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PARTNERSHIP FOR ECONOMIC GROWTH

USAID/EAST AFRICA/LPC SOMALIA PROGRAM

THIRD QUARTERLY REPORT, OCTOBER – DECEMBER 2011

JANUARY 31, 2011

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PARTNERSHIP FOR ECONOMIC GROWTH

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CONTENTS

- PROGRAM SUMMARY3**
- INTRODUCTION3**
- STAFFING & SUPPORT4**
- RESULT FRAMEWORK5**
- SUMMARY OF PROGRAM HIGHLIGHTS THIS QUARTER6**
- PROGRESS THIS QUARTER8**
- THIRD QUARTER, OCTOBER 1, 2011 – DECEMBER 31, 20118**
- MOBILIZATION8**
- PHASE ONE: PARTICIPATORY ASSESSMENT AND TECHNICAL ANALYSIS9**
- PHASE TWO: PRIORITIZATION, DESIGN, AND DEVELOPMENT OF SUB-ACTIVITY SOWs10**
- PHASE THREE: IMPLEMENTATION11**
- PHASE FOUR: LOCALIZATION17**
- MONITORING AND EVALUATION18**
- FORTHCOMING QUARTER20**
- FOURTH PROGRAM QUARTER, JANUARY 1 – MARCH 31, 201220**
- MOBILIZATION20**
- PHASE ONE: PARTICIPATORY ASSESSMENT AND TECHNICAL ANALYSIS.....20**
- PHASE TWO: PRIORITIZATION, DESIGN, AND DEVELOPMENT OF SUB-ACTIVITY SOWs20**
- PHASE THREE: IMPLEMENTATION21**
- PHASE FOUR: LOCALIZATION24**
- MONITORING AND EVALUATION24**
- THIRD QUARTERLY FINANCIAL REPORT, OCT 1 – DEC.31, 2011.....25**
- THIRD QUARTERLY LEVEL OF EFFORT REPORT, OCT 1 – DEC 31, 201126**
- ANNEX: PARTNERSHIP FUND ANNUAL PROGRAM STATEMENT27**

PROGRAM SUMMARY

The purpose of the Partnership for Economic Growth program is to help local authorities and private sector groups improve the enabling environment for investment and generate more productive employment, operating mostly in northern Somalia and possibly in south and central regions. This is the first development initiative targeting economic growth for the USAID/EA/LPC Somalia program, and is partially funded with Department of Defense 1207 funds transfer. The funding was supplemented by a Department of State grant of \$250,000 during the second quarter to be used for communications and outreach activities.

The Partnership for Economic Growth (Partnership) activities focus on two areas: private sector development, including women's business development, and strengthening specific productive value chains. As a result of the comprehensive assessments completed in the first quarter, the Partnership designed three sub-activities which address two value chains- agriculture and livestock – and a concentrated set of cross cutting business enabling environment activities. The sub-activities are spread geographically with livestock in the east in the Burao area, agriculture in the western Borama area, and a number of discrete Business Environment (BE) activities centered in Hargeisa.

Based on USAID reviews of the sub-activity designs, by the end of the third quarter the Partnership was engaged in full implementation of the Borama agriculture activity, implementation of a number of the Business Environment sub-activity tasks, and has submitted revised sub-activity designs for the livestock value chain. In particular, work under the Energy Regulatory and Legal Framework development task within the BE sub-activity continued with the Partnership engaging with the Department of Energy at the Ministry of Mines, Energy, and Water Resources to organize a public-private dialogue workshop to contribute to the development of a draft energy regulatory and legal framework. Building on the progress made so far, more comprehensive work is planned for the development of this framework in the first quarter of 2012. In addition, during the third quarter the Partnership launched the Partnership Fund – a small grants and Global Development Alliance (GDA) program.

INTRODUCTION

Pursuant to the requirements of the Partnership for Economic Growth program, Contract No. AID-EEM-I-00-07-0009/AID-623-TO-11-00001, the DAI Nathan Group (DNG), a joint venture between DAI and Nathan Associates formed in response to the General Business, Trade, and Investment II (GBTI II) IQC, is pleased to submit the second Quarterly Report covering October 1 – December 31, 2011. DAI is the lead joint venture partner for DNG for this contract and has sole implementation responsibility and oversight of the program.

STAFFING & SUPPORT

The Partnership is led by Program Manager, Mr. Suleiman Mohamed. During the third quarter he was supported by the following full time staff and short-term staff consulting support:

Project Staff:

- Private Sector Specialist / Deputy Program Manager - Zaki Raheem
- Senior Business Environment Advisor - Omar Afqarshe
- Agribusiness Advisor – Adan Muse
- Livestock Advisor – Dr. Ahmed Artan
- Senior Communications and Community Outreach Officer – Kaltun Hassan
- Senior M&E Officer - Abdikadir S. Hashi
- Grants Officer - Sahra Said Bile
- Operations Manager - Deqa Ismail
- Finance and Administration Manager – Erica Bonanno
- Accountant - Khadar Abib
- Logistics and Procurement Officer - Abdilkadir Nur
- Administrative Assistant: Amal Mohamed

Short Term Consultants:

Short Term Consultants:

- Nicole Burka, Acting Finance and Administration Manager: October 9 - December 16
- Elizabeth Drachman, DAI Communications Specialist: December 1 - December 2
- Mohamed Hussein, Energy Regulatory Framework Consultant: December 8 - December 17
- Lara Goldmark, DAI Senior Public-Private Dialogue Specialist: November 28 - December 16
- Rich Magnani, DAI Agriculture Specialist: October 18 – November 6; and November 26 – December 17
- John McGuire, DAI Contracts Specialist: November 28- December 8
- Heather McHugh, DAI M&E Specialist: December 26- January 17
- Bryanna Millis, DAI Business Index Survey Design Specialist: November 22-November 28
- Hassan Farah Mohamed, Local Energy Law Specialist, Watershed Legal: November 23 - December 15
- Max Arte, Energy Specialist: November 27 - December 20
- Steve Romanoff, DAI Environmental Regulatory Specialist: November 9 - November 23
- Sam Scheuth, Survey Design Specialist, consultant: October 1 - October 4
- Gilles Stockton: CNFA Livestock Consultant: November 21 - December 21
- Mary Webster, Energy Law Expert: December 4 - December 15
-

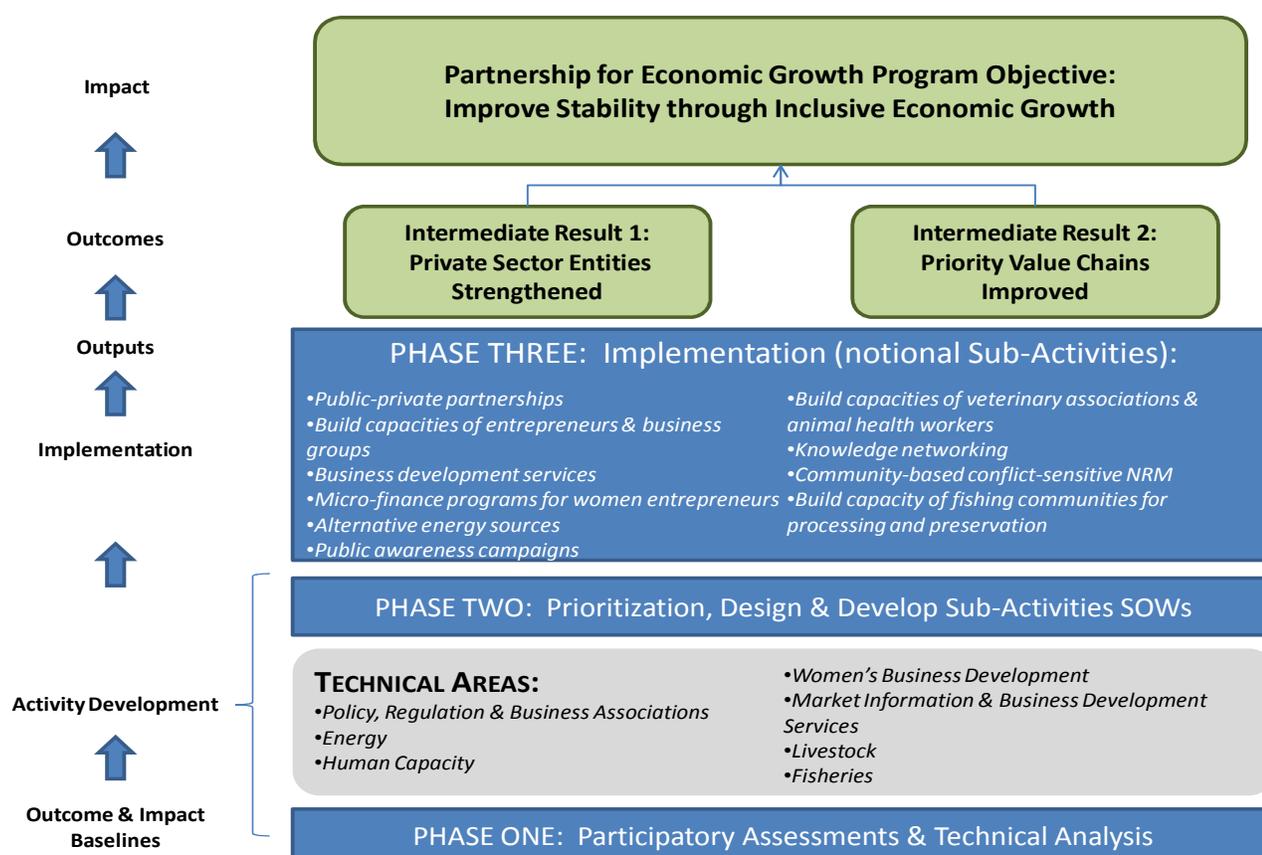
DAI home office support has been provided by:

