offers a credible alternative to Al-Shabaab rule in southern Somalia. USAID/Somalia will measure success to the extent that the following is achieved:

- Targeted district councils increase the ways they engage citizens and receive citizen input;
- Targeted district councils resolve inter-communal conflicts/grievances;
- Targeted district councils take actions to meet citizen-identified needs, e.g. ensure key services like security, justice, education and disaster risk reduction are provided to communities they serve;
- Citizens perceive targeted district governments as more inclusive, representative, and accountable.

For a more detailed set of illustrative outcome indicators please see Annex 1.

The proposed theory of change is grounded in the following underlying assumptions:

- Target districts are sufficiently accessible and safe.
- Federal Member States continue to demonstrate a commitment to undertaking subnational democratization processes (i.e. DCF) in new districts.
- Sufficient political will exists at the district, regional and state level to undertake and sustain good governance reforms.

## **B. Technical Approach**

### *I. Target Districts*

There are 44 districts in USAID/Somalia's CDCS geographic focal zone. Thirty-six districts are currently under the nominal control of the Somali state. In most cases, however, the authority of the state does not often extend far beyond district capitals and major towns. Nine CDCS districts are inaccessible and currently under the control of Al-Shabaab. Seventeen districts are part of greater Mogadishu. Out of these 44 CDCS districts, only seven have completed the DCF process as prescribed by the Wadajir Framework. These districts are Bardaale, Barawe, Dinsoor, Hudur,

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<sup>19</sup> Understanding Somalia's Social Contract and State-Building Efforts: Consequences for Donor Interventions. Mathieu Cloutier, Hodan Hassan, Deborah Isser, Gaël Raballand. World Bank. April 2021.

and Wajid in South West State, Afmadow in Jubaland State, and Warksheikh in Hirshabelle State. The DCF process is ongoing in three additional districts: Balcad and Jowhar in Hirshabelle and Baardheere in Jubaland. To date, the districts that have successfully completed the DCF process tend to be in more rural and peripheral locations, have lower levels of economic activity and relatively homogeneous populations in terms of clan / sub-clan diversity. These factors have made it easier to arrive at a power sharing agreement and thus complete the DCF process.

*Table 2. Status of DCF in CDCS geographic focal zone<sup>20</sup>*

FMS	CDCS districts	Sub Category			
		DCF Completed	DCF Ongoing	Interim Admin.	Under AS Rule
Benadir	17	0	0	17	0
Hirshabelle	4	1	2	1	0
Jubaland	8	1	1	2	4
South West State	15	5	0	5	5
<b>Total</b>	44	7	3	25	9

The DCF process has stalled in de facto state capitals (Baidoa, Kismayo, Jowhar) as well as in inter-riverine districts with significant agricultural and economic potential. These areas also have large and diverse populations like Afgoye, Wanlaweyne, and Marka, where political economy competition over resources is much more acute. Any attempt to upset the status quo through the establishment of new, more representative district councils via the Wadajir Framework has faced resistance.<sup>21</sup> In districts where the DCF process has stalled or not yet taken place, interim leadership is appointed from the FMS capital to manage the district.

LGRA will work with both categories of districts. Those that have completed the DCF process, ‘established’ districts, and those that have not yet undertaken the DCF process but have some level of interim or caretaker administration, ‘emerging’ districts. The problem sets that LGRA will encounter in each category are unique and distinct. Established districts in southern Somalia tend to have a more stable political settlement and stronger community cohesion. Data from the Fragility Index and Maturity Model (FIMM) has consistently demonstrated a correlation between

<sup>20</sup> The information included in this table is based on USAID/Somalia’s best estimate and is subject to change.

<sup>21</sup> Exploring Options for Political and Economic District Council Sustainability. Somalia Stability Fund. 2021.

high ‘social cohesion’ and ‘reconciliation’ scores and the presence of elected district councils.<sup>22</sup> To build on gains from the DCF process, LGRA will support established districts to become more responsive to citizen needs, and help them develop strategies to self-sustain in the absence of external support. In emerging districts where competition over access to resources and political power is ongoing, LGRA will start by rebuilding trust between and within communities, and between citizens and the state, promoting more inclusive decision-making at the district level, and exploring how district councils can better prevent and manage conflict.

