



Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 03-Oct-2019 | Report No: PIDA27198



BASIC INFORMATION

A. Basic Project Data

Country Somalia	Project ID P170922	Project Name Somalia Urban Resilience Project Phase II	Parent Project ID (if any)
Region AFRICA	Estimated Appraisal Date 07-Oct-2019	Estimated Board Date 16-Dec-2019	Practice Area (Lead) Urban, Resilience and Land
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Finance	Implementing Agency Benadir Regionnal Administration/Mogadishu Municipality, Kismayo Municipality/Jubbaland, Baidoa Municipality/South West State, Garowe Municipality	

Proposed Development Objective(s)

To strengthen public service delivery capacity of local governments and increase access to urban infrastructure and services in selected areas.

Components

Urban Infrastructure and Services
Institutional Strengthening and Analytics
Project Management and Capacity Building
Contingent Emergency Response

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	112.00
Total Financing	112.00
of which IBRD/IDA	50.00
Financing Gap	0.00



DETAILS

World Bank Group Financing

International Development Association (IDA)	50.00
IDA Grant	50.00

Non-World Bank Group Financing

Trust Funds	62.00
Somalia Multi-Partner Fund	62.00

Environmental and Social Risk Classification

High

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

Country Context

1. **Somalia is emerging from a legacy of two and half decades of cycles of violent conflict and fragility. Since 1991, the country has been fragmented by armed conflict, *ad hoc* regime change and state capture.** The August 2012 peaceful transfer of power from a transitional to a full federal government in Mogadishu and the peaceful handover of power in 2017 to President Mohamed Abdullahi Mohamed Farmaajo generated domestic political momentum and triggered international recognition and support for the new federal government. Over the last four years, Somalia has taken encouraging steps towards a political settlement and the rehabilitation of government institutions. The creation of four new Federal Member States in southern Somalia and the reduced control by Al Shabaab in major tax bases such as Mogadishu and Kismayo, form the basis for a devolved/federal political settlement.¹

2. **While the formation of the new Federal Member States (FMS) is a positive step towards reshaping the political economy, the federation process has been complex and challenging.** The four new FMS in southern Somalia include Jubbaland, South West, Galmudug and Hirshabelle with Puntland in the north having been formed earlier in 1998. Uncertainties however remain over the assignment of functions to different levels of government, pending a final constitutional settlement. There has been a deepening rift between the federal government and the FMS with the States declaring a suspension of

¹Al Shabaab does however retain control and continues to destabilize parts of southern Somalia, including in some urban areas.



formal ties with the center in September 2018 over concerns with resource and power allocations within Somalia's federal structure. These tensions were exacerbated in the lead up to the elections in South West State in December 2018 with allegations of the federal government's interference and with the elections in Jubbaland in August 2019. Relations between the federal government and the States will likely remain fluid for years to come, even as inter-government cooperation arrangements emerge.²

3. **Decades of conflict, compounded by recurring natural disasters have displaced a significant part of society and damaged much of the country's infrastructure, resulting in high rates of poverty and food insecurity.** Of the 12.3 million Somali population,³ an estimated 4.5 million are living on the margins of food insecurity.⁴ It is estimated that some 1 million Somalis currently reside in neighboring countries as refugees⁵, and another 2.6 million are internally displaced.⁶ Poverty is estimated at approximately 49 percent at the national level while overall urban poverty rate stands at 45 percent; the poverty rate in Mogadishu is higher than the national average at 57 percent. Poverty is heavily concentrated in settlements of Internally Displaced Persons (IDPs) at 70 percent.⁷ The poor are also likely to experience non-monetary poverty with even worse access to basic services such as education, health, water and sanitation than the overall population.⁸

4. **Somalia's economy has proven remarkably resilient.** Despite the perpetual civil conflict, the economy has grown at a moderate pace, averaging 2.2 per cent real GDP growth from 2013-17. The economy rebounded in 2018 from the 2016/17 drought and sporadic terror attacks. Real GDP growth is estimated at 2.8 percent in 2018, up from 1.3 percent in 2017, mainly supported by recovering agricultural production, sustained consolidation of peace and security, gradual increase in private investment, and donor inflows. Sectors such as telecommunications, money transfer businesses, livestock exports, and localized electricity services remain key drivers of growth. With an estimated GDP per capita of US\$342 in 2018, Somalia remains one of the poorest countries in the world.

5. **The country's fiscal situation has improved significantly, but resources for infrastructure and service delivery are limited.** Domestic revenue collection increased, with total revenue growing by 19 percent to US\$ 293.8 million in 2018 compared to US\$ 246.5 million in 2017. Domestic revenue recorded the highest growth of 29 percent while donor grants grew by 6 percent. This was driven by government continued efforts to broaden the tax base, enhance compliance, and improve collection capacity. Yet, the current FGS revenue levels, at about 3.8 percent of GDP, are inadequate to deliver meaningful services to citizens. Despite the remarkable improvement in domestic revenue mobilization, expenditure priorities remain unchanged. Almost all expenditure is recurrent and sector spending is skewed towards security and administrative services both accounting for 80 percent of the total spending hence crowding out social and economic sectors. The government still relies heavily on external assistance for socio-economic infrastructure and services.