- Rich Magnani – HO Project Technical Lead (PTL)
- Scott Toland – Project Business Manager
- Savannah Onwochei – Project Coordinator

RESULT FRAMEWORK

The Partnership’s M&EP/PMP was submitted to USAID at end of the second quarter alongside with the PMP. IBTCI and the Partnership staff met in late December 2011 and planned to meet again in early January, 2012, in Hargeisa to review the PMP and all performance indicators, targets, baselines, and data collection tools. Heather McHugh, DAI M&E Specialist, and Abdikadir Hashi, the Senior M&E Officer, will revise the PMP following IBTCI’s review, and resubmit it to USAID for final approval.

The results framework shown below includes the key phases of the program’s implementation, the two intermediate results, and the program objective. Along the left-hand side of the graphic is a flowchart that shows the progress from assessment to design to implementation to outputs to outcomes and finally to impact, and therefore incorporates the three types of performance indicators that are required to measure the achievement of the Partnership’s results. Refer to the Monitoring and Evaluation section of this report for detailed discussion.



SUMMARY OF PROGRAM HIGHLIGHTS THIS QUARTER

1. Mobilized one key personnel - Senior Communications and Community Outreach Officer – by the first week of November, 2011.
2. Mobilized other program staff including: the Finance and Administration Manager (FAM), Senior Business Environment Advisor, Borama Agribusiness Advisor, Burao Livestock Advisor, Senior M&E Officer, Grants Officer, and Administrative Assistant.
3. Received USAID approval for the Agriculture sub-activity. Finalized workplans and signed sub-contract agreements with the two key local partners – Amoud University and the Somali Agricultural Technical Group (SATG) in December. Community sensitization meetings with Baki, Ruki and Borama farming communities in Awdal Region were organized to introduce the project and partners, as well as obtain participant feedback on favored crops and varieties to test in the three demonstration plots, and preferred locations for plots.
4. Launched the Business Seminar Series with Abaarso Tech University. The first seminar on November 16th 2011 was entitled “*Using IT to Improve Business in Somaliland.*” The second seminar on December 7, 2011, was entitled “*Bringing Efficient Energy to Somaliland.*” Both seminars were recorded and aired by Radio Hargeisa.
5. Worked with the Ministry of Commerce and the Chamber of Commerce to finalize and pilot test the first Somaliland Business Confidence Index (SBCI) survey. The survey was launched at the Somaliland Business Fair in Hargeisa from the 17th - 21st December 2011.
6. Drafted the SOW to engage KPMG in developing and delivering an Association of Chartered Certified Accountants (ACCA) accreditation program in partnership with a local training institution.
7. Coordinated with the Somaliland Department of Energy at the Ministry of Mines, Energy, and Water Resources to organize a two-day energy public-private dialogue (PPD) workshop. The workshop, held in Berbera on December 11-12, was attended by about 55 participants representing the private and public sectors. The purpose of the workshop was to engage the private and public sector in the energy regulatory and legal framework development process. During the workshop presentations were made on and participants discussed a number of issues including: establishing the conditions for growth of the energy sector, with a focus on expanding electricity services, powered by both conventional and alternative sources. Examples and experiences from other countries were shared in relation to the situation in Somaliland.
8. Launched the Partnership Fund- a small grants and Global Development Alliance (GDA) program - on December 27 2011. The Partnership team released an Annual Program Statement (APS) to solicit concept papers, which will be reviewed and short-listed in the fourth quarter for grant award consideration.

9. Invited DAI's home office Environmental Compliance Advisor to conduct an environmental screening and review of the approved and planned agriculture, livestock, and business environment sub-activity tasks.
10. Hired CNFA's expat STTA on livestock, Gilles Stockton, to complete a revised livestock SOW that was submitted for USAID for review. The research and updated SOW focused on key technical areas including support to fodder production, support to work related to community level animal health work, capacity building for a women's livestock trade association, and technical assistance to support camel milk production and marketing project.
11. Oversaw the local survey firm Training and Research Group (TRG) conduct the Partnership's baseline survey. TRG completed data collection of 948 households in rural and urban areas from all six regions of Somaliland in the third quarter, and data analysis will be completed in the fourth quarter.
12. Worked with IBTCI to review all performance indicators, targets, baselines, and data collection tools in the third quarter; and will be revising the PMP following IBTCI's review, and resubmitting it to USAID for final approval.

PROGRESS THIS QUARTER

THIRD QUARTER, OCTOBER 1, 2011 – DECEMBER 31, 2011

In the section below, we present progress for this quarter, October 1, 2011 through December 31, 2011, against each of the relevant tasks for the quarter. Tasks follow the same organizational format that was used in the first annual work plan. Tasks are broken into six areas: program mobilization, the four technical phases of the program, and monitoring and evaluation. The four program technical phases are:

1. Phase One: Participatory Assessment and Technical Analysis
2. Phase Two: Prioritize, Design, and Develop Sub-Activity SOWs
3. Phase Three: Implementation
4. Phase Four: Localization

Each program area and technical phase relevant to the second quarter is presented in detail below.

MOBILIZATION

Mob Task 1: Sign and fully execute contract. Completed first quarter

Mob Task 2: Hold Inception Meetings with USAID in Nairobi. Completed first quarter

Mob Task 3: Register with the government of Somaliland. Completed first quarter

Mob Task 4: Establish banking services in Hargeisa, transfer funds. Completed first quarter

Mob Task 5: Establish, secure, and set up office in Hargeisa. Completed second quarter

Mob Task 6: Procure IT equipment and vehicles.

Vehicles: The relevant vehicle procurement waiver for two Toyota Landcruiser hardtops was received from USAID during the previous quarter and DAI went ahead and purchased the vehicles from Toyota Gibraltar. However, due to delays in shipping and customs clearance in Djibouti, the vehicles did not arrive in the third quarter. The vehicles arrived in early January 2012 (start of the fourth quarter) as this report was being put together..

IT Equipment. IT equipment requiring setup was purchased by DAI from the US and received in Hargeisa in October. The project has completed the pre-set up requirements as defined by DAI's home office IT department. The equipment is scheduled to be set up in the fourth quarter.