## *II. Selection Process*

LGRA will target districts in USAID/Somalia’s CDCS geographic focal zone. The selection of target districts will be based on the following criteria and finalized through the annual work planning process:

### *Non-negotiables:*

1. Ability to access and work safely in the district.
2. District leadership demonstrates commitment to principles of participation, inclusion, transparency, and accountability.

### *Other criteria:*

3. Consolidates gains from USAID/Somalia and other donor-funded stabilization investments.
4. Multiplies the impact of USAID/Somalia and other donor-funded development interventions, including the Mission’s flagship education activity, Bar ama Baro (BAB) and economic resilience activity, Market Based Resilience for Marginalized Populations (MB-RMP).

USAID/Somalia anticipates working with all districts who have undertaken the DCF process. This currently includes the seven established district councils in southern Somalia: Afmadow, Bardaale, Barawe, Dinsoor, Hudur, Wajid, and Warksheikh<sup>23</sup> as well as with any other district that completes the DCF process during the life of the project. Based on previous experience, USAID/Somalia expects that an additional three to five districts will complete the DCF process over the next five years. LGRA will prioritize supporting an estimated 10 to 12 established or to-be-established districts over the life of the activity<sup>24</sup>. LGRA may phase out support to district councils that have made meaningful progress against the outcomes indicators presented above or discontinue support

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<sup>22</sup> The FIMM is a tool developed by the Ministry of Interior, Federal Affairs and Reconciliation (MoIFAR) to assess district stability. Data is collected on a quarterly basis.

<sup>23</sup> BaB is currently working in Afmadow, Bardaale, Barawe, Dinsoor and Warksheikh. USAID/Somalia’s previous stabilization investments have targeted Afmadow, Dinsor, Hudur, and Barawe.

<sup>24</sup> This is based on an estimated core budget of \$25 million over five years. USAID/Somalia would expect to target additional districts if additional opportunity modules were triggered.

to districts that no longer meet the selection criteria detailed above. Engagement and disengagement criteria will be further refined in the annual work plan.

LGRA will work closely with USAID/Somalia's Transition Initiative for Stabilization Soddex (TISS) Activity, to identify one to two<sup>25</sup> emerging districts over the life of the activity to support. USAID/Somalia anticipates that TISS will have established relationships with key stakeholders in these emerging districts and a baseline understanding of local conflict dynamics. TISS will work together to transition these relationships and contextual understanding to LGRA. LGRA would thus complement USAID/Somalia's stabilization investments by providing modest yet sustained support to these districts over a longer period of time in order to consolidate gains and support the transition to longer term development. TISS could then transition out of the district or concentrate on more discrete activities necessary to consolidate security gains in the area. Given the complex political-economy dynamics in Mogadishu and FMS capitals, and existence of ongoing donor programming, LGRA does not anticipate prioritizing these districts.

### *III. Sequencing and Layering*

As described above, LGRA will engage with districts in southern Somalia at different phases of the stabilization to development continuum. A number of implementing partners provide immediate support to districts in areas liberated from Al-Shabaab rule and this support generally continues up until the establishment of a district council via the Wadajir Framework. These stabilization partners include USAID's TISS, the Nordic International Support Foundation (NIS), the UK's Early Recovery Initiative (ERI), and the International Organization for Migration (IOM). LGRA will partner with these organizations in emerging districts to build upon and carry forward investments made to promote inter-communal reconciliation and improved social cohesion.

A number of implementing partners support the DCF process as per the Wadajir Framework. These partners include Finnish Church Aid (FCA) and the Somalia Stability Fund III (SSF III). While LGRA will not undertake the DCF process, it will work closely with these partners to ensure that districts that have completed the process in USAID/Somalia's CDCS focal zone receive immediate and sustained support.

There are few implementing partners providing support to newly established district councils. This gap has been identified by a number of partners implementing the Wadajir Framework, including SSF and FCA, the latter of which has advocated for continued support to "fledgling local governance structures created through the DCF process."<sup>26</sup> The UN's Joint Program on Local Governance (JPLG) is one of the only projects to provide post-DCF support to district councils. Yet JPLG only deploys its full range of programming once districts have undertaken extensive planning and budgeting processes and established financial management systems - a process that

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<sup>25</sup> See footnote above on core budget.

