



# Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 09-Apr-2020 | Report No: PIDA28779



**BASIC INFORMATION**

**A. Basic Project Data**

Country Somalia	Project ID P173315	Project Name Somalia Crisis Recovery Project + COVID-19	Parent Project ID (if any)
Region AFRICA	Estimated Appraisal Date 10-Apr-2020	Estimated Board Date 15-May-2020	Practice Area (Lead) Urban, Resilience and Land
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Finance, Federal Government of Somalia	Implementing Agency Ministry of Finance, Federal Government of Somalia, Ministry of Planning, Investment and Economic Development, Federal Government of Somalia	

Proposed Development Objective(s)

The Project Development Objective is to 'support the recovery of livelihoods and infrastructure in flood and drought affected areas and strengthen capacity for disaster preparedness nationwide'

Components

- Component 1: Immediate basic services and livelihood support for early recovery
- Component 2: Medium-term flood recovery
- Component 3: Longer-term disaster risk management and preparedness
- Component 4: Project Management
- Component 5: Contingency Emergency Response

The processing of this project is applying the policy requirements exceptions for situations of urgent need of assistance or capacity constraints that are outlined in OP 10.00, paragraph 12.  
Yes

**PROJECT FINANCING DATA (US\$, Millions)**

**SUMMARY**

<b>Total Project Cost</b>	107.50
<b>Total Financing</b>	107.50



of which IBRD/IDA	107.50
Financing Gap	0.00

**DETAILS**

**World Bank Group Financing**

International Development Association (IDA)	107.50
IDA Grant	107.50

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**

Introduction

1. **Somalia is in the grip of a climate emergency, compounded by prolonged armed conflict and other situations of violence (OSV) and a challenging socio-political environment.** The interlinkages between climate and environmental change, cyclical drought, poverty, fragility, severe food insecurity, and protracted conflict are arguably more pronounced in Somalia than most countries. People are increasingly caught between deadly extremes— conditions are either too wet or too hot and dry— and those already on the run from violence may be uprooted again by droughts and floods. The country has been struggling to overcome the impacts of a crippling drought from 2016 to 2017 and again in 2019, together with protracted and ongoing armed conflicts and internal violence that has displaced more than 2.6 million people internally and brought many to the brink of starvation. Cyclical floods and droughts are an increasingly common feature and their co-existence poses a lethal threat. With most Somalis dependent on agriculture (primarily livestock) and forestry, continued climate and conflict impacts wreak havoc with daily life. The ability of Somalis to recover is progressively degraded.

2. **In late 2019 parts of Somalia experienced some of the worst flooding in the country’s recent history.** Moderate to heavy rains caused substantial flooding in low-lying areas along the Shabelle and Juba Rivers<sup>1</sup>, resulting in several deaths and significant damage to infrastructure, crops, property, and livestock. The flooding

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<sup>1</sup> PAD-Annex 1: Map of flood extent for Shabelle and Juba Rivers



affected more than a half million people across 17 districts in ten regions in the three states of Jubaland, Hirshabelle, and Southwest with 370,000 people displaced from their homes. In urban centers sewage and flood water mixed, widely contaminating the shallow wells that provide drinking water and leading to repeated outbreaks of cholera. Heavy rains and flooding also damaged infrastructure in existing settlements for internally displaced people (IDPs), affecting at least 154 IDP sites. Economic growth for 2019 and beyond is expected to decline in the aftermath of the floods, with annual real Gross Domestic Product (GDP) projected to drop by 1.5 percent out of an annual projection of 3 percent. Economic losses as a result of the floods are projected to reach US\$ 206 million over the next five years. The anticipated deterioration comes as a result of important losses in trade-related activities due to the significant damage to critical infrastructure, such as roads, buildings, and bridges, as well as losses in health and water and sanitation services. Along the Juba and Shabelle river systems, flooding caused displacement, shortages of food, and people's lives and livelihoods were lost.

3. **Swarms of desert locusts threaten food security.** To compound an already dire humanitarian situation the heavy rains and wet soils have supported the uncontrolled development and spread of desert locusts across Somalia and much of East Africa. While the impact of the first swarms of locusts to agriculture and livelihoods in Somalia was not as severe as originally feared, owing to crops having just been harvested, there is still a grave risk that current breeding and egg laying in Somaliland and Puntland will lead to fresh swarms moving south in the coming months to the flood-affected states in search of food. The next main cropping season – in April 2020 – is around the corner. This will coincide with the new generation of swarms, further exacerbating food insecurity and presenting a massive food security threat in already vulnerable areas. An estimated 1.1 million people are experiencing crisis or worse levels of food insecurity and the number in need of urgent food assistance is expected to increase by 40 percent over the next six months. Millions of farmers and herders risk losing their crops, pasture, and main source of income. The majority will be subsistence producers, with little or nothing to fall back on, whose debt levels will increase, compounding an already fragile situation across much of Somalia. The Food and Agriculture Organization of the United Nations (FAO) forecasts indicate between 20 to 30 percent in crop losses, affecting 203,000 people. The worst-case scenario could lead to losses of 50 to 75 percent in crop production, potentially affecting 514,000 people. Faced with the largest locust swarms in 25 years and posing a significant threat to food security and livelihoods in the region, the Federal Government of Somalia (FGS) declared the locust invasion a national emergency on February 2, 2020.