² Country Partnership Framework for Somalia. August 2018.

³ UNFPA (2014) <http://somalia.unfpa.org/sites/default/files/pub-pdf/Population-Estimation-Survey-of-Somalia-PESS-2013-2014.pdf>

⁴ FEWSNET – Somalia Food Assistance Fact Sheet. June 2019. UNOCHA Humanitarian Bulletin May 2019.

⁵ UNHCR (2019). Situation of the Horn of Africa Somalia. May 31, 2019.

⁶ UNOCHA (2019). "Humanitarian Bulletin May 2019." May 2019.

⁷ World Bank (2017). Systematic Country Diagnostic (SCD).

⁸ World Bank (2017). SCD.



6. **Somalia is highly vulnerable to current and future impacts of climate change given the high dependence of its population on livestock and agriculture.** Approximately 70 percent of the population is engaged in agro-pastoralism, pastoralism and subsistence agriculture as livelihood options.⁹ Climate change vulnerability is compounded by the fact that the country is coastal, low lying, and impacted by conflict. Somalia generally experiences regular periods of droughts followed by flash floods and the intensity and frequency of these events have increased since 2007. The drought in 2016-2017 left approximately 6.7 million Somalis – more than half the population – in need of humanitarian assistance and displaced more than 926,000 people. The drought in 2019 has resulted in 3.4 million people with acute food insecurity and an additional 53,000 people have been displaced. Climate change impacts have resulted in increased numbers of the rural population migrating to urban centers, thereby greatly impacting the urban sector. It is therefore critical to support climate change adaptation measures in Somalia through more climate resilient infrastructure in cities.

Sectoral and Institutional Context

7. **Somalia’s urban population is growing rapidly as a result of changes in the pastoral and agro-pastoral economy as well as significant forced migration into urban areas.** Rapid urbanization is driven by traditional economic rural-urban migration as well as decades of internal conflicts, insecurity, political turmoil and governance failures. This is compounded by cyclical environmental adversities such as drought and famine. In 2018, 858,000 people were internally displaced due to conflicts, floods and drought bringing the total number of displaced to an estimated 2.6 million people. Eighty percent of the total internally displaced live in urban areas (approximately 2.2 million) placing intensified pressure on already limited urban infrastructure and services.¹⁰ The country has also witnessed a steady flow of returnees and refugees from neighboring countries with over 88,000 people voluntarily returning from twelve countries since 2014.¹¹ The urban population is estimated at around 5.2 million (42 percent) with a growth rate of around 4 percent per annum.¹² By 2040, the majority of Somali people will be living in urban areas.

8. **Urbanization is one of the most significant drivers of development and if managed well, can provide a pathway out of poverty and act as an engine of growth.** High urban densities can reduce transaction costs, make public spending on infrastructure and services more economically viable, and act as an economic hub that attracts investments and talent. Investment in cities are also more visible to citizens and can help strengthen government legitimacy. If not managed well, however, urbanization can have perverse impacts such as congestion, reduced accessibility, inefficient or hazardous land use, increased social conflict and reduced economic efficiency among others.

9. **The stresses of urbanization on the already inadequate basic infrastructure and services are particularly severe in Mogadishu, Kismayo and Baidoa.** Decades of conflict and fragility has prevented any significant investment in infrastructure and services. Somali cities¹³ are characterized by poor access to clean water, proper sanitation and solid waste management leading to negative impacts on health and

⁹ UNDP, 2018.

¹⁰ UNOCHA (2019). “Humanitarian Bulletin May 2019.” May 2019.

¹¹ UNHCR, 2019. Refugee returnees to Somalia at 31 March 2019.

¹² UNFA (2014), <https://somalia.unfpa.org/sites/default/files/pub-pdf/Population-Estimation-Survey-of-Somalia-PESS-2013-2014.pdf>

¹³ This includes Mogadishu, Garowe and Hargeisa where a Rapid Urban Assessment was carried out.



welfare of citizens as well as the economy. Of the 21,830 km of roads in the country, it is estimated that only 2,860 km are paved (13 percent). There is minimal engineered storm water drainage infrastructure in urban areas in the absence of which natural streams and rivers act as the main drainage “sinks” with neighborhoods draining into these.¹⁴ Mogadishu is particularly impacted with a fast-growing population with over 500,000 informally settled or displaced people. The population of Baidoa in South West State is estimated to have tripled as those living in rural areas fled the 2017 drought - from 2016 to 2018, Baidoa received an estimated 349,000 displaced people. Kismayo, in Jubbaland State, is under pressure from returning Somali refugees from the Dadaab camp in Kenya. An estimated 82,840 people returned from Kenya between 2015-2018, 64 percent of whom returning to Lower Juba region or Jubbaland. The growing population in these particular cities places considerable stress on municipal service delivery capacity and increases social tensions between host communities and the displaced.¹⁵

10. **The Government has limited capacity and resources to address basic service delivery and infrastructure challenges.** District or municipal governments have the primary responsibility for providing basic services in Somalia but capacity and fiscal constraints limit their ability to undertake basic municipal functions. Outside of a few larger cities, these constraints deepen rapidly. Sub-national governments are only receiving a small recurrent budget through an inter-governmental fiscal transfer, and staffing is generally skeletal with limited capacity. Municipal/district governments’ own source revenue collection is also minimal and unstructured. They are dependent on external assistance or the private sector for capital investments and delivery of services therefore tends to be *ad hoc*.