<sup>26</sup> Promoting Inclusive Local Governance in Somalia. Finnish Church Aid. June 2021.

can take years. JPLG’s approach has proven better suited to more stable and mature districts in Somaliland and Puntland, not the more volatile and nascent districts in southern Somalia that are in need of immediate support. LGRA will help address this gap by providing immediate and sustained support to established district councils in southern Somalia, providing a bridge to the more robust and long-term support envisioned under JPLG. LGRA may engage with districts at any of the three phases of institutional development listed below, though priority will be given to the post-DCF phase and to a select number of districts in the pre-DCF phase that consolidate the gains achieved by TISS and other donor-funded stabilization efforts.

*Table 3. Collaboration with other Programs*

Phase	Actors	Type of Collaboration
Pre-DCF	TISS, NIS, IOM, ERI	Engage in recovery and consolidation planning to ensure the needs of emerging districts are understood.  Build upon investments of stabilization partners to promote improved social cohesion and support reconciliation processes through targeted interventions.
DCF	FCA, SSF III	Closely monitor the DCF process in order to better understand district dynamics and identify emerging capacity needs.
Post-DCF	JPLG	Provide immediate support to established districts, providing a bridge to JPLG programming.

#### *IV. Contribution to CDCS*

The proposed LGRA Activity will contribute to Development Objective (DO1) of USAID/Somalia’s 2020-2025 Country Development and Cooperation Strategy (CDCS). DO1 supports wider U.S. Government efforts to counter violent extremism by improving the credibility and responsiveness of the Somali state. LGRA will support district councils to become more fair and inclusive (IR1) and improve the performance of district councils (IR 2). LGRA also supports CDCS DO2. The majority of districts in the CDCS focal zone are susceptible to climate shocks. Consultations undertaken by USAID/Somalia found that districts are generally not capable of responding effectively to natural disasters. USAID/Somalia has identified disaster risk management as a low-cost way in which district councils can respond to citizen needs and differentiate themselves from Al-Shabaab rule.

*Table 4. Contributions to CDCS*

LGRA Result	CDCS Result	Illustrative Actions
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<p><b>Sub-IR 1.2:</b> Increased participation of citizens in decision-making</p>	<p><b>Sub-IR 1.1.1:</b> Citizens are more engaged in decision-making processes</p>	<p><u>Output 1.2.1:</u> Support existing citizen accountability mechanisms.</p>
	<p><b>Sub-IR 1.1.2:</b> Targeted institutions are more inclusive</p>	<p><u>Output 1.2.2:</u> Strengthen advocacy and communication skills of minority communities, women, and youth.</p>
<p><b>Sub-IR 1.1:</b> Districts prevent and manage conflict</p>	<p><b>Sub-IR 1.3.1:</b> Communities perceive informal conflict mitigation processes as more fair</p>	<p><u>Output 1.1.1:</u> Strengthen linkages between district councils and traditional conflict resolution mechanisms.</p> <p><u>Output 1.1.2:</u> Districts councils enforce and implement local peace agreements.</p> <p><u>Output 1.1.3:</u> District councils support wider inter-communal reconciliation efforts.</p> <p><u>Output 1.1.4:</u> District councils strengthen natural resource management.</p>
<p><b>Sub-IR 2.2:</b> Districts identify and respond to citizen priorities</p>	<p><b>Sub-IR 1.1.3:</b> Targeted institutions are more responsive and effective</p>	<p><u>Output 2.2.1:</u> District councils undertake citizen outreach and engagement.</p> <p><u>Output 2:2:2:</u> District councils undertake community planning processes.</p> <p><u>Output 2:2:3:</u> District councils facilitate improved services.</p>
	<p><b>Sub-IR 2.1.1:</b> Local institutions create and implement Disaster Risk</p>	<p><u>Output 2:2:2a:</u> District councils create and implement DRR plans.</p>