4. **Climatic changes which are likely to increase in both frequency and severity strongly impact on-going conflict dynamics.** These changes will significantly impact the livelihood of people, especially through the effects on migration and forced displacement. The absence of livelihood options and the increase in poverty contribute to grievances and fragility. The accumulation of household debt is a key vulnerability for those Somalis whose livelihoods are impacted by repeated patterns of climate shocks. Grievances that are linked to group affiliation are particularly serious risk factors as they affect conflicts on multiple levels and are likely to inhibit resolution.<sup>2</sup>

5. **Affected communities and the FGS require comprehensive longer-term interventions to help mitigate future risks.** To this end, the Project is partnering with the FGS to work on the design of the financing for the immediate recovery and reconstruction phase, as well as future investment in Disaster Risk Management (DRM). Experts in flood risk management and food security confirm that isolated interventions and measures will not work, and that an integrated flood-drought response and preparedness regime is required in the medium to long term.

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<sup>2</sup> Climate-related Security Risks & Peacebuilding in Somalia. Stockholm International Peace Research Institute, October 2019.



## Country Context

6. **This is an important year for Somalia.** There is a high possibility of inclusive, peaceful, and credible national elections, as well as the potential for accelerated economic growth and development resulting from debt relief and progress towards the transfer of security responsibilities from the African Union Mission in Somalia (AMISOM) to the Somali forces. After two decades of conflict, state collapse, *warlordism*, and weak transitional governments, the FGS was established in 2012, with a “road map” towards stabilization, recovery, and reconstruction. The Federal system of governance, with its newly formed Federal Member States (FMS), opened a new chapter for Somalia’s development and offers hope for a stable future. However, the federation process is complex and presents both a significant development opportunity, as well as uncertainty over representation and power and resource-sharing.

7. **Building State legitimacy and citizen trust requires more work.** There has been a rise in the opportunities for cooperation at sub-national level during the past couple of years. Regional Governments have recently been established in all FMS and district councils are being formed in a number of them. The gradual development of local governance and local service delivery is an opportunity to localize the Humanitarian-Development nexus by empowering local and regional stakeholders to make assistance more responsive and more relevant to community needs and aspirations.<sup>3</sup> The Federal system can only take root only if there is bottom-up citizen engagement and trust building.

8. **Recurrent natural disasters and conflict stymie development.** The agriculture sector remains the backbone of the economy at 75 percent of GDP - one the highest sectoral shares in the world.<sup>4</sup> The livelihoods of roughly half of Somalia’s estimated population of 12 million individuals is reliant on pastoralism or agro-pastoralism, which implies that a significant portion of Somalia’s population remains highly vulnerable to climate change and natural disasters. While spending by the FGS has increased significantly over the past five years, it remains concentrated on security and public administration, reflecting the immediate priorities of peacekeeping and state-building, and neither the FGS nor the FMS is able to allocate meaningful resources for early recovery and development.<sup>5</sup> Pursuing integrated approaches and bridging the divide between humanitarian aid, development cooperation, and peacebuilding are generally seen as critical pre-conditions for making progress.

9. **Despite modest territorial security gains, Al-Shabaab remains a deadly and destabilizing force within Somalia.** Since 2006, Al-Shabaab has capitalized on opportunities to seize large swaths of territory. However, this violence has many participants. In 2016 alone, 150 unique armed groups were active in Somalia, almost three times as many as were active in 2010. So-called “clan militias” also contribute to a wide occurrence of internal violence.<sup>6</sup> Drought, competition over limited natural resources, and poor living conditions also fuel fighting in rural areas. As such, Government control beyond urban areas and key towns and cities continues to

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<sup>3</sup> Think local. Governance, humanitarian aid, development and peacebuilding in Somalia. Ecdpm, March 2019.

<sup>4</sup> World Bank. 2018. *Country Partnership Framework for the Federal Republic of Somalia*. Washington, DC: World Bank.

<sup>5</sup> World Bank. 2019. *Draft Somalia Economic Update. Rebuilding Human Capital to Return to Prosperity*. Fourth Edition. Washington, DC: World Bank.

<sup>6</sup> Somalia’s Path to Recovery, Brookings Institute, October 2019.



be restricted. In turn, the Government is limited in its ability to coordinate and oversee humanitarian and rehabilitation work and facilitate the provision of basic services. Re-establishing the capacity of local governments to respond to natural disasters contributes to their legitimacy and builds state-citizen trust.

10. **The vulnerability of women and girls to natural and conflict-related shocks remains high.** Nearly 7 of 10 Somalis live in poverty which is widespread and pervasive, particularly among rural residents, IDPs settlements, and children. The majority of the population involved in the coping economy, adopts a patchwork of solutions, including migration, seeking charity, taking to negative coping mechanisms, and limiting consumption. Further, communities and IDPs dislocated from the socio-economic protection of the clan structures are significantly more susceptible to such behaviors. Traditional and religious norms limit women's roles outside the domestic sphere and hinder their participation in political and public decision-making forums. Despite their increasing engagement in economic activities, women are thought to be far poorer than men because wealth is unevenly distributed in the household and across the wider economy. Women's participation rate in the labor market remains low at 37 percent, as compared to 58 percent of men, and is predominantly concentrated in the agriculture sector. Access to basic services, food, and shelter, together with erosion of assets following floods and drought, all present heightened risks for women, particularly female-headed households and female IDPs. Somalia is also a high-risk country for gender-based violence (GBV) – and the relatively large distances to communal services and livelihoods aggravate this risk.

#### Sectoral and Institutional Context

11. **Somalia's newly established Federal system (2012) is still very much a work in progress.** While political decentralization has led the shift from a highly centralized unitary system to one of a Federal Government with six FMS, both administrative and fiscal decentralization efforts require greater clarity, direction, and momentum. While the FMS regularly interact with the FGS through the Development Council, given the lack of architecture to deal with disaster preparedness, mitigation, and management, establishing a viable policy framework and institutional coordination mechanism both horizontally and vertically is vital to building long-term response capacities. As capacities in the FMS slowly strengthen, any engagement must be carefully structured to reflect the emerging decision-making environment and to strengthen the social contract. This is why any engagement must strengthen bottom-up planning and accountability.

