

Somalia: Social Protection

Summary of Activities Funded by the Rapid Social Response Trust Fund TFA03246 (P158903)

Background

1. The purpose of this note is to summarize the work carried out under the Rapid Social Response Trust Fund TFA03246 which is linked to the Bank Activity code P158903 for Somalia Social Protection. The RSR will close on June 30, 2018. The Task Team for these tasks is led Maniza Naqvi, Senior Social Protection Specialist; Zaineb Majoka, Economist (STC) is the lead author for report the Stocktaking of Evidence for a Social Protection Policy and Framework, Nisar Majid, Rift Valley Institute (STC) is the lead author for the Remittances and Vulnerability in Somalia: Assessing sources, uses and delivery mechanisms. Dena Ringold (GSP01) is the Practice Manager.
2. Peer Review Comments were provided in November by Ruslan Yemtsov, (Global Lead for Social Safety Nets and Lead Economist, GSJD1), Samantha de Silva, (Senior Social Protection Specialist, GSP07) and Matthew Hobson. (Consultant, GSP08). The comments have been incorporated to finalize the reports.
3. The technical assistance activities funded by the Rapid Social Response Fund¹ (RSR) for *Supporting the Establishment of a Social Protection Framework in Somalia* (P158903) consisted of two main components:
 - i. Undertaking social protection assessment by conducting a mapping exercise of stakeholders, interventions, and current policy, institutional and regulatory framework.
 - ii. Elaborating social protection policy with a focus on building social safety nets strategy.
4. These two components were interlinked with the goal that an assessment of social protection in Somalia will help develop the scope of safety nets strategy. This activity builds on the existing work of development partners and humanitarian organizations in Somalia and tries to inform the development of a social protection policy and framework through analysis and by identifying gaps and entry points. Given Somalia's unique context, in which the government is in the initial stages of setting up an institutional and regulatory framework and where conflict and climate are constantly affecting socioeconomic dynamics, there was a need to analyze and curate practices that work best and build a common consensus on effective approaches. For this purpose, the work undertaken by the RSR funded activities had a specific focus on targeting and delivery mechanisms adopted by the on-going cash transfer and other safety net schemes including remittances. Somalis have relied heavily on informal coping mechanisms, where remittances have played a major role in building household resilience. But there is little information available on how Somalis access and use remittances. A qualitative study addresses these gaps along with exploring the impact of disruptions and uncertainties related to MTOs on flow of funds.
5. The RSR funding provided the opportunity to remain engaged with stakeholders involved in Somalia Social Protection through a continuous analysis and evidence gathering in safety nets over a timeline of 3 years without a lending operation. As a result, the SP team was able to provide substantial knowledge and analysis in a just in time manner to leverage an SP lens through other

¹ The RSR Multi-Donor Trust Fund (RSR-MDTF) has contributions from the Russian Federation, Norway, Sweden, Australia and the United Kingdom.

Bank interventions. The technical knowledge on formal and informal safety nets schemes has been used as just in time inputs and has contributed to various stages of Bank led poverty analysis, sector analysis and policy dialogue. So much so that that the team could be relied upon by other Practices to send in contributions with minimal turn- around time, when requested. It has also contributed to shaping direction for other donors, implementation partners and government counterparts' formulation of approaches.