	Reduction (DRR)/Durable Solutions (DS) plans	
<b>Sub-IR 2.1:</b> Districts mobilize resources and manage them transparently	<b>Sub-IR 2.1.2:</b> Increased capacity of government to coordinate and mobilize required resources to respond to disasters	<p><u>Output 2.1.1:</u> District councils mobilize resources from the private sector, diaspora to finance improved services.</p> <p><u>Output 2.1.2:</u> District councils strengthen financial management systems.</p> <p><u>Output 2.1.3:</u> Where applicable, district councils improve revenue collection.</p>

*V. Guiding Principles*

LGRA will be guided by the following principles:

- **Political first then technical:** Previous donor-funded programs did not sufficiently take into consideration political economy and conflict dynamics of target districts. LGRA will seek to gain and maintain an in-depth understanding of these dynamics and translate this analysis into responsive programming. LGRA will seek to understand political economy dynamics within district councils, between district councils and regional and state institutions, identify incentive structures of key stakeholders and potential spoilers.
- **Slow and steady support:** Most district councils in southern Somalia were established only a few years ago, or even more recently. LGRA will provide sustained support to these new institutions over a period of several years. LGRA will embed technical expertise and support to support district councils to demonstrate impact and solve problems in real-time. Evaluations from previous donor-funded local governance programs found that theoretical training could benefit from more ‘hands on’ coaching and mentorship for one or more years.
- **Meet them where they’re at:** Initial consultations undertaken by USAID/Somalia found significant variance in the level of administrative capacity between district councils. LGRA will seek to understand the unique needs and challenges faced by each target district, and propose solutions in partnership with local government through a process of co-creation. USAID/Somalia anticipates that this approach will result in some very unsophisticated yet practical interventions that can later be replicated by district councils.

**V. RESULTS FRAMEWORK**

## **Intermediate Result 1: District councils are more fair and inclusive**

Activities under this Intermediate Result will support emerging and established districts prevent and manage inter-communal conflict impartially (sub-IR 1.1) and better encourage citizen participation in decision-making, with an emphasis on women, youth and historically marginalized communities. (sub-IR 1.2).

### **Sub-IR 1.1: District councils prevent and manage conflict**

The re-emergence of the Somali state has exacerbated existing tensions and generated new conflict in southern Somalia. Competition over the composition and management of new political units, the district council, is perceived as a zero-sum game creating winners and losers. Many communities view local government less as a source of order and protection and more as a means to advance the interests of a particular clan.<sup>27</sup> The fixed number of seats on a district council - either 21 or 27 depending on the size of the district - encourages clans to ‘quantify’ their relative importance in the district.<sup>28</sup> In southern Somalia, competition over political power is further complicated by decades of population displacement, military occupation, and land grabbing. The contest for power in southern Somalia is framed by competing narratives of identity and belonging.<sup>29</sup> The emergence of inter-clan conflict has stalled the DCF process in many districts and paralyzed the work of interim district administrations.

While the state-formation process has triggered conflict at the local level, a number of district councils have been able to manage inter-communal conflict effectively.<sup>30</sup> Activities under sub-IR 1.1 will build on these lessons and increase the number of both emerging and established districts that effectively prevent and manage conflict impartially in order to promote more peaceful coexistence between communities.

Historically, conflict between and within clans has been managed by traditional processes and institutions based on customary law (xeer). A mapping of conflict in southern Somalia between 1991 and 2007 found that the vast majority of peacebuilding initiatives were initiated by traditional elders and funded by the concerned communities.<sup>31</sup> In districts where traditional forms of conflict

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<sup>27</sup> Negotiating Injustice: Mapping the Dynamics of Hybrid Order in Lower Shabelle. Expanding Access to Justice (EAJ). June 2021.

<sup>28</sup> Ken Menkhaus, Local and National Reconciliation in Somalia.

<sup>29</sup> Negotiating Injustice: Mapping the Dynamics of Hybrid Order in Lower Shabelle. Expanding Access to Justice (EAJ). June 2021.

<sup>30</sup> Local Reconciliation in Somalia – Factors that Enhance Durability and Success. Somalia Stability Fund. November 2021.