12. **Somalia's disaster management and coordination capability are limited.** The Ministry of Humanitarian Affairs and Disaster Management (MoHADM) was created in 2016 and is leading the development of a National Humanitarian Strategy and the implementation of the National Disaster Management Policy (NDMP).<sup>7</sup> The FGS is also setting up a National Emergency Operations Center (NEOC) led by an inter-ministerial Committee of the Office of the Prime Minister (OPM) and MoHADM. Progress has been slow, as these nascent formal public institutions are beset by limited human capacity, overlapping mandates, and inadequate and often contested financial resourcing. FMS are also beginning to establish disaster mitigation and management systems, despite having limited to no discretionary financing through the member state budgets. The evolving institutional

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<sup>7</sup> The NDMP, approved in October 2017, presents a government-wide, holistic approach to disaster management, such as setting up formal coordination structures (National Disaster Management Council and Somalia Disaster Management Coordination Group), including a corresponding Implementation Framework, identifying key actions to operationalize the national policy. UNDP, through the Building Disaster Risk Management Capacities in Somalia Project (2020-22), aims to strengthen MoHADM and other relevant institutions to enable NDMP success.



landscape<sup>8</sup> is therefore both complex and often characterized by fragmentation of mandates and divergence across relevant FGS and FMS institutions. Ministries and agencies also compete for a broader interpretation of their roles and responsibilities. Despite recurrent climate-related crises, the Government typically deals with them on an ad hoc and singular basis, rather than a comprehensive and long-term approach to disaster risk management and resilience building. Currently, the institutional landscape could benefit from the rapid completion of the preparation of the flood risk management strategy, improvements in climate or risk informed infrastructure investment planning, asset maintenance, urban planning, land use regulation, and strengthened community engagement.

13. **Somalia lacks a nationally-owned and managed emergency alert and early warning system.** Currently early warnings are produced by the FAO Somalia Water and Land Information Monitoring (SWALIM), the Food Security and Nutrition Analysis Unit (FSNAU), and the Famine and Early Warning Systems Network (FEWS NET). Seasonal climate outlook information is provided by the Inter-Governmental Authority on Development Climate Prediction and Application Center. Government agencies lack the capacity to translate and disseminate warnings in order to trigger effective planning and response measures by local institutions and at-risk communities. Unless targeted and specific interventions are prepared to address these challenges prior to a national emergency, or a national strategic food security reserve put in place, even if institutions are strengthened, they will lack the necessary systems vital to a rapid response.

14. **The National Development Plan (NDP-9) provides a new opportunity to advance Government-led coordination.** The recently finalized NDP (2020-2024) aims to set a clear path to build the economy and reduce poverty, while focusing on inclusivity, resilience-building, and durable solutions to displacement. The NDP-9 seeks to simplify and harmonize existing frameworks and plans, including the Somalia Recovery and Resilience Framework (RRF), National Reconciliation Framework, NDMP, Durable Solutions Strategy for internal displacement, the Drought Response Plan, and the Humanitarian Response Plan (HRP). This harmonization exercise will facilitate coordination and alignment across development and humanitarian actors. The existence of multiple frameworks and plans across Government and between partners currently hampers a coordinated and aligned approach.

#### The Need for an Urgent and Innovative Response

15. **The Project intends to promote a ‘whole-of-government’ approach to incentivizing cooperation and enhancing state-citizen-trust through state-led responses to multiple crises confronting the country, including floods, drought, political instability, locust invasion, food insecurity, and the coronavirus.** For a long time, much energy and investment has gone into planning top-down processes in Somalia, from establishing a federal state structure to pushing a humanitarian-development agenda.<sup>9</sup> The greatest potential for ‘success’ – be it to sustain a federal system or to achieve development – lies at a local level with the active participation of FMS. To that end, the Project will support a local governance agenda that empowers nascent FMS and local authorities to visibly support local communities in disaster response and preparedness through a “citizens-upwards” approach built on the principles of meaningful consultation, transparency, and fairness. The ability of

<sup>8</sup> Regionally, Somaliland and Puntland have set up their own independent DRM agencies<sup>8</sup> and report to their respective regional government. The other FMS’ disaster management function resides in the state MoPIED (Jubaland) or state MoHADM (Hirshabelle, Galmadug, and South West State).

<sup>9</sup> Think local. Governance, humanitarian aid, development and peacebuilding in Somalia. Medinilla et al, ecdpm, March 2019.



the Project to operate safely in some areas will hinge on the inclusiveness of its approach. Lack of coordination around disaster management, economic resilience and inclusion undermine a cohesive approach and risk long-term confusion. The timeliness of this intervention is therefore important; laying the foundation of the future system for managing and mitigating disaster risks.

16. **Building FMS disaster prevention and preparedness capacities will go a long way to reducing future humanitarian spending.** Somalia's history has been of cyclical short-term humanitarian responses and a failure to invest in more durable solutions and essential infrastructure. Supporting the establishment of prevention and preparedness systems will lower the loss of human life, reduce the costs of humanitarian delivery long term, and potentially will strengthen the impact of the development nexus. As a result, the economic multipliers include long term operational efficiencies, gains from minimizing the risks of duplication, and the positioning of more effective solutions that save lives and protect livelihoods at a lower cost.

#### ***Validation of the Scale of Damages and Needs for Flood Recovery***

17. **The flooding caused more than US\$ 270 million in damages.** In December 2019, the World Bank and FGS initiated a joint exercise to assess the losses and damages caused by the floods and to develop a strategy for immediate recovery and longer-term resilience building. The result was the Somalia Flood Impact and Needs Assessment (FINA)<sup>10</sup>, which assessed and quantified flood recovery and resilience building needs across eight sectors.<sup>11</sup> Nearly one third of the overall damages are on transport (roads, bridges), with significant damages also recorded to water supply and sanitation, health facilities, and river embankments. The impact on the agriculture sector was found to have been narrow and localized, with the rains benefiting overall crop production and pasture, although the rains have also supported the uncontrolled spread of desert locusts.