Engagement with Partners

6. Between 2016 and April 2018, there have been a series of missions and meetings and consultations with the Nairobi based Somali focused development partners. SP team members (one financed by the RSR) participated in the mission to Somalia for the Disaster Impact Needs Assessment Workshop in October 2017. The meetings during the mission helped to build a relationship with donors and other development partners; to initiate coordination among partners to reach a consensus on what social protection would look like in Somalia; and to initiate a policy dialogue with key counterparts. These have also led to sharing of knowledge and other information relevant to the understanding of Somalia's social, economic and political landscape in general and of formal and informal safety nets in particular.
7. The first series of consultations with Somalia focused Development Partners (including DfID, UNICEF, WFP, ECHO, EU, ADESO, BRICs) took place in June 2016 and focused only on Somaliland. The main takeaways were the following:
 - The definition of social protection in Somaliland should encompass all interventions that aim to reduce vulnerability caused by displacement and poverty.
 - All the active schemes that aim to reduce vulnerability in Somaliland are on the spectrum of social protection. Those interventions that aim to reduce household and individual level vulnerability caused by natural, income and manmade shocks can be categorized as safety nets.
 - A multifaceted approach would be necessary to address multidimensional causes of inequality, poverty, and vulnerability where the design and targeting of social protection programs will require nuanced approaches to age, gender, and location.
 - Potential social protection interventions could include cash transfers as well as urban and rural public works to promote drought resilience, alleviate water shortage, mitigate food price shocks, and create jobs.
 - Safety nets in Somaliland should be productive and include regular, predictable transfers for income and consumption support. In addition to smoothing income shocks, such safety nets can be transformative by promoting investment in human capital and asset building.
 - Social protection interventions for IDPs must target women and children as these groups make up most of the population.
8. In September 2016, further consultations were carried out to expand the initial work on Somaliland to South Central Somalia. The key points raised by the partners were:
 - There is an information gap among implementation partners in terms of scope and activities of each organization in Somalia and pros and cons of approaches adopted by each organization.

- Most organizations relied on mobile technology for delivering cash to beneficiaries. However, e-voucher, such as SCOPE, also remains popular.
 - There is no consensus on what social protection constitutes especially in the context of Somalia.
 - There are numerous databases maintained by development partners, which if consolidated, might serve as a first step towards building a social registry.
9. In March 2017, funded by the RSR, a key official of the Somaliland Ministry of Labor and Social Affairs, attended the World Bank's two-week Safety Net Core Courses. The official confirmed the demand in Somaliland for a coordinated and planned approach to Safety Nets formulation and delivery as opposed to an ad hoc crisis based approach. .
10. In October 2017, the RSR also funded Social Protection contributions to the Disaster Impact Needs Assessment. The RSR funded work already underway prior to DINA (2016-2017) played a significant role in understanding safety nets needs and was invaluable to the just in time quick response for DINA. Follow up consultations were organized in both Mogadishu and Nairobi to provide inputs to the Disaster Impact Needs Assessment. The government counterparts (Ms. Maryam Qasim, Minister Humanitarian Affairs and Disaster Management, Mr. Mohamed Moalim, Permanent Secretary MoHADM & Mr. Abdi Dershi, Permanent Secretary, Ministry of Planning) were on board with creating a government led social protection system in Somalia. There was also consensus among the donor community to transition from humanitarian to development approach. Based on meetings with the government, donors, implementation partners, and private sector actors, following were the key findings:
- The most effective and supportive social protection action would be to invest in technical assistance to build capacity of both human resource and institutions.
 - Private sector must be engaged in developing a platform for delivery mechanisms and ultimately creating a social registry.
 - The current benefit level for cash transfers in Somalia is set between USD 60-75 (tied to Minimum Expenditure Basket) but more research is required to determine the optimal level given in neighboring country, it is around USD 30.
 - The usage of Somali mobile network operators for cash transfers are a more cost effective and transparent mechanism which gives the end beneficiary flexibility, power and choice. And these are at a fraction of the cost currently incurred by SP type activities in Somalia. For examples cash transfers using Hormuud's mobile networks costs between only 0.5-3 percent.²

Outputs

11. Two documents were compiled based on desk review, data analysis using High Frequency Survey, qualitative field research and consultations with the development partners:
- i. *Stocktaking of Evidence for a Social Protection Policy and Framework*
12. It has mapped the key elements of Somalia's social protection interventions, including national objectives, policies, schemes and strategies. Its aim is to serve as a shared evidence for country dialogue on how to strengthen Somalia's social protection interventions and create a system; identify a set of entry level policy reform options; and support and promote the exchange and

² Currently Hormuud, along with its partners, cover 5 million Somalis.

coordination between Somali and international partners. The Stocktaking has also dispelled some generally held assumptions about social realities. Following are the key findings:

- The younger population of under 15 years of age in Somalia is the poorest and the most vulnerable. Almost 51 percent of the surveyed population is under 15.³ Responding to their vulnerabilities can contribute significantly to Somalia's growth and prosperity.
- Female gender is not the predictor of poverty and vulnerability in Somalia where probability of being poor for women is 51.2 percent as compared to 52.6 percent for men. However, fewer women have access to education and jobs.
- Access to education has a significant impact on poverty. The incidence of poverty is significantly higher among households whose heads have no education. In fact, education level of the household head is a statistically significant predictor of household's poverty status.
- There is no government led social protection scheme or system. Most of the interventions by other development actors started as a response to humanitarian crisis caused by recurrent climatic shocks.
- Instead of creating a parallel system, government's capacity, both human resource and institutional, should be built up and then the existing schemes can be scaled up.
- In fragile and conflict environments, community based targeting can promote social cohesion by encouraging joint decision making while ensuring that the programs generate broad benefits. Most of the current interventions in Somalia were designed after consultations with the community. However, relying on community leaders for targeting can also lead to marginalization of minority and vulnerable populations.
- Somali entrepreneurship and ability to find solutions to a problem has created an agile mobile remittance and fund transfer system that delivers directly to households. The technology infrastructure in terms of mobile payments is very well-developed, which makes it the preferred mode of delivering cash or in-kind transfers. There is an extensive cellular network where almost all major mobile networks provide Mobile Money Transfer (MMT) services.
- Moving forward, there must be better coordination among donors, government actors and implementation partners in policy making, monitoring, financing and delivery of social protection interventions.

13. The on-going social protections initiatives that focus on building long-term resilience have so far reached around 1.8 million individuals.⁴ Table 1 shows the details of these schemes.⁵ Due to the absence of an integrated information system coverage and beneficiary incidence of social protection programs at a national level, it is hard to conclude anything regarding inclusion and exclusion errors. Each organization maintains its own database of beneficiaries with no coordination between them on identification and coverage. Such information is vital to ensure that the same individual or household is not getting served by two different organizations. It is also important to ensure that the vulnerable populations are not being missed out. The second wave of High Frequency Survey has a section on social protection and will enable us to estimate

³ High Frequency Survey 2016

⁴ This is an approximation as most of the programs target households and not individuals. In that case, we assumed the average household size to be 6. This number is calculated by adding up households covered by each organization.

⁵ This data was collected by reaching out to each of these organizations and having them fill out a form with details on coverage, targeting, delivery and budget of each scheme in 2016-2017.

total coverage of such programs where disaggregating it by gender and age would also be possible.

14. In the absence of a government led social protection program, Somalia does not have any public financing available. The formal and informal safety nets are financed by regional actors, multilaterals, other countries and non-state actors such as diaspora, religious and aid organizations. The major donors in 2017 are United States, United Kingdom, ECHO, Germany, EC Devco, World Bank, ADB, CERF, Sweden, Canada, Denmark, Japan, WFP, Australia, Switzerland, China, Saudi Arabia, Netherlands, Norway, Italy, Finland Ireland, Turkey and Qatar.⁶ Somalia received around USD 822.0 million for Humanitarian Response Plan (HRP) in 2017 that covers a wide range of programs that fall under food security, nutrition, protection, WASH, health, shelter and NFIs, education and other logistics. The amount received in 2017 is higher than the average because of the drought response. Cash based assistance during the Emergency Drought Response in 2017 totaled USD 259.0 million and reached 2.9 million individuals by November 2017.