11. **As urban areas fail to keep pace with the rapid urbanization, Somalia’s cities are becoming more fragile, threatening the country’s stability.** The rapid pace of urbanization has created multiple challenges for Somali cities. Cities have not been able to cope with the increased demands for land, housing, basic services, and jobs. As a result, cities are sprawling in an uncontrolled manner, slums are on the increase, and environment degradation is accelerating. It is feared that large influxes of people may shift clan dynamics which can potentially destabilize the already fragile social structures. Incidence of gender-based violence (GBV), among other protection concerns, is a prevalent issue in Somalia and a significant challenge confronting displaced populations in particular.¹⁶ IDPs face increased risks of GBV and sexual exploitation due to limited security in the IDP settlements, poor living conditions and limited clan protection. These are all contributing to increased fragility of Somali cities. Mogadishu, Merca and Kismayo have indeed been named the world’s three most fragile cities in the world.¹⁷ Urban fragility, particularly in the capital of Mogadishu, can have a profound impact on Somalia’s nascent stability.

12. **Addressing urban fragility requires a comprehensive resilience-based approach.** Given cities play a central role in Somalia’s development and security, there is an acute need to strengthen their resilience. Urban resilience, under this project, is defined as “*the municipal governments’ ability to prepare for, respond to, and adapt to shocks and stresses while continuing to provide critical services following an adverse event.*” External shocks and stresses in the Somali context will include both natural disasters (including climate change impacts such as land degradation) and fragility.

¹⁴ World Bank (2014). Rapid Assessment of Three Somali Cities.

¹⁵ World Bank (2017). Systematic Country Diagnostic (SCD).

¹⁶ Several studies estimate that roughly three-quarters of survivors are IDPs.

¹⁷ “These are the World’s Most Fragile Cities”. Urban Gateway. <http://new.unhabitat.org/news/these-are-worlds-most-fragile-cities>.



13. **Urban resilience is understood as a holistic concept that comprises five composite dimensions - spatial, physical, economic, social, and institutional.** Spatial resilience ensures flexibility in spatial plans, policies and land use management systems. Integration of IDP settlements into the urban fabric is an important aspect of spatial resilience in the Somali context. Physical resilience relates to ensuring urban infrastructure and service delivery meets the increased demands resulting from large influxes of people and that the infrastructure itself is climate resilient. Economic resilience is the city's ability to manage and adapt to disruptions to the economic system, such as negative impacts on assets, production factors, and employment. Social resilience relates to strengthening social networks to cope and adapt to external stresses. Finally, institutional resilience relates to local government's improved capacity to plan and manage the other dimensions of urban resilience.

14. **Building on the ongoing Somalia Urban Resilience Project (SURP), phase II aims to enhance the resilience of select cities** with a particular focus on supporting physical resilience by financing investments in priority urban infrastructure. The project will also strengthen social resilience by fostering social cohesion and supporting infrastructure that benefits both host communities and the displaced, ensuring investments are prioritized through a participatory decision-making process. Short-term income generation opportunities will be generated through the project for the vulnerable such as women, urban poor, IDPs and returnees. Institutional resilience will be supported through the strengthening of municipal governance, particularly by delivering infrastructure and services through sub-national government systems and helping to better define the respective roles and responsibilities over urban infrastructure and service delivery among the different levels of government. Economic resilience will be supported by creating short-term income generation opportunities particularly for the urban poor and IDPs through labor-intensive works and exploring longer-term job opportunities for these groups by collaborating with the ongoing relevant livelihood, entrepreneurship and employment projects.¹⁸

15. **Citizen engagement will be at the core of the project with communities engaged at all stages of project implementation.** Firstly, the project will aim to address inequality and exclusion by focusing on infrastructure investments that help integrate the displaced population as well as the urban poor. Communities will be engaged and their feedback incorporated during the selection process for prioritized infrastructure, during implementation through their involvement in the selection of beneficiaries for short term labor opportunities and the Grievance Redress Mechanism; and finally for project maintenance. Further details are provided in the Project Description below.

16. **SURP II will seek to explore options for engaging women more pro-actively in project planning and implementation and particularly in the construction of infrastructure.** Gender disparities in Somalia are pronounced across most socio-economic and human development indicators. Although women are dynamic economic actors in Somali society, they are generally poorer than men and economic opportunities—for both women and men—remain limited. Key project related gaps between males and females related to the project that have been identified include (i) the meaningful participation of women in community meetings related to subproject prioritization or implementation and (ii) involvement of women in the construction sector as both skilled and unskilled labor. According to the 2019 World Bank Somali Poverty and Vulnerability Assessment, only 37 percent of women participate in the labor market,

¹⁸ Possible projects to collaborate with include the World Bank-financed Somali Core Economic Institutions and Opportunities (SCORE) (P152241) and SCALED-UP (P168115).



compared to 58 percent of men. The 2019 National Employment Policy attributes the low levels of female participation in the labor market to “the patriarchal nature of society and customs which restrict the participation of women in a number of areas.” SURP II will therefore take explicit actions to ensure the engagement of women in project activities and measure progress on these actions through the project’s results framework. More details are provided in *Annex 2 – Gender Mainstreaming*.