Mob Task 7: Recruit Somali LTTA staff. During the quarter LTTA Somaliland staff were hired to fill office and field positions as follows:

1. Omar Afqarshe - Senior Business Environment Advisor
2. Sahra Said Bile - Grants Officer
3. Abdikadir S. Hashi - Senior M&E Officer
4. Kaltun Hassan - Communications Specialist

5. Amal Mohamed - Administrative Assistant
6. Dr. Artan Muhammad - Livestock Advisor (CNFA sub-contractor staff member)
7. Adan Muse –Agribusiness Advisor

Mob Task 8: Establish communications and IT capability. Communications support is provided by Telesom which is the internet provider as well as providing landlines and mobiles for the project staff. The local area network (LAN) wiring was completed and the necessary telephone and internet connections are ready for the server, PABX and IP-phones equipment set up. However, the IT systems installation and configuration as well as the installation of the DAI- TAMIS management information system were delayed and will be accomplished in the fourth quarter.

Mob Task 9: Field program manager and other key personnel. In addition to the Program Manager, Suleiman Mohamed and Private Sector Specialist/Deputy Program Manager, Zaki Raheem, the other two key personnel were also approved by USAID, namely: Communication Specialist, Kaltun Hassan, who was mobilized to Hargeisa on November 8 2011, and Jurjen Draaijer, the Livestock Value Chain Specialist whose approval was received in December 2011. Mr. Draaijer will mobilize to Hargeisa in late January 2012.

Mob Task 10: Field assessment team. Completed first quarter

Mob Task 11: Deliver first annual work plan. Revisions to the work plan were made during the quarter..

Mob Task 12: Deliver strategic communications and community outreach plan. Completed second quarter

Mob Task 13: Host public Launch Event for the Partnership for Economic Growth. Completed first quarter

Mob Task 14: Submit draft Grants Management manual for approval. Completed second quarter

PHASE ONE: PARTICIPATORY ASSESSMENT AND TECHNICAL ANALYSIS

All Phase 1 tasks were completed during the first quarter.

P1, Task 1: Conduct value chain assessment and mapping for livestock and fisheries

P1, Task 2: Assess potential of other productive value chains.

P1, Task 3: Assess private sector development technical areas.

P1, Task 4: Agree on shortlist of sub-activity possibilities with USAID.

P1, Task 5: Deliver assessment chapter one: business enabling environment.

P1, Task 6: Deliver selected written components for assessment chapter two: enterprise development.

P1, Task 7: Conduct business environment survey.

PHASE TWO: PRIORITIZATION, DESIGN, AND DEVELOPMENT OF SUB-ACTIVITY SOWS

Tasks 1 through 7 were completed during the first quarter

P2, Task 1: Engage Chamber of Commerce, Ministry of Commerce and/or other key counterparts.

P2, Task 2: Convene first stakeholder's conference.

P2, Task 3: Deliver any outstanding written components for assessment chapter two.

P2, Task 4: Deliver value chain assessments and maps for livestock, fisheries, and energy.

P2, Task 5: Deliver assessment chapter four, other potential productive value chains.

P2, Task 6: Confirm USAID endorsement of prioritized sub-activities.

P2, Task 7: Develop SOWs and budgets for prioritized sub-activities.

P2, Task 8: Convene second stakeholder's conference. Completed second quarter

P2, Task 9: Develop sub-activity SOWs/action plans into MOU and/or GDA agreements with partners.

- **Agriculture Sub-Activity** – The Borama based agriculture sub-activity was launched in mid-December following USAID consent approval of sub-contracts for Amoud University and the Somali Agricultural Technical Group (SATG). See Phase 3 Tasks 1 and 2 below.
- **Business Environment Sub-Activity** – The Hargeisa based Business Environment Sub-activity was launched in October following USAID approval of several BE tasks in October 2011, including the SBCI, Business Seminar Series, and the Energy Regulatory and Legal Framework development work. In addition, a SOW was drafted for the ACCA accounting certification activity.
- **Livestock Sub-activity** – The Livestock Value Chain SOW completed by CNFA in the second quarter was revised in the third quarter by Gilles Stockton, CNFA STTA Livestock Specialist, and submitted to USAID for review. USAID's questions and comments to the SOW were received late in the quarter. The Partnership's response was submitted while this report was being prepared early in the fourth quarter..

P2, Task 10: Compile all chapters and deliver final private sector development assessment report.

Completed in the second quarter

PHASE THREE: IMPLEMENTATION

USAID completed its review of the three sub-activity SOWs in the third quarter, and approved all of the Borama based agriculture sub-activity, and approved several tasks of the BE sub-activity with some clarifications/reviews recommended. USAID partially approved the livestock sub-activity components. This resulted in the fielding of a new STTA by CNFA, Gilles Stockton, to revise the livestock SOW. Implementation began in the third quarter in both the agriculture and BEE activities. Implementation of the livestock activity will begin early in the fourth quarter as soon as the Partnership team submits the revised SOW and USAID approval is obtained. Two livestock specialists were hired near the end of the third quarter, and the Partnership livestock office in Burao was established.

Phase three (P3) implementation will include the following major tasks:

P3, Task 1: Launch selected sub-activities. Project launches were conducted during the third quarter for the agriculture Sub-Activity. The Partnership launched the Business Seminar Series, under the BE sub-activity, with Abaarso Tech on November 16th with a panel discussion focusing on the IT sector of Somaliland. The Somaliland Business Confidence Index (SBCI) survey was launched at the Somaliland Business Fair in Hargeisa from the 17th - 21st December 2011, with the enumerators from the Ministry of Commerce and the Chamber of Commerce receiving training and participating in the exercise. In addition, the Partnership publicly launched the Energy Regulatory and Legal Framework development task, under the BE sub-activity, with a two-day public-private dialogue (PPD) workshop in Berbera on December 11 and 12. The livestock activity launch will be conducted in Quarter 4. The Partnership Fund, while not a sub-activity, was launched in the third quarter. Refer P3, Task 3 below.

P3, Task 2: Implement selected sub-activities.

Agriculture: Implementation of the Borama based agriculture sub-activity began shortly following USAID approval of consent to subcontract in early December. Both Amoud University and SATG began working immediately with the Partnership Agribusiness Advisor to launch the sub-activity. They organized community stakeholder meetings, one each at the University, Baki, and Ruqi late in the third quarter. Community participants numbered 40 at Amoud (plus 4 members of the Partnership team), 21 at Baki, and 18 at Ruqi. The purpose of the meetings was to introduce the communities to the Partnership project and the implementation teams from Amoud University and SATG. The team discussed the overall goals and objectives of the Borama agriculture sub-activity as well as the specific activities and timelines. Finally, the team obtained participant feedback on favored crops and varieties to test in the 3 demonstration plots, and preferred locations for the Baki and Ruqi plots. The participant feedback on crop and demo site location was successful in promoting community ownership of the sub-activity. SATG's initial responsibility was to report on the appropriate vegetable crop varieties suitable for the agro-climatic conditions of the Borama area. SATG delivered this report by the end of the third quarter.

Business Seminar Series: The first and second Business Seminar Series with Abaarso Tech University were held this semester. The first seminar on November 16th 2011 was entitled “*Using IT to Improve Business in Somaliland.*” The panelists included: Mohamed Hassan Ali, Chief Information Officer, Saudi

Arabian Cooperative Insurance; Mohamed Abdi Abdilahi, ICT Consultant for Ministry of Finance; Pavel Votchitsev, ATU Software Engineering Department Head and former Google and Sun Microsystems engineer; and Mohamed Hassan Awale, a Somaliland Diaspora IT Expert. The Partnership supported Abaarso Tech with hosting the second Business Seminar on December 7, 2011, entitled “*Bringing Efficient Energy to Somaliland.*” Panelists included: Hon. Hussein Abdi Duale, Minister of Energy; Abdi Ali Berkad, CEO of Kaah Electric Company and Chairman of Hargeisa Electric Lighting and Power Association; and Max Arte, Energy Specialist. Each seminar had between 50 and 75 attendees, and was recorded by Radio Hargeisa and aired several times throughout the third quarter with strong positive feedback from radio listeners. Using audience feedback from the first two seminars, preparation has begun for upcoming seminars in 2012 focusing on key business issues such as the role of the media, investment promotion, the Bank Act, and the construction industry.