⁶https://public.tableau.com/views/OECDACAidatag glancebyrecipient_new/Recipients?:embed=y&:display_count=yes&:showTabs=y&:toolbar=no?&:showVizHome=no

Table 1: Active Schemes by NGOs and INGOs - 2016/2017

Organization	Location	Type of Program	Amount per Client per month	Coverage	Delivery Mechanism
BRCIS (Cesvi, Concern, IRC, NRC & SCI)	7 regions South Central Somalia	In kind transfer, CCT or UCT based	Varies	60,000 HHs	Mobile Money Transfer (MMT)
Concern	Mogadishu SSN	UCTs for 24 months	USD 30	150 HHs	Mobile Money Transfer (MMT)
		Vocational grant for 12 months	USD 30 for 10 months & USD 50 for 2 months	400 youth	
	Gedo SSN	UCTs for 12 months	USD 50	1606 HHs	
FAO		Cash for Work		267,500 Individuals	Network of Money Vendors
		Cash +		87,000 HHs until December 2017	
		UCT for 3-3.5 months	USD 60-100	570,000 Individuals	
World Vision		Food voucher	USD 69	2,611 HHs	Paper Voucher
		Conditional Cash Voucher	USD 110	1,400 HHs	Mobile Money
World Food Programme	Somalia	School Feeding program	In kind	131,649 Individuals	SCOPE Card that supports voucher, cash and in-kind transfers
	Somalia	Asset Creation	CBT & In Kind Transfers	72,677 Individuals	
	Galgaduud, Nugal, Togdheer, Mudug	Vocational Training	CBT	1,280 Individuals	
	Hiraan, Galgaduud	Asset Creation & Vocational Training	In-Kind	2,018 Individuals	
Save the Children		3 – 5 UCTs	USD 80-140	5,925 HHs	Mobile Money Transfer (MMT)
		2 - 5 food vouchers	USD 67 - 70	4,122 HHs	
		Cash for work (9 Transfers)	USD 75	580 HHs	
		28 UCTs	USD 55-80	460 HHs	
		Transfer for business startup	USD 500-1000	880 HHs	
ILO		Public Works/ Cash for Work	USD 5 -8/ day for unskilled & skilled	7,888 individuals (70% unskilled & 30% skilled) for 201,090 worker days	Money Vendors
ADESO	Lower Juba (Kismayo District)	UCT	37 EUR	7,500 HHs	Mobile Money Transfers (MMT)
		Cash for Work	65 EUR		
		Livelihood Grant	463 EUR		
		Disaster Mitigation Fund	4630 EUR		
ACTED	Lower Juba (Afmadow and Dhobley District)	UCT	37 EUR	7,500 HHs	Mobile Money Transfers (MMT)
		Cash for work	65 EUR		
		Livelihood Cash Grant	463 EUR		
		Disaster Mitigation Fund	4630 EUR		
		Crisis Modifier	47 EUR		

ii. *Remittances and Vulnerability in Somalia: Assessing sources, uses and delivery mechanisms:*

15. Remittances are a regular and reliable source of income and a safety net for those who receive them. Women are the main recipients of remittances for their households. Another finding is that people trust their own mechanisms including mobile transfer companies more than they trust the Government and or international aid agencies and NGOs. The research also found that:

- Remittances act as both a regular source of income and an informal safety net. This means that households who cannot access remittances are likely to be more vulnerable, particularly in times of crisis, and are more likely to be using negative coping strategies, such as depletion of assets.
- Households that do not receive remittances, and that have no or few diaspora connections, are among the most vulnerable in the country. These populations are most dependent on the natural environment and rural economy, and found in the conflict prone and insecure areas of southern Somalia.
- Cash to households for purchasing of food is important. Somalia is a net importer of food, even in good production years. This is especially the case in Somaliland and Puntland, which rely heavily on imported cereals and other foodstuffs; urban populations in the southern and central regions are also major consumers of imported cereals.
- Women are the predominant recipients of remittances in urban areas. In contrast, in rural and pastoralist areas, recipients are generally male. It is not clear what percentage of senders are female or if there is a gender difference in the value of remittances sent by males or females.
- Remittances are received predominantly from the United States and the UK. Consequently, Somalia is highly reliant on the financial regulatory environment of those countries. Kenya, Sweden and Saudi Arabia are also important countries, in particular for remittances sent to southern Somalia.
- Remittances are not distributed equally in Somali society. Rather, they are concentrated within particular clans, lineages and extended families, especially within Somaliland, Puntland and the central regions of Somalia due to the history of migration in these areas.
- 65 per cent of remittance recipients report receiving money from only one person, whereas 28 per cent report receiving from two or more people. These figures suggest, on the one hand, that the majority of people are dependent on one person.
- The correlation between remittances and large families is significant, with respondents suggesting that remittance-receiving households do often host other family members, including the children of rural relatives, who stay with them for the purpose of education.
- In the absence of a formal banking system, debt–credit relations are an especially important feature of Somali society and economy.