<sup>31</sup> A Synthesis Report of the Peace Mapping Study. Interpeace. 2008.

resolution exist and are perceived as credible, activities under sub-IR 1.1 will strengthen linkages between district councils and these informal institutions. District councils that have attempted to bypass these informal structures have quickly lost credibility (see lessons learned from above). Activities under this sub-IR will help formalize the interaction between district councils and traditional structures. This may include supporting hybrid dispute resolution platforms that bring formal and informal authorities together including District Peace and Security Committees, Council of Elders, Justice and Court User Committees, etc. Activities under this sub-IR also assist district councils in supporting ongoing or emerging mediation efforts by serving as a ‘guarantor’ to ensure proper enforcement and follow through. Activities may also include assisting district councils support broader reconciliation efforts by mobilizing resources for social and cultural events, joint community development projects that deliver practical and tangible benefits to both communities under sub-IR 2.2.

In many districts, land policies from the Siad Barre era, and the destabilization caused by the collapse of the Somali state and the ensuing conflict have undermined traditional conflict resolution mechanisms and there is no longer a mechanism for managing competition over access to land and natural resources.<sup>32</sup> In districts where traditional structures are no longer functioning or perceived as credible, activities under sub-IR 1.1 will support districts in developing simple natural resource management (NRM) agreements at the village-level that bring diverse communities together for joint land-use planning.

<b>Sub-IR 1.2:</b> Increased participation of citizens in decision-making
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A national public opinion poll undertaken by USAID in November 2020 underscored the lack of citizen participation in public life. More than 60 percent of respondents had never attended a community meeting while almost half had never met with a public official. This is understandable. Political processes in Somalia have been historically elite-driven and citizens have not been given an opportunity to participate in a meaningful way.<sup>33</sup> This is compounded at the local level, where the lack of formal state authority in much of the country means that citizens lack a government to engage with. For Somalis under the age of 30, almost three-quarters of the population, statelessness is the only political order they have known for most of their lives.<sup>34</sup> One constant structural element of the Somali state since independence has been the exclusion of Somalia’s minorities from social,

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<sup>32</sup> Land Conflict in Somalia. Somalia Stability Fund. December 2021.

<sup>33</sup> The Constitutions of Somalia and Emergence of Federalism: A Retrospective. Ken Menkhaus and James Smith. October 2020.

<sup>34</sup> Reflections on the Future Role of the State in Somalia. Gael Raballand, Andrew Fiebelkorn. Guenter Heidenhof and Kirk Schmidt. World Bank. 2020.

economic, and political power.<sup>35</sup> The exclusion of large portions of the population from decision-making has fostered a set of grievances that have been exploited by Al-Shabaab.

Activities under sub-IR 1.2 will support district councils in expanding avenues for citizen input and empowering citizens to better engage with district officials. Activities under this sub-IR should map existing accountability mechanisms at the district and sub-district level,<sup>36</sup> assess the functionality and inclusivity of these existing mechanisms and propose solutions for making them more effective advocates for citizen interests. Consultations undertaken by USAID/Somalia have identified a number of citizen accountability mechanisms in southern Somalia, including District Peace and Security Committees (DPSC), Community Education Committees (CECs), market committees, water and land management committees, and disaster management committees. The extent to which these mechanisms function will vary from district to district and from village to village. There is evidence that some of these mechanisms have been ‘captured’ by local elites, perceived to be biased towards certain clans,<sup>37</sup> or do not provide an avenue for the participation of minority or marginalized communities.<sup>38</sup> Activities under this sub-IR will identify creative ways for making these mechanisms more inclusive and dynamic. LGRA will explore opportunities for engaging CECs supported through USAID/Somalia’s Bar ama Baro (BAB) activity.

In addition to strengthening existing accountability mechanisms, activities under sub-IR 1.2 should pilot new approaches that give citizens additional opportunities to monitor the performance and behavior of district councils and articulate needs and priorities. Activities under this sub-IR should empower citizens to play an active role in the participatory community planning processes detailed under sub-IR 2.2. Since women, youth, and minority communities have been historically excluded from decision-making, activities under sub-IR 1.2 will ensure that these communities have the confidence and skills to participate in these processes.

<b>Intermediate Result 2: Improved performance of district councils</b>
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Activities under this Intermediate Result will seek to improve how communities interact with and experience local government by ensuring that district councils are better able to mobilize and manage resources (sub-IR 2.1) and respond to citizen priorities in concrete ways (sub-IR 2.2).