SBCI: The first Somaliland Business Confidence Index (SBCI) survey was launched at the Somaliland Business Fair in Hargeisa from the 17th - 21st December 2011. The survey is designed to gain feedback from investors and the business community on their perceptions of the Somaliland business environment and impediments to investment such as: local availability of professional and skilled labor; access to land; ease of business registration; and quality of infrastructure, telecommunications, and transportation. The survey was carried out jointly by the Ministry of Commerce, Industry and Tourism’s nascent Investment Climate Unit in conjunction with the Chamber of Commerce with the technical support of the Partnership’s staff. The Partnership team worked collaboratively with the Ministry of Commerce and Chamber of Commerce to review and translate the SBCI, provide survey methodology training, and secure two booths at the private sector-led business Fair, from where the survey was conducted. The Fair also presented high visibility for both the Partnership program and the two partners, amongst the business community participating in Somaliland’s largest Fair. The opportunity enabled enumerators to collect data from 75 businesses that were present at the Fair from a diverse cross-section of the Somaliland economy and neighboring countries. The launch of this annual index will become a baseline for both the Ministry and the Chamber to provide updated business confidence information to complement other data collection and investment promotion efforts.

Energy Regulatory Framework development work: The Partnership team brought on three consultants this quarter to support with the project’s ongoing energy regulatory development work, namely Max Arte, energy specialist, Mary Webster, energy law expert, and Hassan Farah Mohamed, local energy law specialist. In October, the energy specialist was fielded to formulate a draft *energy regulatory and legal framework* in Somaliland. The preliminary draft was officially shared by USAID with the Somaliland Ministry of Mining, Energy and Water Resources and was well received. As a next step, the Partnership supported further technical and legal review of the preliminary document which outlines a range of more than 260 topics in the energy and electricity sectors including the promotion of alternative energy such as solar and wind energy as well as provisions and guidelines for safety, fair consumer tariff structures, electricity production and transmission efficiency procedures and other important regulatory issues critical for the sector’s effective business and technical codes of conduct.

As a complementary component of the energy regulatory development work, the Partnership coordinated with the Somaliland Department of Energy at the Ministry of Mines, Energy, and Water Resources to organize a two-day energy public-private dialogue (PPD) workshop. The workshop was held in Berbera on December 11-12. Participants included 25 owners, managers and engineers of independent power

providers from regions throughout Somaliland including Hargeisa, Erigavo, Burao, Boroma and Lasanood; 9 staff Ministry of Energy, including the Minister who opened the workshop; other staff from key government agencies including the Ministry of Commerce and Public Works; and targeted NGOs and civil society groups that have been working on energy issues in Somaliland, such as ADRA and NAGAAD. The purpose of the workshop was to engage the private and public sector in the energy regulatory and legal framework development process. During the workshop presentations were made on and participants discussed a number of issues including: establishing the conditions for growth of the energy sector, with a focus on expanding electricity services, powered by both conventional and alternative sources. Examples and experiences from other countries were shared in relation to the situation in Somaliland. A second PPD will be held during the fourth quarter, where the draft framework will be presented and a wider array of energy stakeholders including household and business energy consumers will be invited.

P3, Task 3: Solicit and review relevant grant applications. During the third quarter the Partnership team developed and issued an Annual Program Statement (APS) to inform the general public of Somaliland that the Partnership Fund grants program was open for application. The objective of the Partnership Fund is to co-invest in Somali businesses, nonprofits, and institutions through a grant mechanism to support innovative approaches to strengthen the Somali private sector and generate employment, while ensuring shared risk by encouraging a cost-share with award recipients. The APS covers both the smaller grants component (generally less than \$50,000) as well as larger GDAs (generally greater than \$50,000 up to a maximum of \$100,000). The cost-share for applicants to smaller grants is 25% of the grant amount requested from the Partnership. The cost-share for larger GDAs is a one-for-one match.

The APS was announced on December 28, 2011, and was widely advertised through Jamhuuriya, Haatuf and Waaheen Newspapers all of which accepted to deliver the newspapers to all the regions of Somaliland. The ads were also placed in the websites: Somalilandpress.com, Somalilandtimes.com and Ishasomaliland.com.. In addition to the placed advertisements, an SMS message was sent to all Telesom subscribers of Somaliland reaching an estimated million customers. The APS details the objectives of the Partnership Fund program, eligibility requirements, cost-share details, eligibility requirements, and application and submission information for applicants (Refer to the Annex for the APS). The approach chosen by the team for the APS, to enhance efficiency while maintaining a fair and transparent process, is to first request applicants to submit a short (5 page) concept paper by February 2, 2012. The APS also allows applicants to submit questions by January 11 with responses to all applicants and to all questions by January 18.

The results of the final reviews and evaluation of the complete proposals late in the fourth quarter will determine the total dollar volume of smaller and GDA type partnership grant awards. The size of the total volume of awards from this first round of applications will determine whether the Partnership will conduct one or more subsequent APS rounds.

P3, Task 4: Award and manage grants and/or subcontracts (including GDA/PPP financing). During the third quarter the Partnership awarded sub-contracts in the form of fixed price purchase orders to Amoud University and SATG for the agriculture sub-activity, and to Abaarso Tech for one component of the BE sub-activity. Each purchase order is based on a set of deliverables with completion dates and

payment amounts for each deliverable. During the quarter both Amoud University and SATG completed their first deliverables.

A description of the deliverables and the respective due dates for Amoud University and SATG are shown below:

Amoud University Deliverables Schedule

	Deliverable Description	Deliverables Due Date
1	Community stakeholder meetings completed. Amoud agriculture & business advisory staff screened & selected	Dec 20, 2011
2	Baseline focus groups/survey completed; literacy & numeracy instruction materials completed, and instruction initiated	Jan 15, 2012
3	Borehole drilled	Feb 1, 2012
4	Literacy & numeracy training completed for farmers, vendors & traders. Training materials developed (agriculture & business).	Mar 20, 2012
5	Windmill installed – water flowing	Mar 31, 2012
6	Three demo plots planted – first season	Mar 31, 2012
7	Demo plot harvest completed – first season	Jul 15, 2012
8	Workshop with traders and vendors to explore niche for premium products	July 30, 2012
9	Demo plot harvest – second season	Oct 15, 2012
10	Establish Amoud nursery and complete planting of tested varieties	Mar 15, 2013
11	Nursery seed cleaner installed and operational	May 15, 2013
12	End of activity report	July 31, 21013

SATG Deliverables Schedule

	Deliverable Description	Deliverables Due Date
1	Completed report - identification of appropriate vegetable crops and varieties for Borama area	Dec 20, 2011
2	Completed contact list - sources of seed and other production inputs	Jan 15, 2012
3	Extension training manuals completed	Jan 31, 2012
4	Protocols completed for vegetable crops used in demo plots (production and protection guidelines, irrigation practices, etc.)	Feb 15, 2012
5	Farmer training materials, brochures, and other materials completed (in Somali language)	Mar 31, 2012
6	Extension staff training season 1 completed	Jun 30, 2012
7	Monitoring report on 3 demo plots completed at end of first crop season	Aug 1, 2102
8	Monitoring report on 3 demo plots completed at end of second crop season	Oct 15, 2012
9	Training of Amoud staff on nursery development & seed multiplication system	Nov 31, 2012
10	End of activity final report – including demo plot performance data	Dec 31, 2012

Day-to-day operations management for the Borama agriculture activity is being handled by Agribusiness Advisor Adan Muse, who resides in Borama. Project management oversight is the responsibility of Zaki Raheem. Mr. Muse submits brief weekly progress reports to the Partnership management team, and is regular weekly telephone and email contact with Mr. Raheem.