Impact of the RSR Funded Activities on the Poverty Assessment and High Frequency Survey, Dadaab Crisis Response, DINA, Development Partners & Other Global Practices)

16. Both these reports have been shared widely with the CMU, other GPs including the Poverty, GPVO1, ICT GTI11 and GTI09, and with GSURR, and its urban, social and gender teams; government counterparts, and development partners in Nairobi. These documents along with consultations have not only informed the social protection work but have also contributed to the work including through cross support of other global practices and development partners from 2016 to the present.

i. *Dadaab Crisis Response/Planning for Post-Dadaab*

17. The SP team contributed through written inputs to the CMU led multi-practice team for the Bank's Dadaab Crisis Response and Post Dadaab response strategy and planning. This input was based on preliminary work undertaken for the Somalia Stocktaking report as well as work completed on the Stocktaking Report for Somaliland.

ii. Systematic Country Diagnostic (SCD)

18. The SP team provided inputs to Somalia SCD along with a preliminary vulnerability analysis. As consistent with the key findings from consultations, capacity building was one of the main recommendations. These inputs were incorporated in the final version.

iii. Poverty Global Practice

19. The SP team is working in close collaboration with the Poverty Team and has been providing consistent feedback to the Poverty work. The collaboration began with the review of the High Frequency Survey. Based on knowledge about other databases in Somalia, the team provided feedback on how certain questions must be framed to avoid bias and to be closer to the situation on the ground. A section on Social Protection was put together to be included in the second wave of HFS so that poverty and vulnerability analysis could be conducted using a social protection lens. Currently, the team is authoring one of the chapters in Poverty and Vulnerability in Somalia report being spearheaded by the Poverty Global Practice. This particular chapter explores incidence and vulnerability to shocks, coping strategies adopted to mitigate shocks and impact of various socioeconomic factors on vulnerability to falling below the poverty line. This work is heavily informed by the work previously done for the Stocktaking of Evidence.

iv. Somalia Emergency Drought Response Project (SEDRP)

20. Detailed comments were provided to the SEDRP team related to the choice of implementation partners. It was emphasized that those organizations must be selected that have a resilience building component in their programs and are planning to transition from humanitarian and development approach. Feedback was also provided on timing and duration of the project, methods used for identifying and targeting the beneficiaries, and baseline data collection and evaluation scheme.

v. ICT Team: Piloting linking Mobile Technology for Government Cash Transfers

21. There is an ongoing close collaboration with the ICT particularly with respect to analyzing delivery mechanisms in Somalia. Inputs were also provided in data collection on mobile money from the aspect of role of access to mobile technology in resilience building. The team also participated in an interactive workshop with the Blockchain Lab, which was organized by the ICT team. During the workshop, key takeaways were shared with other teams related to Somalia's technological infrastructure and delivery mechanisms being used by development partners for cash transfers programs. ICT has also sought feedback on their reports and concept notes.

vi. Disaster Impact Needs Assessment

22. SP team provided significant input to the Social Protection subchapter in DINA and to the Resilience Recovery Framework for Somalia. The main recommendation by the SP team is to build Government capacity through a public private partnership by leveraging the comparative advantage of Somalia in mobile technology. This technology was used during the 2017 drought to delivery cash transfers effectively to drought affected individuals.

vii. ASPIRE Database

23. Stocktaking of coverage, benefit amount, targeting methodology and budget of each implementation organization was then used to populate ASPIRE database on Somalia.

viii. Development Partners

24. In 2016, at the time of the first mission to Nairobi, development partners were only beginning to talk about social protection and a transition from humanitarian to development approach. DfID was leading the conversation and had undertaken analytical and technical work to support feasibility of long term planning that transitions to establishing a social protection system in Somalia. The SP team collaborated with DfID and reached the same conclusion. In the following two consultations, the SP team proposed the idea of working on SP policy in Somalia; creating a social registry system; and training the government officials. These key messages were very well received where WFP and UNICEF have gotten involved in SP policy making and capacity building.