17. **The ongoing SUIPP, SURP and the proposed SURP II build on other ongoing projects supported by development partners.** UN-Habitat’s work on urban planning and strategic spatial planning in Mogadishu and Baidoa, along with the Denmark-financed Kismayo urban development master plan provide useful city level information on existing land use, housing, IDPs, infrastructure and service delivery; urban plan that points to the future direction of city growth; and infrastructure/service requirements. SURP II will ensure that urban infrastructure investments are aligned with these urban plans. UN agencies’ Joint Program on Local Governance (JPLG) is helping to develop Local Government Laws at the FMS level, establishing democratically elected District Councils,¹⁹ improving municipalities’ own source revenue generation, property registration, Public Financial Management (PFM) and other administrative capacity support to municipal governments. SURP II will build on JPLG’s capacity building support and use their training modules where appropriate. USAID financed Transition Initiatives for Stabilization (TIS+) supports quick impact stabilization activities at the district and community levels. In Mogadishu, the project utilized community institutions set up under TIS+ for consultations on priority roads. Finally, in Kismayo and Baidoa, the project will utilize the Community Action Groups established under the Joint UN agencies’ *Midnimo* project for participatory decision-making.

C. Proposed Development Objective(s)

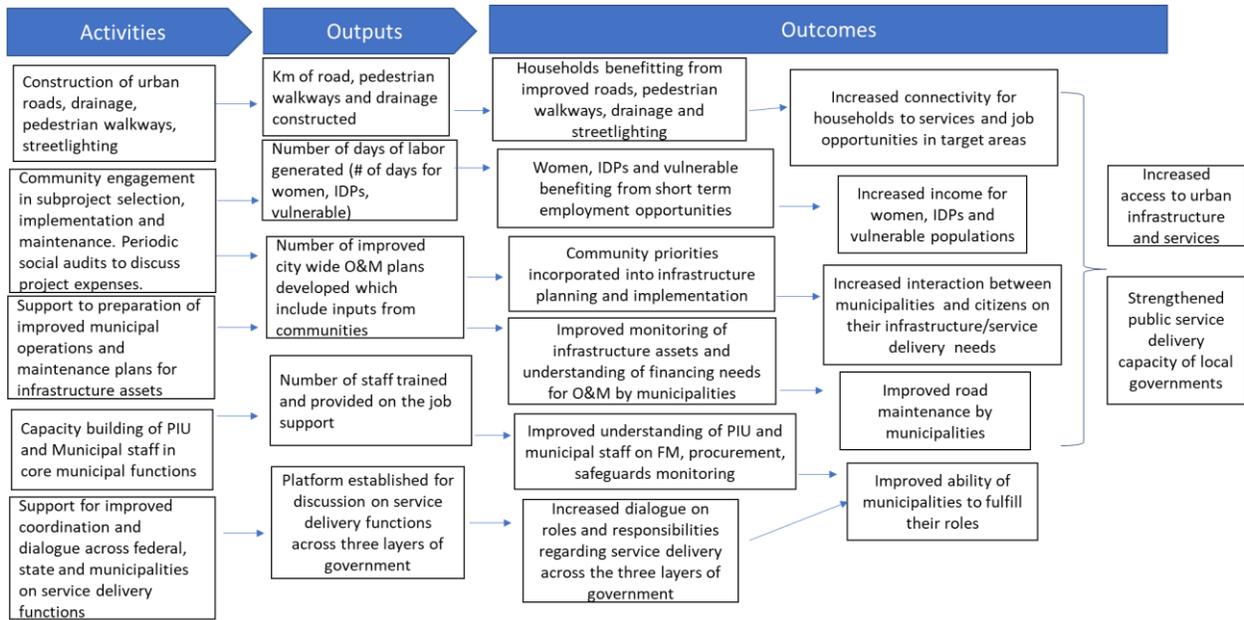
Development Objective(s) (From PAD)

To strengthen public service delivery capacity of local governments and increase access to urban infrastructure in selected areas.

Key Results

18. The theory of change underlying the proposed project interventions is that supporting municipal government capacity and delivering community prioritized urban infrastructure would support the Government’s efforts to demonstrate visible and tangible improvements in the lives of its citizens in the longer term. This is critical for strengthening the legitimacy of the government and sustaining social and political stability in the country. In the context of Somalia however, the theory of change outlined below would be non-linear and iterative in nature.

¹⁹ District Councils in turn elect the District Commissioner, who will serve as the *de facto* Mayor.