A description of the deliverables and the due dates for Abaarso Tech University is shown below:

No.	Deliverable Description	Due Date
1	Head of marketing identified	October 31, 2011
	Draft strategy for advertising and planning for Business Speakers Series outlined	
2	2 seminars completed	1-Jan-12
3	1 seminar completed	1-Feb-12
4	1 seminar completed	1-Mar-12
5	1 seminar completed	1-Apr-12
6	1 seminar completed	1-May-12
7	1 seminar completed	1-Jun-12

8	1 seminar completed	1-Sep-12
9	1 seminar completed	1-Nov-12
10	1 seminar completed	1-Jan-13
11	1 seminar completed	1-Feb-13
12	1 seminar completed	1-Mar-13
13	1 seminar completed	1-Apr-13
14	1 seminar completed	1-May-13
15	1 seminar completed	1-Jun-13
16	1 seminar completed	1-Aug-13

Day-to-day operations management for the Business Speakers Series is being handled jointly by the Senior Communications and Community Outreach Officer Kaltun Hassan and Senior Business Environment Advisor Omar Afgarshe, both based at the Partnership's Hargeisa main office. Project management oversight is the responsibility of Zaki Raheem. Brainstorming and seminar planning meetings throughout the quarter with the Abaarso team were attended by Ms. Hassan, Mr. Afgarshe and Mr. Raheem from the Partnership.

P3, Task 5: Assess feasibility of expanding program to Puntland and/or other regions of Somalia. In December, USAID requested the Partnership to submit an abbreviated work plan to expand activities into Puntland. This initial plan is shown below.

Tentative Program for Partnership Expansion into Puntland

Activity	Comments	Tentative Date
Brief consultation meeting	Using TIS's Garoowe office as a base, key Partnership staff will make an initial trip to Garoowe in Puntland to meet with key ministries and the Chamber of Commerce to discuss expansion into Puntland and potential intervention areas.	Late February 2012
Stakeholder meeting in Garoowe	Organize stakeholder meeting in Garoowe with a representative stakeholders to identify/prioritize areas of support	March 2012
Development of SOWs		March – April 2012
Arrangements with TIS on sharing office space		Following stakeholder discussions
Recruit a coordinator and an office assistant	Advertise, interview, and select candidate from Puntland to be Partnership representative and activity coordinator	March
STTA needs identified and deployment planned	Planning, identification and deployment for preliminary assessments or providing technical input before start of activities	March/April
Start of Activities	Office set up and start of implementation	May/June, 2012

PHASE FOUR: LOCALIZATION

The Partnership recognizes that building capacity and expanding local ownership among partners and stakeholders are essential ingredients for building program sustainability. In Phase Four, which overlaps and is integrated with Phase Three, the Partnership team will plan for localization to support program objectives as part of an explicit exit strategy. As an outgrowth of our participatory assessment and design approach, we will develop the exit strategy coordinating the communications and community outreach planning activity with the implementation of sub-activities and grant awards.

Phase Four (P4) will include the following major tasks in year one:

P4, Task 1: Integrate localization strategy into communication and community outreach plan. The localization strategy was integrated for the final version of the Strategic Communications and Community Outreach Plan and was approved by USAID in the second quarter.

P4, Task 2: Design explicit localization into selected sub-activities.

Agriculture: For Borama, agriculture localization was a factor in the choice of partners. Increasing capacity of Amoud University staff selected as agriculture extension and business advisory services providers will improve the likelihood of sustaining these services if the commercial nursery can generate sufficient revenue. SATG has shown its commitment to improving agriculture production in Somaliland, Puntland, and southern Somalia, and based on its charter, has explicit interest in finding a role in developing Borama agriculture following the end of the Partnership.

Business Seminar Series: SBCI and The project design and implementation for all Business Environment sub-activity tasks factored in the importance of localization as well, to ensure local buy-in, sustainability past project end, and capacity building for key partner institutions. In particular, for the Business Seminar Series, Abaarso Tech already has experience planning and hosting such events; however the Partnership's support is allowing this locally run activity to increase attendance and interest by being moved to Hargeisa and expanding advertising efforts and more widely disseminating recordings of the event.

SBCI: The SBCI activity is being jointly being conducted with the Ministry of Commerce and Chamber of Commerce, and the Partnership hopes that such an activity has the opportunity strengthen the awareness, effectiveness, coordination efforts and responsiveness to local and foreign investors in the coming years.

Energy Regulatory Work: For the energy regulatory work, a localization strategy has been pursued from the beginning, which entails full involvement and guidance by the Ministry of Energy. The Department of Energy within the Ministry has been formally delegated to work and liaise with the Partnership program. Eng. Suleiman, the Director of Energy, met frequently with the energy team during the energy value chain assessment and the initial energy framework drafting and formulation process. The Ministry also reviewed the drafts and is also involved in decision-making regarding project's next steps. In addition, the Ministry continues to lead the energy PPD planning, as a way to ensure that there is credibility and local buy-in from IPPs and other government agencies for the draft energy Act and Regulations and before it is submitted to the Parliament.

ACCA Accounting Activity: Finally, a key aspect for the design of the ACCA accounting activity was explicitly ensuring localization from the beginning. The recently opened KPMG East Africa office in Somaliland is currently the only registered accounting company operating within Somaliland, and

therefore having such a partner support the activity was the first step in localization. In addition, the proposed key partner (KPMG) will get a local institution as an implementing partner as a condition for sub-contract award. In the process KPMG will be developing the capacity of a local institution to eventually manage the first ever locally-run sustainable ACCA teaching and testing program, by producing a cadre of certified graduates, some of whom will be encouraged/committed to becoming instructors for future classes.

P4, Task 3: Transition two expatriate key personnel positions on long-term staff to local professionals.

The Partnership has filled one key personnel position, Senior Communications and Community Outreach Officer, with a CCN Kaltun Hassan. Zaki Raheem, the expat Private Sector Development Specialist who is also the Deputy Program Manager, joined the team in the second quarter. Based on the importance of this position he has been budgeted through August 2013. If the Partnership program is extended beyond August 2013, the team will recruit and train a local replacement toward the end of Mr. Raheem's assignment.

MONITORING AND EVALUATION

Monitoring and evaluation (M&E) of the Partnership for Economic Growth program included the following major tasks during the third program quarter, October 1 – December 31, 2011:

M&E, Task 1: Establish working relationship with USAID's third party M&E partner, IBTCI.

In November, Heather McHugh, the Partnership's M&E advisor in the DAI Home Office, met with IBTCI staff Edward Allan and Robert Grossman-Vermaas in Washington to discuss the Partnership's Monitoring and Evaluation Plan / Performance Management Plan (submitted for approval in September 2011). They also discussed the proposed IBTCI stabilization survey, and other M&E tasks and duties. The IBTCI representatives explained that they were no longer able to conduct their own version of the stabilization survey. As a result, IBTCI asked the Partnership to add stabilization questions to future versions of the Partnership's survey. IBTCI confirmed that adding stabilization questions to the Partnership's survey would not be duplicative of future survey effort by a third party, since the stabilization questions would be focused on the impact of Partnership activities. A third party stabilization survey would, by necessity, be collecting data separate from Partnership activities. Mr. Allan and Mr. Grossman-Vermaas also reported that the clearinghouse database was nearing operational status. The IBTCI team reviewed the performance indicators in the Partnership's M&EP/PMP, including the F indicators, and stated that the PMP was in good shape.

In December, Ms. McHugh, en route to Hargeisa to support to the project's M&E efforts and serve as Acting Project Manager, met with Gaele le Pottier, IBTCI Chief of Party, in Nairobi. During the nearly day-long meeting, they discussed the status of the PMP, the desire by USAID/East Africa to add additional F indicators to the Partnership's PMP, the status of the economic growth survey, and the requirements of the clearinghouse database. Ms. Le Pottier also confirmed that the Partnership's M&EP/PMP was in very good shape, but that IBTCI would like to discuss each indicator during a meeting in January 2012. Ms. McHugh agreed, and contacted the Partnership staff in Hargeisa to initiate the arrangements for a meeting with IBTCI on January 9th, 2012. As this progress report was being put together in January 2012, this meeting took place and agreements reached on what was needed for the PMP to be re-submitted to USAID.

M&E, Task 2: Conduct baseline survey through locally competed subcontract. The local Somali firm, Training and Research Group (TRG), completed the implementation of the baseline survey in December 2011. The survey team was divided into two teams. Data was collected from urban and rural households with a total of 948 participants being interviewed from 58 sampling points in six Somaliland regions. Data analysis will begin in January 2012, and the final report will be completed early in the fourth quarter.