18. **Recovery needs are assessed to be in the vicinity of US\$ 350 million.**<sup>12</sup> Sectors with the highest recovery needs include transport (US\$ 115 million), followed by health (US\$ 46 million), and education (US\$ 35 million). The World Bank estimates that together with donor pledges and this Project, a reconstruction and recovery funding gap for the floods of US\$ 297 million remains.<sup>2</sup> For the desert locust response, FAO estimates nearly US\$ 57 million in total needs for Somalia (through early 2021), with a funding gap of US\$ 34 million. This is on top of the prolonged impact of the 2016/17 drought and other crisis afflicting Somalia if the past several years.

#### **D. Relevance to Higher Level Objectives**

19. **The SCRP aligns with the International Development Association (IDA) 19 core priorities and the World Bank Group's (WBG) new Fragility Conflict & Violence (FCV) strategy.**<sup>13</sup> The FCV Special Theme of IDA 19 aims to further strengthen IDA's effectiveness in Fragile and Conflict-affected Situations, supporting countries to escape the fragility trap and exploiting IDA's comparative advantage at the security-development nexus. The

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<sup>10</sup> The FINA, while specific to Somalia, is synonymous with, or the same as a rapid Post-Disaster Needs Assessment (PDNA) in that it is a government-led assessment of damages, losses, and needs across multiple sectors, harmonizing support and information from the World Bank, United Nations, and other international and national actors. Methodologically, it employs the same tools and techniques as a PDNA, and the end-product is also exactly the same which is a comprehensive report on disaster impacts, needs and recovery strategies.



Project uses a flexible approach to enable it to respond to rapidly changing circumstances and is adapted to address the root causes of fragility. Further, the Project will engage in partnerships with a diverse range of stakeholders for effective delivery.

20. **The Somalia Crisis Recovery Project (SCRP) aligns with the Country Partnership Framework (CPF) (FY19-22), with its strong focus on poverty alleviation and resilience building;** namely: (i) strengthening institutions and expanding access to services; and (ii) building Somalia's structural resilience to fragility and shocks. Somalia is re-engaging with IDA after two decades of arrears to the World Bank and other international financial institutions. On reaching the Decision Point, Somalia's eligibility for debt relief has been confirmed and the country is now IDA eligible, supporting full International Financial Institution (IFI) re-engagement and securing IDA's Turn-Around Regime to channel more scaled-up resources. The request for IDA Crisis Response Window (CRW) is timely and concurrent with the WBG re-engagement trajectory over the coming months.

21. **The Project is aligned with FGS's NDP-9.** The Plan is informed by an analysis of the drivers of poverty, which include fragility, conflict, insecurity, lawlessness, weak and fractured government, and climatic shocks. It is built around the four pillars of (1) inclusive politics, (2) improved security and the rule of law, (3) inclusive economic growth, (4) and improved social development.

22. **SCRP will help operationalize the Government-led RRF.** Launched in July 2019, the RRF is conceived as a way of supporting government-led coordination of preparedness, recovery, and resilience-building activities, while contributing towards the realization of the ambitious vision set out by the new NDP-9. The RRF will strengthen existing aid coordination to allow available funds to be matched with priority needs, while monitoring recovery and resilience-related outcomes. The SCRP will include activities to increase the capacity of Government to anticipate and reduce future disaster risk and better coordinate its responses.

23. **The SCRP will also help facilitate approaches for anticipating and mitigating food security crises in Somalia as promoted by the Famine Action Mechanism (FAM).** The FAM is a partnership between the World Bank, United Nations, (I)NGOs and donors dedicated to scaling up early action to protect lives and livelihoods from emerging food security crises. Somalia has been designated a first mover country for the FAM to pilot these efforts. Investment in priority-setting and planning under the SCRP will provide a solid platform for effective and efficient delivery of financing from the new IDA Crisis Response Window Early Response Allocation (CRW ERA) which will launch in IDA19 (July 2020).

24. **The Project is aligned with the World Bank's climate change and resilience agenda.** In the Action Plan on Climate Change Adaptation and Resilience the Bank acknowledges the urgency of the development impacts of climate change, especially in FCV countries. It commits to scaling up adaptation efforts to build resilience against climate and disaster impacts, with a focus on interventions that directly target and engage with vulnerable population groups.

### C. Proposed Development Objective(s)

Development Objective(s) (From PAD)



25. The Project Development Objective (PDO) is to “support the recovery of livelihoods and infrastructure in flood and drought affected areas and strengthen capacity for disaster preparedness nationwide.”

#### Key Results

26. The following outcome indicators will be used to measure progress towards the PDO:
- a) Number of people with improved access to livelihoods support
  - b) Number of female-headed households benefiting from livelihood inputs
  - c) Number of households with access to improved infrastructure and basic services
  - d) Number of people benefiting from improved flood risk management
  - e) Improved national disaster preparedness and response mechanisms

#### D. Project Description

27. **An inclusive Government-led process.** The SCRCP is designed to create confidence in local structures and improve Government-citizen trust through community engagement, Government branding and communication. Institutional arrangements allow for a high degree of cooperation and coordination between the FGS and FMS. The Project emphasizes building a capable and effective platform up front, both within the PIU and at the FMS-level to deliver investments and strengthen and reinforce Government legitimacy and citizen engagement. A focus on the sub-national level will also strengthen the social contract and help build bottom-up preparedness and prevention capacities.