D. Project Description

19. The SURP II will strengthen urban resilience by: (i) providing capacity building support to municipalities and strengthening government systems at the sub-national level by channeling funds on-budget; (ii) financing prioritized urban infrastructure investments in cities; and (iii) generating short-term income generation opportunities for the vulnerable such as women, urban poor, IDPs and returnees. As mentioned above, strengthening social resilience is at the core of the project and communities will be engaged throughout project implementation from subproject selection, to implementation and monitoring of the civil works, and maintenance of the completed subprojects.

20. The following four components are proposed for a duration of five years: (i) Urban Infrastructure and Services; (ii) Institutional Strengthening and Analytics; (iv) Project Management and Capacity Building; and (v) Contingent Emergency Response.

21. **Component 1: Urban Infrastructure and Services (USD 89m)**

22. This component will support the preparation and implementation of all infrastructure investments in the project.

Sub-Component 1.1: Preparatory Activities for Urban Infrastructure and Services (US\$ 8m)

23. This subcomponent will finance consulting services for preparatory works required for civil works to be financed under SURP II in cities currently being supported under SURP/SUIPP as well as any new cities²⁰ that meet the project’s participation criteria. Eligible preparatory works include: (i) technical studies, engineering designs and bidding documents for priority investments; (ii) environment and social due diligence work; (iii) institutional assessments of implementing agencies; and (iv) any other necessary

²⁰ These new cities would be from Galmudug and Hirshabelle States.



analytical work. In new cities, this component will also finance the establishment and training of Project Implementation Units (PIUs). US\$ 3m will be set aside for the preparatory works and the establishment of PIUs in two new cities. These studies will be contracted out following a competitive procurement process either by the Project Coordination Unit at the federal level or the respective municipalities/district governments depending on the capacity of the municipalities as determined by the institutional assessment.

24. During this preparatory phase, communities will be engaged in the prioritization of infrastructure investments to be financed by the project following a participatory decision-making process. Community Engagement Officers (one male and one female) in the PIUs will facilitate this engagement and ensure that the voices of the vulnerable groups such as women, youth and IDPs are reflected.

Sub-Component 1.2. Investment in Urban Infrastructure and Services (US\$ 81m)

25. This sub-component will finance civil works, goods and construction supervision consultancies associated with the implementation and supervision of infrastructure investments in cities where the necessary implementation readiness criteria related are met, these criteria are outlined below.

26. **Infrastructure selection criteria.** Eligible urban infrastructure investments need to meet the following criteria which interface the top-down citywide technical assessment with a bottom-up participatory decision-making process:

- *Critical investments that fill the existing urban infrastructure gaps* as identified by local governments and citizens and verified in feasibility assessments.
- *Strategic investments that contribute to urban resilience.* Investment aligned with a broader urban development plan and that directly contribute to making cities more resilient.
- *Inclusiveness.* Investments that benefit vulnerable groups including women, youth, the poor, and the displaced and selected in a participatory manner.
- *Maximizing development impact.* Substantive investments should be prioritized over small scale/piece meal investments.
- *Coordination/complementarity with ongoing projects.* Investments should avoid overlap with ongoing development interventions but complement them.
- *Labor intensiveness.* Investments should provide short term income generation opportunities for vulnerable groups.
- *Sustainability.* Investments should build in operations and maintenance measures to ensure sustainability.
- *Climate Resilience.* Investments should be climate resilient, in that they are planned, designed, built and operated in a way that anticipates, prepares for and adapts to changing climate conditions.
- *Government visibility.* Investments should be visible to citizens and highlight the government's in implementation to strengthen their legitimacy.



27. **Funding allocation** for infrastructure across participating cities will be determined through two sets of criteria – participation and implementation readiness criteria.

- *Participation Criteria.* Cities would need to meet a set of participation criteria before they can be included in the SURP.
 - The city should be socio-economically important (e.g. Federal Member State capital, large influx of IDPs, economic hub, etc.)
 - The inclusion of the city in the SURP is formally endorsed by the Project Steering Committee and documented in the meeting minutes.
- *Implementation Readiness Criteria.* Cities would need to meet the following *implementation readiness criteria* before being eligible for an infrastructure grant.
 - A PIU has been set up and is functional with necessary staffing.
 - The necessary technical studies for the priority investments have been prepared to a standard acceptable to the World Bank.
 - Any necessary safeguard documents²¹ have been prepared to a standard acceptable to the World Bank; consulted on with communities and local government officials and publicly disclosed.
 - There are no outstanding ineligible expenditures or any other fiduciary issues with prior investments implemented by the respective city.

28. Once the above implementation readiness criteria have been met, cities would be allocated funding for infrastructure investments in two installments.