M&E, Task 3: Set specific baselines and targets for the selected sub-activities. Baselines for most of the output indicators, those directly related to the sub-activities, have been set at “0.” Baselines for many of the non-survey outcome indicators will be set once activities are initiated and targeted institutions have been selected. Baselines for the survey-related outcome indicators will be set once the final report is completed early in Quarter four. Targets for all indicators will be established by the end of January, 2012.

M&E, Task 4: Develop and submit monitoring and evaluation plan, including targets and indicators. The Partnership’s Monitoring and Evaluation Plan/Performance Management Plan (M&EP/PMP) was submitted to USAID for review on September 30, 2011. During discussions with USAID and IBTCI, a new requirement was shared with the Partnership staff that the M&EP/PMP should be submitted first to IBTCI and then, after IBTCI’s review and “concurrence,” resubmitted to USAID for approval. Discussions between Ms. McHugh and Mr. Suleiman Mohamed resulted in a decision not to withdraw the original M&EP/PMP submission, but to wait until a revised PMP, which incorporated IBTCI’s comments, could be resubmitted in January 2012.

M&E, Task 5: Submit quarterly reports, including quarterly accruals. This third quarter report will be submitted on January 31, 2012. It will be submitted electronically and with two hard copies to USAID, and will also be distributed to relevant Somali government officials and key counterparts, once approved for distribution.

M&E, Task 6: Submit quarterly expenditures accruals report. The quarterly expenditure accruals report for the third program quarter was submitted at the end of the Quarter. Total reported expenditures up to this quarter is \$2,570,242.85

FORTHCOMING QUARTER

FOURTH PROGRAM QUARTER, JANUARY 1 – MARCH 31, 2012

MOBILIZATION

The final mobilization tasks will be completed early in the third quarter.

Mob Task 7: Recruit Somali LTTA staff. All Somali LTTA staff hiring was completed in the third quarter.

Mob Task 8: Establish communications and IT capability. TechnoBrain, a private US-based IT firm, has been selected to set up and configure IT equipment for the Partnership office. They were selected after establishing that it would be more cost effective to use their services than to use DAI's HO IT personnel for the same job. TechnoBrain will be provided with relevant procedures, instructions and configuration documentation for setup as well as relevant contacts at the DAI HQ. User accounts and Lotus Notes ID files will be created by DAI IT Support prior to client equipment configuration. The office will have a functional Project LAN and configured communication equipment, servers, workstations and peripherals per DAI standards and procedures. All current users will be registered and trained on the basic usage of Lotus Notes email. More reliable Internet connectivity will be established, with firewall protection and secure connection to the DAI Headquarters (VPN) as well as VoIP communication. And Techno Brain will train local IT support staff in maintenance and other IT related tasks and procedures.

A home office TAMIS specialist will arrive in Hargeisa on February 14, 2012 to finalize the set up of DAI's TAMIS management information system and customize this system so that the project can better track finances, grants, subcontracts and procurement, personnel approvals, contract deliverables, work plan progress, project policies and monitoring and evaluation data.

PHASE ONE: PARTICIPATORY ASSESSMENT AND TECHNICAL ANALYSIS

All Phase one tasks were completed in the second quarter.

PHASE TWO: PRIORITIZATION, DESIGN, AND DEVELOPMENT OF SUB-ACTIVITY SOWS

Phase two tasks that will be addresses during the fourth quarter:

P2, Task 7: Develop SOWs and budgets for prioritized sub-activities. Completed during quarter 3 for the Agriculture Sub-activity and Business Seminar Series task under the BE Sub-Activity. An SOW and

budget was drafted for the ACCA Accounting task under the BE Sub-activity, and will be submitted to USAID for review early in quarter 4.

As discussed above, the livestock SOW was revised and resubmitted to USAID for review late in the third quarter. The SOW will be reviewed by USAID in the fourth quarter and the Partnership team will move forward on budget development and implementation based on USAID's review once approval is obtained.

P2, Task 9: Develop sub-activity SOWs/action plans into MOU and/or GDA agreements with partners.

In the third quarter, a draft Letter of Agreement (LOAs) was drafted with the Ministry of Mines, Energy, and Water Resources to formalize the Partnership's energy regulatory work. In addition, LOAs were drafted with the Ministry of Commerce and the Chamber of Commerce to support the SBCI activity and other related activities going forward. The LOAs expected to be finalized in the fourth quarter.

In the fourth quarter, applicants to the APS whose concept papers are short listed will be selected to submit full proposals for the Partnership Fund, either for smaller grants or GDAs. The full proposals that are evaluated and selected for award will be amplified – by the Partnership team and the grantee – into SOWs with action plans to guide implementation and assist monitoring and evaluation.

PHASE THREE: IMPLEMENTATION

P3, Task 1: Launch selected sub-activities. The Partnership team plans official launch the ACCA Accounting activity with KPMG in the fourth quarter.

P3, Task 2: Implement selected sub-activities.

Planned fourth quarter implementation activities for agriculture and BE sub-activities are outlined below.

Agriculture

- Develop classroom materials for literacy and numeracy instruction;
- Literacy and numeracy instruction for framer, traders, and vendors;
- Develop materials/manuals for training agriculture extension staff and business advisory staff;
- Start training of agriculture extension and business advisory staff;
- Install small greenhouse on Amoud demo plot site;
- Drill borehole;
- Install windmill;
- Prepare three demo plots;
- Complete first season planting on three demo plots and conduct first farmer field day on each plot.

Business Seminar

- Plan and host two Business Seminar Series with Abaarso Tech.

SBCI

- Hire a local survey firm to key 75 SBCI questionnaires into the Excel spreadsheets;
- Transfer and clean the data into electronic format so that it is suitable for statistical analysis;
- Analyze the data and report the findings of the survey by using excel spreadsheets for the analysis of the data;
- Ensure Ministry of Commerce and Chamber of Commerce staff are involved with the data analysis process, as part of the capacity building process for both institutions;
- With the Ministry of Commerce and Chamber of Commerce representatives, hold a workshop to interpret the SBCI results, reflect on lessons learned from conducting baseline survey and plan next steps of the SBCI including possible expansion of survey to sectors not covered by the initial results and to a wider Diaspora community.

Energy Regulatory Work:

- Finalize the draft Energy Act and Regulations to be formally submitted to the Ministry of Energy for review;
- Incorporate the Ministry of Energy's comments into a next version of the draft;
- Translate the Energy Act and Regulations into Somali;
- Work with the Ministry of Energy to disseminate the draft Act and Regulations to key stakeholders before the 2nd PPD, scheduled for February in Hargeisa;
- Conduct a pre-PPD training with the Director of Energy, inviting key Ministry and IPP engineers to review engineering standards and technical issues of the Act and the Regulations;
- Support the Ministry to plan and host the 2nd PPD;
- Build upon the December Business Speaker's Series focusing on the energy and electricity sectors, by engaging in an energy awareness campaign, which will include possible TV and radio shows, op-ed newspaper articles, and other public forums with the Ministry of Energy, key IPPs and energy experts discussing the importance of the Energy Act and the consultative process to draft it.
- After the PPD, work with the Ministry to conduct face to face meetings with executives of IPPs to negotiate the last contentious issues to prep for final draft;
- Finalize the draft of the Energy Act and Regulations, including all comments, input and contributions from both workshops and follow-up discussions with the Ministry and stakeholders.

ACCA Accounting Activity: Based upon expected USAID approval of the ACCA Activity SOW early in the fourth quarter, the following activities are planned as part of the inception, student registration, and initial program delivery.

- Finalize work plan with KPMG;
- Short-list local institutions, with ACCA Global certification of one local institution after ACCA assessment;
- Contract ACCA teachers;
- Finalize course materials and structure;
- Document roles and responsibilities for each institution involved within the program;
- Develop advertising plan;

- Develop aptitude material;
- Vet of applications and carry out pre-selection;
- Conduct aptitude tests and select candidates;
- Register candidates with ACCA;
- Begin classes with students, which are presently planned to be delivered from 8am to 3pm for the day classes and from 5pm to 8pm for the evening classes five days a week.