Forward Look

25. Moving forward, the mobile network which has been a game changer for Somalia can be linked for creating a usable, functional and effective cash based government owned safety nets system and registry with a reasonable margin for error. It can be put in place and be managed and implemented by the private sector partners.

26. Somalia is a global leader in cellphone coverage and use of mobile network operators (MNOs) for cash transfers. At the same time, there is a steady and regular stream of remittances to households and smaller amount of sporadic cash transfers implemented by NGOs and INGOs. The same system of delivery can be used to create a government owned and government accessible safety nets systems. It can have multiple partners that help refine and monitor client databases.

27. Given the coverage of clients by MNOs, it will be relatively easier to identify households that already receive remittances and to gauge amount and frequency as opposed to those who receive none of inadequate amounts and hence are more vulnerable. This information on clients' receipt of transfers can be triangulated with the client databases of humanitarian organizations and other development partners. In the first instance, this can serve as a de facto vulnerability targeting method. A further triangulation with poverty and vulnerability indicators assessed by geographical and household level data can further refine the vulnerability based targeting.

28. This triangulated database can potentially then become a registry system. The existing cell phone coverage rate in Somalia is around 75 percent and given the recent passage of Communications Act mandates all Mobile Telephone Operators (MTOs) to register sims with biometric information, will lead to a unique identifier and can serve as a preliminary id system. Moreover, Hormuud (and Golis) has partnered with several INGOs and NGOs to facilitate delivery of cash transfers and has access to data on the beneficiaries. Currently, NRC, ICRC, ADESO, ACTED and FGS National Army are using Hormuud's mobile money platform to transfer cash benefit or salaries. FAO is also planning to shift to mobile money. To delivery of payments even more, Hormuud is working on building an online platform for organizations in the Cash Working Group that will compile all the beneficiary databases. However, each organization will only be able to access its own caseload and will be able control frequency and timing of payments. This will result in a registry system where basic information on beneficiaries is tied to their biometric information and mobile wallets.

29. Those who are not receiving any transfers or very little transfers would be the first choice for the government owned SSN cash transfers. However, the entire list of clients could be refined through a poverty scoring.
30. The other popular delivery mechanism is e-vouchers or cards however, mobile money is more cost effective and efficient. According to DfID's evaluation survey, 11 percent of respondents using SCOPE card report failure to access the benefit due to technical issues. Moreover, using mobile money to deliver cash reduces administrative cost to 0.5-3 percent. It also cuts the middle man, reaching the client directly.

Future ASA Work:

31. The Social Protection team proposes building on the work carried out to date through the following future ASA activities:
 - Continuing to build on and expand our engagement with ICT team to think beyond the CT pilot to a National CT program based on Public Private Partnership.
 - Building evidence to develop strategy to transition from a yearly humanitarian relief effort to a planned longer term development approach with a focus on how to involve donors and implementation partners in the process. This should be done specific to Somalia's context and must include an advocacy strategy to bring all stakeholders together.
 - Mapping livelihood strategies and conducting jobs diagnostic to identify sectors where there are jobs so that corresponding productive inclusion strategies might be included in social protection programming in Somalia.
 - Specific to delivery mechanisms, exploring potential public private partnerships with a focus on regulatory framework required to make it work.
 - Study Tour for Somali Counterparts to Pakistan and Kenya to learn from successful Government led UCTs and CCTS using mobile phone technology, registry systems and poverty targeting.

Dissemination Plans

32. The team will use the remainder of the RSR Trust Fund to formulate short policy notes based on the Stocktaking and the Remittance Report. These will be disseminated to Somalia Social Protection practitioners via emails, infographics and blogs on the World Bank website and through Bank and Rift Valley Institute events.