29. The exact infrastructure investments in individual subprojects will be determined during project implementation. However, based on consultations with relevant stakeholders and technical assessments²², priority investments are likely to include: (i) upgrading/rehabilitation of existing primary and secondary urban roads; (ii) drainage; (iii) pedestrian walkways; (iv) streetlighting; and (iv) bridges. Investments in roads are justifiable in that provision of basic services such as water and electricity are fully privatized in Somalia whereas private sector is unlikely to invest in roads, which are public goods.²³ While the final list of infrastructure investments are not known across the four cities, there are some investments in Mogadishu and Garowe which can possibly be considered “quick win” subprojects as they have feasibility studies and preliminary designs already prepared and can be implemented as the first batch of subprojects under SURP II.²⁴ City-specific eligible infrastructure investments include the following.²⁵

30. **Mogadishu:** The construction of 11km of community roads in 10 districts of Mogadishu, and one urban road (Jaal Siyaad) about 3.7km has been prioritized as possible “quick win” candidate subprojects. Feasibility studies and preliminary designs for these roads have been completed under SUIPP and the

²¹ These include Environment Safeguard Management Frameworks and/or Plans, Resettlement Action Frameworks/and or Plans, Stakeholder Engagement Plan, Labour Management Procedures

²² Technical assessments include: urban assessments and feasibility studies undertaken in Kismayo, Baidoa, Garowe and Mogadishu, as well as the Road Inter-connectivity and Drainage Materplan in Mogadishu.

²³ Future phases of the project can however support improvements in basic service delivery if this is a priority of the Government.

²⁴ These potential ‘quick win’ candidate investments amount to approximately US\$ 10 million.

²⁵ See section C for more details on the implementation readiness criteria



community roads were selected through engagement with communities. To ensure proper road network and interconnectivity of the disjointed community roads within the city, BRA has also prioritized construction of additional 15.2km of interconnectivity roads. The preparation of feasibility studies, designs and bidding documents for these additional roads would need to be carried out under SURP II. Due to the perennial flooding problem in Mogadishu, BRA is also keen to implement the first phase of the Drainage Masterplan prepared through Bank support in December 2018 which would include the rehabilitation and construction of 6.5km of drainage.

31. **Garowe:** The construction of four urban roads have been prioritized as “quick win” candidate subprojects and feasibility studies and preliminary designs have been completed for the roads under SUIPP. These roads will serve areas where IDPs are living, the main Garowe hospital, and other social facilities. A multi-criteria analysis (MCA) was used in prioritizing and ranking these roads using indicators such as road condition, traffic volume, access to socio-economic facilities, environmental and social impacts, and government/community priorities. A Hospital bridge has also been prioritized but this still requires engineering designs. This subproject will therefore be included in the second batch infrastructure investments.

32. **Kismayo:** Under SUIPP AF, feasibility studies and detailed designs for priority roads in Kismayo are being prepared. Sixteen road sections totaling 32km have been prioritized based on MCA. The analysis examined various indicators which included: road condition, traffic volume, number of beneficiaries, access to socio-economic facilities, benefits to IDPs, environmental and social impacts, and government/community priorities. Furthermore, roads that were identified as priority roads in the urban plan and those that link with other development partners’ investments were prioritized. About 10 – 15km of prioritized roads depending on available funding can potentially be funded under SURP II. There are no “quick win” projects in Kismayo.

33. **Baidoa:** SUIPP AF is preparing feasibility studies and detailed designs for priority roads in Baidoa. Eight road sections of about 22km have been prioritized based on MCA as explained above. Given that Baidoa’s population has almost tripled with the recent influx of IDPs, roads that contribute to the new IDP resettlement area and existing IDP settlements were given high priority. Furthermore, considerations have been given to ensure that SURP II financed roads are well aligned with the city’s urban development plan and that they leverage other development partner funded roads to ensure inter-connectivity. About 10 – 15km depending on available funding can potentially be funded under SURP II. There are no “quick win” projects in Baidoa.

34. Community members would be engaged, through community engagement officers, during implementation of the civil works to: (i) identify beneficiaries for wage labor opportunities based on an agreed set of selection criteria and ensure women, IDPs and other vulnerable groups are given priority; and (ii) monitor the adherence to these criteria throughout construction. In addition, community operations and maintenance (O&M) committees will be established and trained in order to support municipalities with O&M of the project financed roads. In order to ensure women’s views are incorporated into subproject prioritization process and the operations and maintenance aspects, separate meetings will be held with women’s groups. A female Community Engagement Officer will be hired to facilitate this process and guidelines will be developed to facilitate women’s recruitment and retention. These guidelines will further include provisions to protect against potential risks, including risk of sexual



harassment, exploitation or abuse in the hiring process. In addition, contract packages across all four cities will be divided to ensure they are small enough to give opportunities to local firms to bid who would be more likely to employ local labor.

35. Female skilled labor will be engaged in the project by exploring partnerships with other development partner initiatives that are providing vocational training to women such as UNHABITAT and UNOPS support to the Ministry of Public Works. An increase in the numbers of women engaged in unskilled labor will be facilitated through the provision of adequate, separate and safe toilet facilities, safe transport for women to the construction site; female only construction groups will be formed if feasible. Additional provisions to ensure women's access, safety and security will be developed in advance of the recruitment process. Given the urban focus, there is a greater chance of attracting women as both skilled and unskilled labor in the project. The outcome of these initiatives (successes and failures) will be documented by the PCU in a lessons learned note which can feedback into the project to improve the mainstreaming of gender in implementation.