P3, Task 3: Solicit and review relevant grant applications. As discussed above, during the fourth quarter grant concept papers will be evaluated and short listed applicants will be requested to submit full grant proposals which will be considered by the Review Committee.

P3, Task 4: Award and manage grants and/or subcontracts (including GDA/PPP financing). Awards for the first round of grant applications will be made by the end of quarter 4. The Partnership team will review all concept papers and will select a short list of applicants that will be requested to submit a full and complete application. The Partnership wants to ensure that the selection process at each stage is transparent and fair and based on clearly defined evaluation criteria. A Review Committee will review the concept papers and full proposals for short-listed candidates. The Review Committee will consist of senior technical staff of the Partnership, representatives from the Somaliland Ministry of Commerce and Ministry of National Planning, as well as a team of senior advisors with diverse technical and investment analysis backgrounds, so that all applications can be properly evaluated on technical and financial viability as well as economic growth impact. The type of grant mechanism will vary depending on size, structure, proposed use of funds, and type of institution. Further details are outlined in the APS which can be found in the Annex of this report.

Major criteria for evaluating proposals include:

- *Economic growth impact:* What are the expected impacts on employment and income; opportunities to improve employee skills; impact on women and youth; and increased markets access for suppliers?
- *Technical experience and technical feasibility:* Does the applicant demonstrate an understanding of the subsector and/or proposed venture (including required capital and equipment, industry best practices, innovativeness, etc.)?
- *Financial viability and cost effectiveness:* Does the applicant have realistic business plan and clearly demonstrate that the funds requested cannot be obtained from other sources?
- *Analysis of market supply and demand:* Does the applicant demonstrate an understanding of the demand (customers, prices, etc.); supply (accessing local and imported materials, etc.); and competition in the market?
- *Business management experience:* Does the applicant(s) demonstrate strong experience as a business manager?
- *Amount of cost-share contribution:* For the *Small Grants* program, the cost-share minimum expected of the grantee is 25% of the Partnership program's contribution. For the GDA grantees are expected to contribute an amount equal to the contribution of the Partnership program (i.e. a 1:1 cost share). However, a higher cost share will give the grantee an added advantage.

PHASE FOUR: LOCALIZATION

P4, Task 2: Design explicit localization into selected sub-activities. The localization strategies for ongoing and planned sub-activities are discussed in P4, Task 2.

MONITORING AND EVALUATION

M&E, Task 2: Conduct baseline survey through locally competed subcontract. The final survey report, with analysis, is expected to be completed by the end of January 2012.

M&E, Task 3: Set specific baselines and targets for the selected sub-activities. In January 2012, Heather McHugh, DAI's M&E specialist, will assist the Senior M&E Officer Mr. Abdikadir Hashi and other staff to finalize the data collection tools, the M&EP/PMP, the customization of the Organizational Capacity Assessment Tool (OCAT), and the Legislative/Regulatory Milestone index for the Partnership's use to collect performance indicators. The targets for the selected sub-activities will be determined after the Partnership Funds have been awarded (both small grants and larger GDA grants). We expect that targets will be set by March 2012, and will be included in all grant agreement awards.

M&E, Task 4: Develop and submit monitoring and evaluation plan, including targets and indicators. The M&EP/PMP was submitted to USAID at end of the second quarter. IBTCI and the Partnership staff will meet on January 9th, 2012, in Hargeisa to review all of the performance indicators, targets, baselines, and data collection tools. Ms. McHugh and the Senior M&E Manager will revise the plan following IBTCI's review, and resubmit it to USAID for final approval.

M&E, Task 5: Submit quarterly reports. The Quarterly progress report for the first quarter of FY 2012 will be submitted by January 31, 2012.

M&E, Task 6: Submit quarterly expenditures accruals report. A quarterly expenditure accruals report is submitted electronically 15 days prior to the end of each calendar quarter. It reported actual expenditures for the first month of each quarter, along with projected expenditure accruals for the second and third month of the quarter. The quarterly financial report – showing actual invoiced expenditures for October – December 2011, is shown on a subsequent page below.

ANNEX: PARTNERSHIP FUND ANNUAL PROGRAM STATEMENT

The Partnership Fund Grants Program

Annual Program Statement (APS) – for Small Grants and GDAs

Request for Concept Papers

Funding Opportunity Title:	The Partnership Fund Grants Program
Funding Opportunity Number:	0001
Grant Type:	<i>Small Grant</i> or <i>GDA</i> (please specify)
Submit Concept Papers to:	PartnershipFund@dai.com

Issuance Date:	28 December 2011
Questions from Applicants Due By:	11 January 2012
Responses to Questions Sent to Applicant:	18 January 2012
Deadline for Submission of Concept Papers:	02 February 2012
Notification of Short-Listed Applicants:	11 February 2012

To Interested Applicants:

The Partnership for Economic Growth program ('Partnership program') which is funded by the United States Agency for International Development (USAID) is making a special call for concept papers to implement activities that strengthen the Somali private sector and generate employment. The purpose of this Annual Program Statement (APS) is to solicit applications for funding under two grants mechanisms, namely: - (i) The Partnership Funds Small Grants program (*Small Grants*) and (ii) the Global Development Alliance (GDA) program:

The Partnership Fund Small Grants program (Small Grants) – Activities under this program will be small in scale and require a minimum cost share contribution from the applicant equal to 25% of the Partnership program's contribution.

Global Development Alliance (GDA) - The GDA program activities will be larger in scale (compared to the *Small Grants*) and require the applicant to provide a one-to-one (1:1) match in cost share contribution in comparison to the Partnership program's contribution;

The Partnership program anticipates awarding between 10 and 20 grants under the *Small Grants* and 3-5 grants under the GDA program to fund selected applications submitted in response to this APS. All concept papers should be submitted by 2 February 2012 for review. The Partnership program reserves the right to issue other APSs after this date depending on available funding. The number of awards and amount of available funding is subject to change and the Partnership program reserves the right to make no awards as a result of this APS.

This APS is seeking creative and effective approaches to strengthen the Somali private sector and generate productive employment as outlined in the Section I below. Applicants must demonstrate success in addressing the Partnership program's development objectives as well as in managing socio-

economic considerations in Somaliland. Awardees will be expected to share evaluation results and key lessons, and periodically disseminate activities and outcomes with the broader community.

SECTION I – DESCRIPTION OF THE FUNDING OPPORTUNITY

Background

The USAID-funded Partnership for Economic Growth program (Partnership program) is being implemented by DAI. The Partnership Fund Grants Program (*the ‘Fund’*) is a flexible, competitive mechanism through which the Partnership program encourages co-investments from Somali businesses, nonprofits, and institutions thus forging partnerships to strengthen the Somali private sector and improve Somaliland’s business environment. The goal of the fund is to emphasize and strengthen partnership with the Somali private sector to cultivate ownership and share risks. Co-investment will also allow the Partnership program to pilot innovative investments and reach a broader range of sectors.

All investments will be aligned with the core objectives of the Partnership program, which are to strengthen the Somali private sector and generate employment. The Fund is open to applicants from any sector of the economy (e.g. activities that strengthen value chains, such as horticulture, livestock, dairy, energy, etc.) and awards will be based on a proposal’s economic growth impact, technical feasibility, financial viability and cost effectiveness, analysis of market supply and demand, business management and technical experience, and amount of cost-share contribution.

Overall Program Objectives

Co-invest in Somali businesses, nonprofits, and institutions through a grant mechanism to support innovative approaches to strengthen the Somali private sector and generate employment, while ensuring shared risk by encouraging a cost-share with award recipients.

Major Criteria for Evaluating Concept Papers:

- 1. Economic growth impact:** What are the expected impacts on employment and income; opportunities to improve employee skills; impact on women and youth; and increased markets access for suppliers?
- 2. Technical experience and technical feasibility:** Does the applicant demonstrate an understanding of the subsector and/or proposed venture (including required capital and equipment, industry best practices, innovativeness, etc.)?
- 3. Financial viability and cost effectiveness:** Does the applicant have realistic business plan and clearly demonstrate that the funds requested cannot be obtained from other sources?
- 4. Analysis of market supply and demand** Does the applicant demonstrate an understanding of the demand (customers, prices, etc.); supply (accessing local and imported materials, etc.); and competition in the market?
- 5. Business management experience:** Does the applicant(s) demonstrate strong experience as a business manager?