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<sup>35</sup> Negotiating Injustice: Mapping the Dynamics of Hybrid Order in Lower Shabelle. Expanding Access to Justice (EAJ). June 2021.

<sup>36</sup> This definition should be inclusive and include a list of both formal and informal citizen structures, including ‘user committees’, often established through previous donor programming, such as court user committees, parent teacher associations, water committees, disaster management committees, peace and security committees, etc.

<sup>37</sup> Negotiating Injustice: Mapping the Dynamics of Hybrid Order in Lower Shabelle. Expanding Access to Justice (EAJ). June 2021.

<sup>38</sup> Education Sector Program Implementation Grant. Baseline Assessment. Consolient. January 2020.

## **Sub-IR 2.1: Districts mobilize resources and manage them transparently**

The districts that have been established in southern Somalia over the past four years are located primarily in rural areas with low levels of economic activity. The potential to raise substantial revenue from local taxation is limited and this lack of resources prevents districts from functioning effectively. This problem is not new. Historically, the Somali state was never self-sustaining<sup>39</sup> and district councils have relied almost exclusively on international NGOs to deliver social services.<sup>40</sup> The collapse of the state in 1991 saw a rise in coercive revenue extraction by non-state armed groups while clan and religious leaders also levied taxes to fund social services. The lack of a state monopoly on tax collection persists today and citizens continue to be taxed by a variety of state and non-state actors. A recent survey found that 9.5 percent of annual household income goes towards informal taxes, higher than in Kenya (2.5 percent) and Ethiopia (6.8 percent).<sup>41</sup>

After such an extended period of statelessness, it is no surprise that citizens have more confidence in the ability of non-state actors such as clan and religious leaders to collect and manage tax revenue than the Somali state. Al-Shabaab continues to maintain control over tax collection in many areas, which results in double taxation or prevents the government from collecting taxes altogether. Lack of a clear legal framework has resulted in confusion over revenue raising responsibilities between districts, the FMS and even the FGS in some cases.

In such a context, established and emerging districts will continue to struggle to raise revenue through taxation for the foreseeable future. Yet previous donor-funded efforts have shown that districts that are not able to mobilize resources struggle to function and soon fall idle. As described above, the issue of post-DCF sustainability is not currently being addressed by donor programming. Activities under sub-IR 2.1 will help fill this gap by supporting districts in strengthening existing sources of revenue collection and identifying new resources that can be mobilized to respond to citizen priorities and sustain district operations.

Recognizing that districts have a limited window to demonstrate a value-added to citizens, the Applicant should work with districts to explore whether citizen needs and priorities, identified through inclusive and participatory communing planning processes under sub-IR 2.2, can be co-financed through the private sector, religious institutions, the Somali diaspora,<sup>42</sup> or through community in-kind contributions. USAID/Somalia's experience with TIS+ and IOM has

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<sup>39</sup> *Building the Peace: Experiences of Collaborative Peacebuilding in Somalia 1993-1996*. Wolfgang Heinrich. Life and Peace Institute. 1997.

<sup>40</sup> *District Council Formation: Lessons Learned Study*. Final Report. Jusso Miettunen. Concilient. Somalia Stability Fund. July 2020.

<sup>41</sup> *Explaining Informal Taxation and Revenue Generation: Evidence from south-central Somalia*. Vanessa van den Boogaard and Fabrizio Santoro. The International Centre for Tax and Development (ICTD). March 2021.

<sup>42</sup> See the Somalia Resilience Program's (SomRep) innovative diaspora fund-raising mechanism, the Bulshokaab platform.

demonstrated that communities have been open to and enthusiastic about contributing to mutually-agreed upon public goods. LGRA will provide a modest amount of matching funding to district councils to support ‘public-facing’ projects that provide tangible benefits to citizens under sub-IR 2.2. LGRA will work with USAID/Somalia’s Market Based Resilience for Marginalized Populations (MB-RMP) activity to identify public-private partnerships (PPP) that improve the quality of existing services or expand services to new sectors prioritized by the community. A number of CECs have proven adept at mobilizing community resources to improve education access and quality. LGRA will thus engage BaB-supported CECs under this sub-IR as well.