28. **A localized approach.** Legitimacy of the Somali Federal system rests on stabilization and development at the sub-national level; through newly established state and non-state clan-based structures. The SCRCP institutional arrangements represent an opportunity to localize the humanitarian-development nexus by empowering local and regional stakeholders to make assistance more responsive and relevant to community needs. Linkages with the RRF and development of ‘off-the-shelf’-projects that can be scaled will be critical.

29. **A flexible design and adaptive approach to project design and management.** A criteria-based selection process developed by the FGS and the FMS will allow for project resources to be allocated proportionally to needs established in the FINA report, while considering local political economy dynamics. This approach will facilitate demand-driven planning through the production of sector investment plans through cross-sectoral coordination and longer-term programming at a local level designed to increase the likelihood of ownership and delivery. The Project will also incorporate build-back-better standards, ensuring that all assets and services are designed to be climate and disaster-resilient.

30. **An integrated multi-sector response.** A multi-sectoral approach (agriculture, water, health, transport) will provide immediate support to the affected people over the first six to twelve months, while concurrently starting to rehabilitate community and public infrastructure and establish the analytic and policy groundwork for longer-term investments over a four-year period.

31. **Strategic partnerships.** Notwithstanding the objectives of strengthening Government systems, the



Project will utilize partners on a selective basis where Government capacity or access would hamper implementation, especially for the early recovery and locust components. The use of a technical and project management agency to support Government will facilitate early and effective delivery, although Government will remain strongly in the lead.

## E. Project Components<sup>14</sup>

32. **Component 1: Immediate basic services and livelihood support for early recovery** (US\$ 30 million) to the flood affected states of Hirshabelle, South West, and Jubaland and locust-affected areas nationally through: (a) procuring biopesticides for future ground and aerial spraying operations to help control the desert locust population, impact assessments, and surveillance; (b) restoring and protecting farmer capacity for agricultural production, through the provision of inputs, pre-positioning feed stocks, and controlling vector and vector-borne livestock disease; (c) revitalizing basic health service provision to include strengthening of response services and referral pathways for survivors of GBV; and (d) supporting household hygiene promotion and treatment.

33. **Component 2: Medium-term flood recovery** (US\$ 42 million) to support the rehabilitation of critical public and community infrastructure<sup>15</sup> in line with build-back-better and climate resilient standards in the flood affected states of *Hirshabelle*, South West and Jubaland. The component will rehabilitate water and sanitation systems, broken or non-functioning pre-existing flood control systems (embankments, drainage, irrigation canals and restoration of river channels through dredging), health facilities, bridges, and small feeder roads. It will also support local mitigation efforts for risk reduction such as slope protection and environmental rehabilitation.

34. **Component 3: Longer-term disaster risk management and preparedness** (US\$ 24.5 million<sup>16</sup>). This component will have a national scope and focus and will set the analytical and policy groundwork and capacities to enable a government-led, integrated approach to flood and drought risk management and preparedness. This will include: (a) piloting Integrated Flood-Drought Preparedness and Response Solutions at a national level including community level structural and non-structural interventions; (b) Flood Risk Management including the strengthening of the enabling policy and institutional framework, flood risk assessment and hazard mapping, and pilots for structural flood risk reduction interventions; (b) Supporting Hydromet and Early Warning Systems for generating and disseminating hydromet data; (c) Supporting the operationalization of the National Drought Recovery and Resilience Framework (RRF) Secretariat including the institutionalization of investment planning processes for drought recovery and resilience building and strengthening systems for aid tracking, institutional coordination and programmatic monitoring and evaluation; (d) Supporting the setting up of a NEOC using a systems approach, and developing and operationalizing a Longer-term Public-Civil Society Collaboration Model for Crisis Response and Preparedness; (e) Capacity Building and Technical Assistance to Ministries, Departments, and Agencies (MDA) for resilience building, including anticipatory actions for future food crises; (f) Establishing

<sup>14</sup> More details in PAD - Annex 2.

<sup>15</sup> Community infrastructure could include: (a) small-scale community self-built and self-maintained infrastructure; (b) community infrastructure developed, financed, maintained, and operated through non-public means such as NGOs, bilateral funding programs, etc.; and (c) small-scale community infrastructure that may have been created through public financing but was handed over to or fell into community hands for maintenance and upkeep.

<sup>16</sup> Includes US\$ 2.5 million from the IDA 2019 national PBA for the COVID 19 response.



Locust early warning systems, (g) Strengthening and harmonizing food security information and early warning systems to better monitor multiple threats (e.g. food prices, food shortages, interruption of food supply chains, reduced income / remittances; and; (h) Strengthening Somalia's Integrated Disease Surveillance and Response System and enhancing laboratory capacity to ensure the timely detection of pathogens (including for COVID-19).

35. **Component 4: Project Management** (US\$ 6 million) This component will support overall Project management and coordination by the Project Management Unit located the Ministry of Finance including: financial management (FM), procurement, monitoring and evaluation (M&E), environmental and social safeguards compliance, technical quality assurance, preparation of subproject designs and construction supervision services, grievance redress, and GBV/SEA and referral and protection. An independent verification agent (IVA) procured by the PIU will validate results. The PIU is expected to provide close implementation support to the FMS and state level project teams by engaging a technical advisory consultancy.

36. **Component 5: Contingency Emergency Response Component** (US\$ 5.0 million). This Contingency Emergency Response Component (CERC) is included in the Project in accordance with Investment Project Financing (IPF) Policy, paragraphs 12 and 13. There is a moderate to high probability that during the life of the Project Somalia will experience natural or man-made disasters, and major disease outbreaks of public health importance which causes a major adverse economic and/or social impact, which will result in a request to the Bank to support mitigation, response, and recovery in the areas affected by such an emergency. In the event of such an emergency, the CERC will serve as a first-line financing option for response. Additionally, the CERC is flexible enough to incorporate the new Crisis Response Window Early Response Allocation (CRW ERA) criteria so that it can be mobilized as part of an early response to an eligible food security crisis or disease outbreak.