36. The proposed project will have substantial climate change adaptation and mitigation co-benefits as. All urban infrastructure will be designed and constructed considering the changing climate conditions, thus ensuring connectivity and enabling communities to recover more rapidly to disruptions caused by climatic conditions. In the dry seasons (which account for a cumulative period of nine months every year, on average), the paved surface will reduce the risk of dust vortexes and its consequences on the population. Since the project locations are susceptible to high temperature fluctuations and occasional flooding due to torrential rainfall, which is expected to increase in frequency and intensity due to climate change, improved drainage infrastructure will provide climate change adaptation benefits during the two annual rainy seasons. Pedestrian walkways will provide climate change mitigation co-benefits, as this will support urban transport modal change and pedestrian mobility, resulting in reduction of emissions from vehicular traffic. Finally, the project will also include energy-efficient street lighting, which has significant climate mitigation co-benefits.

37. This sub-component will also finance construction supervision consultancies to be procured by the respective municipal governments. The supervision consulting firm(s) will assist the municipal governments to effectively supervise investment subprojects and to transfer skills to technical staff. Support will also be provided to assist the municipal governments in the implementation and monitoring of safeguards.

Component 2: Institutional Strengthening and Analytics. (US\$ 5m)

38. This component will support various thematic TA and related analytics which include but are not limited to the following:

- **TA on Informal Settlement Upgrading** – Municipal governments will be supported in identifying pathways to formalize informal settlements *in situ* to the extent possible through a range of interim tenure arrangements for different types of informal settlements. Due to lack of secure tenure, many



of the IDPs in Mogadishu²⁶ face secondary displacement in the form of forced eviction.²⁷ In the absence of clear laws to regulate land transactions or policies to protect informal settlers, the number of illegal evictions is likely to continue to rise. To date, the government has applied a one-size-fits-all approach aiming to resettle all IDPs to city peripheries, which is expensive and should be treated as a last resort. By distinguishing different types of informal settlements (based on location and types of inhabitants) and identifying tailored solutions, this TA will help optimize the interim tenure options. This TA will be undertaken in Mogadishu and possibly Baidoa, as the two cities have the government's strong political will and present vastly different contexts. The proposed TA will build on the World Bank's ongoing Somalia Urbanization Review as well as joint UN study on sustainable IDP durable solutions. Close coordination will be required with various partners engaged in land and housing issues such as the UN Regional Coordinator's Office, IOM, UN-Habitat, and NRC among others.

- **TA on Urban Infrastructure O&M** – The technical and financial aspects of O&M for road assets will be supported, starting with Mogadishu as a pilot. Specifically, the TA will help: (i) examine the status quo of major urban roads in Mogadishu and construct a road network inventory and condition database; (ii) examine BRA's current budget and expenditures on road O&M and estimate the financing gap; (iii) review and update the Mogadishu road maintenance plan prepared by BRA with innovative financing and technical measures utilizing various financing sources such as the private sector, diaspora, communities, and the government; and (iv) ensure that the consideration of climate change impacts in the O&M of infrastructure, such as changing maintenance schedules and including adaptive management to account for uncertainty in the future. This TA builds on the first phase of the TA that is currently being implemented in Mogadishu under SURP. Should the pilot prove successful, the TA will be scaled up to other target cities.
- **TA on Urban Governance and Services** – Taking solid waste management as an entry point, this TA will help strengthen the local government's ability to hold private service providers accountable in urban service delivery. Specifically, this TA will finance: (i) diagnostic work to analyze the current solid waste management system in Mogadishu and identify key challenges and means to tackle them; and (ii) pilot activities to improve waste disposal and collection in project supported areas. Unlike other service delivery sectors, solid waste management is managed by the municipal government by contracting private operators for waste collection and is therefore a good entry point.²⁸ The benefits of helping the local government improve solid waste management are manifold: (i) better solid waste management helps maintain SURP II roads and side drainage; (ii) strengthening the local government's capacity to monitor and hold private service providers accountable can strengthen urban governance and service provision; (iii) improving a highly visible problem will help boost the local government's legitimacy; and (iv) reduces health and environmental risks. In addition, to further the overall discussion of inter-governmental functional assignments pertaining to urban governance and services, the establishment of a "Mayors' Forum" will be supported. This TA will be undertaken

²⁶ Mogadishu is home to an estimated 600,000 IDPs most of whom live in informal settlements while Baidoa hosts an estimated 323,000 IDPs²⁶ and based on the available cities' population estimate, IDPs account for 39 percent and 76 percent of Mogadishu and Baidoa's population respectively.

²⁷ Between January and July 2018 alone, over 204,000 IDPs were forcibly evicted across the country, more than half of which were in Mogadishu

²⁸ Other urban services such as water supply and electricity are currently provided by the private sector who have no contractual obligations to the municipal government.



in close collaboration with the UN JPLG given the program’s continued support to sub-national governance system strengthening.