6. **Amount of cost-share contribution:** For the *Small Grants* program, the cost-share minimum expected of the grantee is 25% of the Partnership program’s contribution. For the GDA grantees are expected to contribute an amount equal to the contribution of the Partnership program (i.e. a 1:1 cost share). However, a higher cost share will give the grantee an added advantage.

SECTION II- Estimated Funding Level

The total amount of funding currently available in the Partnership Fund is approximately \$900,000. The Partnership program anticipates issuing multiple awards under this Fund in the range of \$20,000 to \$50,000, for *Small Grants*, and \$50,000 - \$100,000 for GDA grants. However the Partnership program reserves the right to consider awards outside of this range.

SECTION III- ELIGIBILITY INFORMATION

(1) Types of Entities that May Apply

This APS is issued as a public notice to ensure that all interested and qualified organizations have a fair opportunity to submit applications for funding. Eligible organizations could include, but not limited to:

1. Private companies
2. Local non-governmental organizations (NGOs)
3. Faith-based organizations (FBOs)
4. Community-based organizations (CBOs)
5. Academic institutions
6. Business / professional associations
7. Consortiums of the above.

The Partnership for Economic Growth requires that any organization applying for the Partnership Fund is officially registered or works through an organization that is officially registered and based in Somaliland. If applicants are not currently registered with the Government in Somaliland, they must include a plan to complete registration before the disbursement of any co-investments of Partnership Fund resources.

Applicants should also show evidence that they can maintain a sound accounting system and have internal controls in place to support the financial management of the grant. They should also show that they are maintaining a transparent business. Short-listed candidates will be asked to provide proof of the financial viability of the proposed activity.

(2) Types of Entities that May Not Apply

1. Any entity whose name appears on the “List of Parties Excluded from Federal Procurement and Non Procurement Programs”
2. Any public international organization / multi-lateral organization (e.g. UN)
3. Any third country non-governmental organizations
4. Any foreign government or government agency
5. Any entity that is currently affiliated with USAID on a similar activity or affiliated with DAI or any of its directors, officers, or employees

6. Any militia or military organizations
7. Any political party organization

(3) Cost Share DETAILS

For the *Small Grants*, grantees are required to contribute resources from their own private or local sources valued at no less than 25% of the Partnership program’s contribution. For the GDA, grantees are required to equally match the Partnership program’s contribution (i.e. contribute 100% of the amount that the Partnership program will put in). Applicants’ proposed cost share will be evaluated as part of the overall cost effectiveness of the activity. The cost share can be cash or in kind. In kind contributions include land, labor, production/office space, and equipment to be used for the proposed business activity – all of which must be quantified using an appropriate market price, and be independently verified.

1. **Cash contribution as part of cost-share:** If the applicant proposes cash as part of their cost-share, the awardee is expected to invest the cash in a manner that can be independently verified (through receipts, etc.). Applicants should briefly explain how cash contributions will be invested to support the activity.
2. **In-kind contribution:** Cost-share examples for the proposed business activity include:
 1. Newly leased, purchased, or gifted **land** for proposed business activity;
 2. Newly leased, purchased, or gifted **building / room(s)** for proposed business activity;
 3. Newly leased, purchased, or gifted **equipment/machinery** for proposed business activity;
 4. Newly leased, purchased, or gifted **vehicle** for proposed business activity;
 5. Newly purchased **stock** or supplies for expanding proposed business activity;
 6. Planned or newly hired **staff/labor** for proposed business activity.
3. **Funds from other sources:** Funds from non-US Government entities (i.e. other donor funds excluding USAID) that are invested or granted to the applicant can be used towards calculating cost share.

Table 1 and 2 below give an illustrative list of the minimum amount of cash or in-kind contributions expected from the grantee based on the maximum contribution of the Partnership program, for the two grant types.

Table 1: *Small Grants* program

Illustrative Examples of Cost Share Arrangements under the Partnership Fund <i>Small Grants</i> program*	
Maximum Contribution from the Partnership program	Minimum cash or in-kind contribution by applicant
\$20,000	\$5,000
\$30,000	\$7,500
\$40,000	\$10,000
\$50,000	\$12,500

* Grants are not limited to the values noted in the table

Table 2: Global Development Alliance (GDA) program

Illustrative Examples of Cost Share Arrangements under the Partnership Fund GDA Program*	
Minimum in-kind and/or cash contribution by applicant	Maximum Contribution from the Partnership program
\$50,000	\$50,000
\$100,000	\$100,000

* Grants are not limited to the values noted in the table

SECTION IV- APPLICATION AND SUBMISSION INFORMATION

(1) Application Process

In the first stage of the application process, applicants must first submit a concept paper directly to the Partnership program. The Partnership Fund Review Committee will review all concept papers. Papers that are judged to meet the selection criteria will be included on the Committee’s short list. Short-listed applicants will then be requested to submit a full Application for consideration; this marks the second stage of the application process. Further detailed instructions on submitting a full Application will be sent later to all short-listed applicants.

Please note that: (i) each entity can only apply for one type of grant at a time (either *Small Grant*, or GDA) but not both types, and (ii) only short-listed applicants will be requested to submit full applications.

(2) Concept Paper

Concept papers will be no longer than five pages consisting of a cover page, technical approach, and supporting information, that is specific, complete and concise. Concept paper details are discussed below

Concept Paper Instructions

The concept paper must be submitted in English and in size 11 Times New Roman Font, and must include page numbers.

Prepare the application for the concept paper according to the structural format set forth below:

1- Cover Page (no more than one (1) page). The cover page must include:

1. the APS number and Name (“APS No. 0001: The Partnership Fund – Grants Program”);
2. Grant type being applied for: i.e. *Small Grant*, or GDA;
3. Physical location and address of business / organization;
4. Type of organization (e.g., for-profit, non-profit, institution, university, etc.);
5. Contact point (lead contact person’s name; relevant telephone, e-mail information);
6. Names of other organizations (as well as any other USAID projects) to whom you are submitting and/or have submitted the application and/or who are funding the proposed activity (if any); and
7. Signature of authorized representative of the applicant.

2-Technical approach (no more than three (3) pages): This section should *briefly* provide:

1. An organizational profile (products and/or services offered, years in existence, size of organization);
2. An outline of the applicant's business idea and encompass in as much detail as possible, various sections outlined in the "Major Criteria for Evaluating Concept Papers" section above.

3-Supporting information (no more than (1) page):

1. Present a brief estimate of main cost items for your business idea, including estimates of your cost share for:
 1. Equipment
 2. Cash
 3. Technical assistance
2. Brief description explaining why the applicant is not able to receive the requested amount of funds from another source, including shareholders, where applicable.

Geographic Distribution of Awards

The Partnership program strongly encourages applicants from all parts of Somaliland to apply.

Questions for Concept Papers

All applicants can submit technical and clarification questions to Partnershipfund@dai.com no later than the deadline on the cover page of this APS or subsequently announced deadlines if additional reviews are announced. Responses to all relevant questions will be emailed to all applicants by the date stated above.

Oral explanations or instructions given before award of a grant will not be binding. Any information given to a prospective applicant concerning this APS will be furnished promptly in writing to all other prospective applicants as an amendment of this APS, if that information is necessary in submitting applications or if the lack of it would be prejudicial to any other prospective applicants.

SECTION V- PARTNERSHIP PROGRAM CONTACTS

The point of contact for this APS and any questions regarding the APS process are:

1. Partnership for Economic Growth office, Kodbuur District, Hargeisa, Somaliland -next to FAO Office
2. Office Telephone Number: 252.2.523050/51/52
3. Primary email for APS questions: Partnershipfund@dai.com

SECTION VI - OTHER INFORMATION

Issuance of this APS does not constitute an award or commitment on the part of the Partnership program, nor does it commit USAID to pay for costs incurred in the preparation and submission of an application.

The Partnership program reserves the right to fund any or none of the applications submitted. Further, USAID / Partnership for Economic Growth reserves the right to make no awards as a result of this APS.