37. **Performance-based work planning and progress allocations.** Project resource allocation to the FMS will be determined progressively based on specific performance criteria defined in the Project Operational Manual (POM). These criteria will include the FMS' compliance with agreed implementation processes, implementation progress towards the achievement of the results targets set for each state, and compliance with various safeguards and fiduciary standards. This is a risk-mitigation tool to ensure that delivery performance is rewarded.

38. **Project Coverage and Duration:** The Project targets the three flood-affected states of Hirshabelle, South West, and Jubaland, while advancing a national approach to the locust response, longer-term resilience building, and the health CERC. The financing instrument of the proposed Project is an IDA-based Investment Project Financing, with an operational life of 4-years. The Project's early recovery and locust preparedness activities will likely take six to twelve months to complete, while an overall four-year project duration is proposed to: (a) allow the completion of infrastructure activities to building-back-better standards; (b) allow time for the FGS-FMS project management arrangements to become functional, and (c) support longer-term resilience building and risk management within Government.

39. **Approach for subproject selection and community/beneficiary targeting:** Targeting under the Project will be informed by the inter and intra sectoral distribution of needs identified under the FINA, and further refined through a process of systematic and criteria-based sectoral and geographic prioritization, temporal sequencing and investment planning; to be discussed and validated at the community-level. This methodology will also carefully consider clan dynamics in facilitating or hindering project implementation. The proposed



decision-making model under the Project is based on the principle of iterative “top-down criteria setting and strategic oversight of implementation”, combined with “bottom-up need assessment, work planning and implementation controls”. As illustrated in the process schematics included in Annex 4, this process will entail the following steps: (a) prioritization and sequencing of activities across sectors and states to identify broad typologies of interventions, through an inclusive process coordinated by the RRF secretariat and PIU and involving the relevant FGS and FMS MDAs; (b) development of first year investment plans (and subsequent yearly plans), including identification of subprojects, by FMS MDAs and International Non-Governmental Organization (INGO) consortium that is gender and conflict-risk sensitive, in consultation with local governments and community leaders, coordinated by the State Project Teams and Federal MDAs; (c) approval of workplans and subprojects by the Project Steering Committee, and; (d) implementation of subprojects by FMS MDAs with procurement and other technical support by the PIU, FGS MDAs where necessary, and technical support service providers engaged by the PIU.

40. **Targeting Scheme and Broad Criteria:** To avoid the risk of elite capture, SCRП seeks to exclusively benefit highly vulnerable groups, as the crises has had a disproportionate impact on women, girls, children, the elderly, and disabled people. Consultations will be carried out with vulnerable groups to identify and address their unique needs, including the use of sex-disaggregated surveys and focus groups, and vulnerability-based selection criteria to prioritize their inclusion as project beneficiaries. Therefore, Project investments are anticipated to provide higher benefits to vulnerable groups (e.g., cash-for-work, food inputs, etc.) in most if not all proposed activities. Specific geographic locations would be drawn from the affected states. A targeting framework developed by the PIU, to be detailed in the POM, would aim to support interventions with an objective method to rank priority areas for interventions in the different states. Specific indicators that would be assessed as part of the geographic targeting may include impact of the crises, poverty rate, food insecurity, concentration of poor people, number of IDPs, presence of other partners, and lack of operating constraints. A project-targeting weighted index would be developed with different project teams given the flexibility to assign different weights to indicators of particular importance to their interventions. Further, community-based targeting will be used to select eligible households in each of the selected areas. Communities would be selected through vulnerability assessment and mapping, where feasible.

41. **Climate co-benefits.** The investments under the Project components will provide substantial climate co-benefits, for example: i) the rehabilitation of critical infrastructure and services will help to improve the capacity of vulnerable populations to cope with climate-induced stressors, ii) investments will be designed and constructed in a resilient manner, i.e. they are planned, designed, built and operated in a way that anticipates, prepares for, and adapts to changing climate conditions. To that end, the criteria-based prioritization exercise will screen and favor investments that maximize climate co-benefits, to be further elaborated in the POM.

Legal Operational Policies

	Triggered?
Projects on International Waterways OP 7.50	Yes
Projects in Disputed Areas OP 7.60	No