To be sustainable in the long-term, district councils will need to find a way to mobilize own-source revenue. Fortunately there is an almost universal desire among Somalis to be taxed solely by the Somali government.<sup>43</sup> There is also a growing body of evidence that shows that when governments are able to levy taxes locally, there is less waste and better service provision.<sup>44</sup> Activities under sub-IR 2.1 will support districts in incrementally expanding existing and identifying new sources of domestic revenue within existing federal and state legal frameworks. Given the existence of parallel taxation systems, and low confidence in the state, activities under this sub-IR should begin by strengthening the ability of districts to develop realistic budgets that meet citizen priorities and establish (or strengthen) systems for transparently tracking revenue and expenditures. Once these systems are functional, activities under this sub-IR should support districts in mapping potential revenue streams and engaging the FMS, private sector, traditional and religious leaders, and citizens in dialogue - or ‘bargaining’ - around tax reform. Previous efforts have shown that significant time is required to arrive at a locally accepted revenue collection system. If agreement is reached, and only if, activities under this sub-IR will work with district councils to roll-out these new taxes, accompanied by taxpayer education campaigns.

Recent research by the Somali Stability Fund found that livestock, transportation and small business taxes are generally accepted and easily collected and thus could be utilized by districts to generate revenue in the short term.<sup>45</sup> While these specific taxes tend to generate only modest amounts of revenue, it will provide districts with much-needed resources to help cover basic operational expenses and establish systems that can be expanded upon in the future.

Given the complex political economy of tax collection in emerging districts like Afgooye or WanlaWeyn, LGRA would not expect to roll out domestic revenue mobilization (DRM) interventions until a political settlement on tax collection is agreed upon. In the interim, LGRA would support emerging districts in better mobilizing funds from the private sector and diaspora

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<sup>43</sup> *Explaining Informal Taxation and Revenue Generation: Evidence from south-central Somalia*. Vanessa van den Boogaard and Fabrizio Santoro. The International Centre for Tax and Development (ICTD). March 2021.

<sup>44</sup> *Decentralized Governance and Accountability: Academic Research and the Future of Donor Programming*. USAID. 2019.

<sup>45</sup> *Local Governance and Provision of Social Services: Lessons from Somalia*. Ken Menkhaus, Davidson College, 2002.

and seek community in-kind contributions for community-prioritized projects. In more established districts like Hudur or Warksheikh LGRA would implement the full range of DRM interventions described under sub-IR 2.1. In partnership with the World Bank and the Somalia Stability Fund, LGRA will support policy dialogue and advance reforms around fiscal federalism and tax harmonization in order to strengthen the enabling environment for local government.

<b>Sub-IR 2.2:</b> Districts identify and respond to citizen priorities
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Even prior to the collapse of the central government, the reach of the Somali state did not extend far beyond major cities and towns. District Commissioners were appointed from Mogadishu, reported directly to the capital, and were generally not seen as very active or responsive.<sup>46</sup> Despite a poor record of service delivery and limited revenue collection capabilities, the reemergence of district councils has raised expectations and citizens expect these new institutions to deliver. The districts that USAID/Somalia has engaged with in southern Somalia have struggled to live up to these expectations to date.

With so many administrative and financial constraints, districts must be extremely selective about the functions it decides to take on.<sup>47</sup> Activities under sub-IR 2.2 will support districts in developing practices and behaviors that seek citizen input in decision-making and help districts translate citizen priorities into tangible actions that can be repeated and sustained using existing resources.

Consultations undertaken by USAID/Somalia found that district officials lack the means to meet regularly with citizens, especially in outlying villages, and are less inclined to engage with more disadvantaged or marginalized communities. This was confirmed by a recent UNDP report that found that district officials are reluctant to engage with citizens, as this would generate expectations that the district would not be able to fulfill.<sup>48</sup> Activities under sub-IR 2.2 will start by supporting district councils to expand citizen outreach and engagement. Activities under this sub-IR will help facilitate constituency visits to outlying villages and incentivize continued engagement between district officials and these villages by earmarking funds to support community prioritized projects in these locations (described in detail below). Such engagement would increase the visibility of the state, and provide district officials an opportunity to solicit feedback and better understand the needs and priorities of citizens. Increased dialogue with citizens will allow district officials to set realistic expectations of the incremental improvements citizens

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<sup>46</sup> *Local Governance and Provision of Social Services: Lessons from Somalia*. Ken Menkhaus, Davidson College, 2002.