Component 3: Project Management and Capacity Building. (US\$ 18m)

39. This component will finance the overall project management costs (including monitoring and evaluation) as well as the capacity building of the Project Coordination Unit (PCU), PIUs and relevant municipal staff. Specifically, this component will finance: costs related to staffing of a PCU located in the Ministry of Public Works (MoPW) as well as the PIUs at the municipal level in all target cities; financial audits; social audits; grievance redress and feedback mechanism (GRM), social and environmental safeguard implementation, M&E including a geo-enabled monitoring system (GEMS) and impact evaluation. Third party monitoring for the supervision of civil works and verification of project implementation progress will be undertaken by the World Bank through MPF funding.

40. Capacity building in engineering, FM, procurement, environment/social safeguards, planning and budgeting, M&E, citizen engagement and any other capacities necessary will be provided to the PCU, PIU and municipal staff. The contents of the capacity building will build on the institutional assessments of the municipalities and will be provided through either a TA firm or Individual Consultants as deemed appropriate. The TA will use on-the-job mentoring and classroom training.

Component 4: Contingent Emergency Response. (US\$ 0m)

41. This contingent emergency response component (CERC) would be included under the project in accordance with the World Bank Policy on Investment Project Financing dated November 10, 2017, Paragraph 12 and 13 for situations of urgent need of assistance. This will allow for rapid reallocation of uncommitted project funds in the event of a natural or man-made crisis in the future, during the implementation of the project, to address eligible emergency needs under the conditions established in its operations manual. This component will have no funding allocation initially and will draw resources from the other expenditure categories at the time of activation.

Legal Operational Policies	
	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

Summary of Assessment of Environmental and Social Risks and Impacts



The screening of environmental and social risks and impacts was conducted by the task team's environmental and social specialists through site visits, consultations with key stakeholders and the implementation of the ongoing SURP I project.

E. Implementation

Institutional and Implementation Arrangements

42. The proposed SURP II will be implemented on behalf of the Federal Government of Somalia (FGS) by the BRA/Mogadishu Municipality, Garowe Municipality, Kismayo Municipality and Baidoa Municipality. New cities in Galmudug and Hirshabelle States will also be implementing entities in the project. The Grant Agreement/Legal Agreement will be signed between the World Bank and the Ministry of Finance at the federal level, whereas each state will sign a subsidiary agreement with the Federal Government. The Federal Government will have oversight of the project.

43. **Federal-level roles and responsibilities.** A federal inter-ministerial Steering Committee chaired by the Office of the Prime Minister and the Aid Coordination Unit will be set up and would meet on a quarterly basis or more frequently as needed. Other key line ministries such as the Ministry of Planning, Investment and Economic Development (MoPIED), MoPW, and the Ministry of Finance will also be represented. This Steering Committee will also include one representative from each Federal Member State participating in the project.²⁹ The Steering Committee will be responsible for providing strategic guidance to the project, approving the inclusion of additional cities into the project and deciding on the funding allocations across cities. Detailed terms of reference will be developed for the steering committee to outline the composition, roles and responsibilities and procedures for decision making.

44. A PCU will be set up at the federal level in the MoPW staffed with a Program Coordinator, FM Specialist, Procurement Specialist, Environment/Social Safeguards Specialist, Gender Specialist, M&E Specialist and other technical staff as needed. The PCU will be responsible for providing coordination and technical support to the municipalities as needed. The PCU will not manage the project funds related to implementation of the civil works. The Program Coordinator will act as the Secretariat to the Steering Committee.

45. **State- level roles and responsibilities.** State level inter-ministerial committees would be set up to provide a platform for coordination, information dissemination and consultation at the State level. These committees would include the Ministries of Public Works, Planning, Finance and Interior as well as the Mayors of the cities benefiting from the project. These committees have already been established in Jubbaland and South West State but will need to be established in Puntland, Galmudug and Hirshabelle. Given there will already be a federal level steering committee, an additional committee for BRA will not be required. Subsidiary Agreements will be prepared and negotiated for each State to clearly outline the roles and responsibilities of the State vis a vis the federal level.

46. **Municipal- level roles and responsibilities.** The BRA, Garowe, Kismayo and Baidoa Municipalities will have overall responsibility for project implementation. PIUs have already been established within the

²⁹ The Mayor of Mogadishu would represent the Benadir Regional Administration and the Ministries of Public Works would represent the other FMS.



BRA, Garowe, Kismayo and Baidoa Municipalities who report to the respective Mayors. They are staffed with a Project Focal Point/Coordinators, Procurement Specialists, FM Specialists, Project Engineers, Environment and Social Safeguard Specialists and M&E Specialists. Community Engagement Officers (male and female) will be recruited. PIUs will: coordinate overall project implementation; ensure timely payments to contractors, implement the relevant safeguard instruments, ensure continuous community outreach and consultation, maintain project accounts and produce financial reports, undertake M&E activities, develop and implement the GRM and report results to various stakeholders. Once Galmudug and Hirshabelle enter the program, PIUs will be established in these cities. PIUs' capacity will be continuously strengthened by the World Bank technical staff.

47. The PIUs will be supported by an engineering supervision consultant(s) who will be responsible for monitoring the civil works contractors as well as monitoring adherence to the safeguard instruments. The third-party monitoring agent will be contracted by the World Bank to provide quality assurance - carry out spot checks on both the engineering quality of the civil works and adherence to the safeguard instruments.

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