Summary of Assessment of Environmental and Social Risks and Impacts



## F. Implementation

### Institutional and Implementation Arrangements

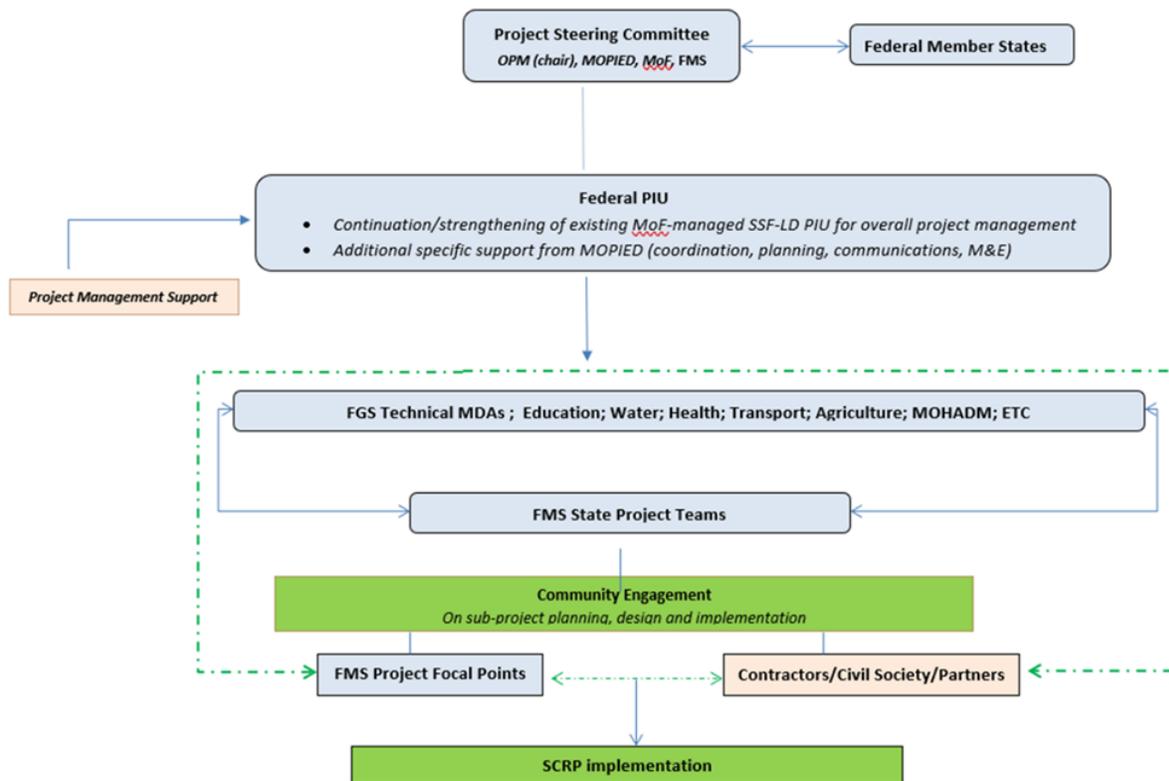
42. The Project builds on existing institutional structures and aims to enhance the relationship between the FGS, FMS, and flood-affected communities, with an overarching objective to restore the writ and legitimacy of the State and strengthen State-Citizen trust. The Project will promote coordination and cooperation both vertically and horizontally within Government and with communities. This is considered essential to mitigate any potential destabilizing risks and important to the process of strengthening state-citizen trust. The FGS will maintain a detailed POM, which details roles and responsibilities for implementation and monitoring apparatus and the technical and operational decision-making process, while also disseminating and building the capacity of key actors to utilize the POM. The institutional implementation model - developed in consultation with the FGS and FMS<sup>17</sup> - is seen in Figure 1.

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<sup>17</sup> The PIU has achieved significant progress towards engaging stakeholders, including intensive discussions with a range of key actors from the Government and development partners. On the Government side, these included the FMOF, OPM, MoA, MoPIED, MoHADM, MoW, and the FMS MoPIED. From Development Partners, these include WHO, FAO, etc. This culminated a series of meetings and workshops during a project preparation mission in February 2020, held in Mogadishu, and the development of stakeholder consultation strategy to bring together all relevant stakeholders to agree on a coordinated forward-looking recovery project.



Figure 1: SCRП Institutional Arrangements



**At the Federal Level**

43. **Project Steering Committee (PSC).** The Project will be overseen by a Project Steering Committee chaired by the OPM and include representation from the Federal MoPIED and MOF who also will co-manage the Project PIU. The PSC will serve as an apex decision-making body responsible for broader strategic oversight, policy guidance, validation of broader resource allocation recommendations by the PIU, and other key decisions referred to it over time. However, the Project Board will not be involved in routine operational decision making such as on project targeting or procurement decisions. The PSC will also approve state investment and procurement plans, conduct period implementation progress and compliance reviews, perform trouble shooting functions particularly in the event of disputes, liaise with high level law enforcement agencies to ensure project security, validate strategic course corrections recommended by the PIU and other project constituents, and validate PIU state performance assessments and performance-based allocations to states.

44. **Consultations with high level FMS functionaries and other actors.** Another distinct function of the PSC would be to essentially maintain high level working relationships with the Heads of the Project FMS, including periodically consulting state leadership in the conduct of the various functions invested in the PSC as elaborated above. The PSC will also necessarily consult other stakeholders like the relevant UN agencies, development partners, and civil society actors, and take their and FMS feedback on board in the conduct of its core functions.



45. **Project Implementation Unit.** The Project PIU will be mapped to the MOF and co-managed and co-staffed by a combination of MOF and MoPIED personnel. It will be responsible for project management, coordination and implementation support to the FMS. These tasks will include quality and process oversight, financial management, procurement, reporting and certification, contract management, M&E, and on ensuring social and environmental safeguards compliance. MOPIED will lead the PIU functions on coordination between Federal and State Government to facilitate prioritization, sequencing, and investment planning and to ensure that different sectoral line agencies work together to implement the multi-sectoral project activities.

46. For the early recovery activities envisaged under the Project, FMS State Project Teams) (SPT) and MDAs will supervise the work of civil society networks engaged by the PIU for providing various services. Further, a limited number of UN agencies and civil society organizations will be contracted by the PIU to lead the detailed design and implementation of activities. This will include an assessment of all necessary social and environmental safeguards measures and the preparation of detailed implementation plans. The CSOs will engage targeted communities to ensure activities properly reflects community needs, while coordinating with relevant FMS MDA and SPT. Designs will be approved by the PIU, and they will ensure activity compliance with Federal and state technical standards and with World Bank safeguards and grievance redress requirements. For subsequent components, the Project intends to build the capacity of SPT to enable them to perform this function, most likely with continued operational support from the contracted INGOs.