<sup>47</sup> *Reflections on the Future Role of the State in Somalia*. Gael Raballand, Andrew Fiebelkorn. Guenter Heidenhof and Kirk Schmidt. World Bank. 2020.

<sup>48</sup> *District Council Formation: Lessons Learned Study*. Final Report. Jusso Miettunen. Concilient. Somalia Stability Fund. July 2020.

should expect from local government and encourage citizens to actively contribute to jointly addressing identified priorities.

A number of districts in southern Somalia have undertaken community planning processes. USAID/Somalia's TIS+ have supported community action planning, bringing communities together for joint planning, monitoring and oversight of high-impact projects to bring stability to districts recently liberated from Al-Shabaab rule. Insecurity has typically constrained the number of citizens able to participate in these activities while the urgent need to deliver tangible benefits has meant that USAID (and other stabilization donors) have often prioritized more visible, infrastructure-based solutions over the more modest actions these nascent institutions are able to undertake realistically on their own. Activities under this sub-IR will build upon these efforts by expanding the number of citizens able to participate in planning processes, ensuring they are undertaken on a regular basis and inclusive of all communities. Activities may include supporting village-level planning processes that feed into district-level frameworks and engaging specific marginalized communities in these processes.

Activities under sub-IR 2.2 will help district councils respond to the needs and priorities identified through the community consultations and planning processes described above. LGRA will provide limited funding for community-prioritized projects and services. LGRA will support district councils in 'co-delivering' these projects in partnership with the private sector, religious and clan elders, and NGOs using resources mobilized under sub-IR 2.1. LGRA will also provide opportunities for citizens and community-based organizations to monitor the planning, procurement and implementation of these investments under sub-IR 1.2.

Given the financial and administrative constraints identified above, activities under this sub-IR should start by seeking to improve the modest services that are already being delivered - either by districts or the private sector. There may be scope to support districts in expanding certain services to new sectors - provided they are not currently being delivered by the private sector and can be sustained using existing resources. This could include utilities (water, renewable energy, sewage and sanitation), maintenance of roads and public buildings, market improvements, etc. LGRA will explore opportunities to improve the physical infrastructure of schools receiving support under USAID/Somalia's Bar ama Baro (BAB) activity.

Since most districts in southern Somalia are susceptible to climate shocks, one key sector in which districts can demonstrate their effectiveness is through disaster risk reduction. Activities under this sub-IR will thus build the capacity of districts to prevent, mitigate and respond to disasters.

#### *Annex 1. Illustrative Outcome Indicators*

Result	Indicator
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<p><b><u>Intermediate Result 1:</u></b> District councils are more fair and inclusive</p>	<p>% increase of citizens who view district councils as representative of their community.</p> <p>% increase of citizens who view district councils actions as impartial.</p>
<p><b><u>Sub-IR 1.1:</u></b> Districts prevent and manage conflict</p>	<p># of reconciliation efforts supported by district councils.</p> <p># of inter-communal conflicts resolved with USG support.</p>
<p><b><u>Sub-IR 1.2:</u></b> Increased participation of citizens in decision-making</p>	<p># of practices adopted by district councils that seek citizen input and encourage citizen participation in public life.</p> <p>% increase of citizens involved in decision-making processes at the district level.</p>
<p><b><u>Intermediate Result 2:</u></b> Improved performance of district councils</p>	<p>% increase of citizens who report improved performance of district councils</p>
<p><b><u>Sub-IR 2.1:</u></b> Districts mobilize resources and manage them transparently</p>	<p>% increase in outside resources mobilized by district councils to respond to citizen priorities.</p> <p>% increase in own-source revenue mobilized by district councils.</p>
<p><b><u>Sub-IR 2.2:</u></b> Districts identify and respond to citizen priorities</p>	<p># of actions undertaken by district councils that result in tangible improvements for citizens.</p>