#### *At the State level*

47. **FMS MDA.** All implementation of medium-term recovery interventions will be delegated to the relevant FMS institutions. FMS MDAs will identify sub-project interventions under the investment plans and prepare subproject designs and bidding documents in consultation with FGS MDAs, as well as support the procurement of contractors. FMS MDAs will also be responsible for contractor and site supervision, technical quality assurance, certification, and payment of works. The Project will finance the operating costs of the respective project teams in these MDAs to ensure that existing capacity and organizational structures are used and enhanced where necessary.

48. **State Project Teams.** A State-level extension of the PIU, the SPT<sup>18</sup> is proposed as a “light” structure<sup>19</sup> in each Project state, likely to be housed in state MoPIEDs or offices of the heads of states (as determined by each state), serving primarily as a ‘node of convergence’ at the state level. They would be responsible for design review and compliance of proposed designs and supervision of works, consolidating FMS MDA procurement and work plans, and supporting the PIU to manage the FMS Grievance Redress Mechanism (GRM) and project M&E. The SPT will be led by FMS Project “focal points” that will coordinate the participation of relevant technical FMS MDAs. The SPT will review the final procurement plans to assure compliance with World Bank standards, including safeguards, GRM, building-back-better, etc., and consolidation, with onward transmission to the federal PIU for final approval by the PSC. Importantly, the STP will be responsible for district-level community consultations and raising awareness of the project in their communities through strategic communication.

49. **Citizen Engagement.** Project’s implementation will build on strong citizen engagement principles. For Component 1 activities, INGO consortium will be implementing and together they have well-established

<sup>18</sup> May include safeguards, procurement, and engineering expertise.

<sup>19</sup> Possibly located in the FMS MoPIED or State President’s Offices



processes of community engagement, which are both gender and conflict-risk sensitive. The Project as a whole will ensure adequate social mobilization in respect of all project components through the use of existing community leadership and civil society networks to ensure that communities are consulted at various stages of the subproject cycle, i.e., identification, design, implementation, quality assurance, and impact evaluation. Communities would be facilitated to engage throughout project implementation, including in the monitoring of implementation of project activities. Information boards, local meetings, and other forms of locally appropriate communication tools would be used for community-level information dissemination. A Community Scorecard exercise would be utilized to enable communities to provide formal feedback on overall project governance, including the performance of the targeting and the GRM. These activities are intended to generate evidence to contribute to improving policy and programs to enhance citizen engagement in local service delivery. The key outcome would be to promote constructive partnership between citizens and the government in Somalia. Citizens and community groups will play a critical role in monitoring activities of the Project as determined and agreed by the PIU and respective implementing partners. Citizens will help in – validation of needs, assessing awareness of service delivery, expressing satisfaction of service usage and providing feedback on process and output. The Project GRM will be a key vehicle for this aspect of engagement. Evidence generated through multiple avenues of citizen engagement may contribute to better service delivery for current and future interventions. A 360-degree loop of information flow and communication will help strengthen the nexus between implementing partners, citizens and the government.

50. **Implementation Capacity Assessment and Strengthening:** The Bank undertook an assessment of FGS and FMS capacities to deliver the Project, which pointed to the need for capacity enhancement at both levels, both for project preparation and implementation. A hybrid strategy was thereby agreed under which the FGS will contract the UNOPS to provide project management surge support during project preparation, and at least during the first two years of implementation, likely on a declining scale—while the Project will also enhance the capacity of the PIU and the State Project Teams where necessary. UNOPS will also provide on-the-job training and skills acquisition to the PIU, State Project Teams, and the FMS MDAs on procurement, contract management, environmental and social safeguards, monitoring, evaluation, and reporting, engineering, GBV, grievance redressal, etc. The PIU has designated a focal point on environmental and social safeguards and has commenced the procurement of dedicated environmental, social, and GBV experts. The PIU has also commenced a rapid physical damage and impact assessment to validate the findings of the FINA to guide recovery planning, prioritization, and budgeting.

**Overall**

51. Table 1 highlights the broad division of roles and responsibilities under the Project, with a detailed description of the proposed business flows and process schematics included in Annex 4.

Table 1: FGS/FMS Roles and Responsibilities

FGS PIU	MDAs	SPT
<ul style="list-style-type: none"> <li>Coordinating prioritizing and sequencing exercises and investment planning</li> <li>Quality and process oversight</li> <li>Procurement of goods and services</li> <li>Seeking World Bank no-objections</li> </ul>	<ul style="list-style-type: none"> <li>Identification of sub-project interventions under the investment plans</li> <li>Preparation of subproject designs</li> </ul>	<ul style="list-style-type: none"> <li>District-level community consultations</li> <li>Review, compliance and supervision of works</li> </ul>



<ul style="list-style-type: none"> <li>• Contract management oversight and controls</li> <li>• Financial reporting</li> <li>• M&amp;E</li> <li>• Certification of progress reports</li> </ul>	<ul style="list-style-type: none"> <li>• Preparation of subproject bidding documents</li> <li>• Supervision consultants</li> <li>• Site supervision and technical quality assurance</li> <li>• Operations and maintenance</li> <li>• Certification and payment of works</li> </ul>	
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52. As Government capacity evolves, the proposed institutional arrangements are expected to support broad recovery and response planning beyond the life of the Project. To involve coordinating input from Federal and State line ministries, as well as the newly established NEOC, and early warning and disaster preparedness inputs, and guided by needs and opportunities arising in newly-recovered areas of the country. Also, it is expected that the implementation modality will evolve from the sole use of UN agencies and civil society organizations to a system of retainer contracts in the medium-to long term that will in effect pre-position capacities that can be called on by Government to design, implement, and oversee responses to future crises and early recovery needs more quickly and efficiently. Currently, no shelf-project capacity has been developed and as a result the rapid scaling of response following a crisis focuses on humanitarian relief; undermining the potential for nexus multipliers.

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