

Document of
The World Bank

Report No: ICR00003567

IMPLEMENTATION COMPLETION AND RESULTS REPORT
(SMPF Grant Number TF 017917)

ON A

GRANT

IN THE AMOUNT OF US\$ 16 MILLION

TO THE

FEDERAL REPUBLIC OF SOMALIA

FOR A

RECURRENT COST AND REFORM FINANCING PROJECT

October 30, 2015

Governance Global Practice
Africa Region

CURRENCY EQUIVALENTS
(Exchange Rate Effective October 31, 2015)
Currency Unit = Somali Shilling
Somali Shilling 640.5 = US\$ 1

FISCAL YEAR
January 01 – December 31

ABBREVIATIONS AND ACRONYMS

BP	Bank Procedures
CBS	Central Bank of Somalia
DO	Development Objectives
EAFS	External Affairs Fiduciary Section
FGS	Federal Government of Somalia
FMU	Financial Management Unit
GA	Grant Agreement
GDP	Gross Domestic Product
GoN	Government of Norway
ICR	Implementation Completion and Results Report
IEG	Independent Evaluation Group
IPF	Investment Project Financing
ISN	Interim Strategy Note
ISR	Implementation Status and Results
IFR	Interim Unaudited Financial Report
M&E	Monitoring and Evaluation
MA	Monitoring Agent
MDA	Ministries, Departments and Agencies
MoF	Ministry of Finance
MoU	Memorandum of Understanding
MPF	Multi-Partner Fund
NCSC	National Civil Service Commission
OoAuG	Office of the Auditor General
OP	Operational Policy
PAD	Project Appraisal Document
PDO	Project Development Objectives
PFM	Public Financial Management
POM	Project Operations Manual
QE	Quality at Entry
QSA	Quality of Supervision
RCRF	Recurrent Cost and Reform Financing
SDRF	Somalia Development and Reconstruction Facility
SFF	Special Financing Facility
SFMIS	Somalia Financial Management Information System
SMEs	Subject Matter Experts
SMPF	Somalia Multi-Partner Fund
SOE	Statement of Expenditure

SOP
TIU
ToR

Series of Projects
Technical Implementation Unit
Terms of Reference

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Country Director:	Bella Bird
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Project Team Leader:	Adenike Sherifat Oyeyiola
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Datasheet

A. Basic Information			
Country:	Somalia	Project Name:	Somalia Recurrent Cost & Reform Financing Facility
Project ID:	P148428	L/C/TF Number(s):	TF-17917
ICR Date:	10/05/2015	ICR Type:	Core ICR
Lending Instrument:	IPF	Grantee:	MINISTRY OF FINANCE AND ECONOMIC PLANNING
Original Total Commitment:	USD 6.00M	Disbursed Amount:	USD 14.82M
Revised Amount:	USD 14.82M		
Environmental Category: C			
Implementing Agencies: Ministry of Finance			
Cofinanciers and Other External Partners:			

B. Key Dates				
Process	Date	Process	Original Date	Revised / Actual Date(s)
Concept Review:	05/20/2014	Effectiveness:	08/20/2014	08/20/2014
Appraisal:	06/09/2014	Restructuring(s):		02/04/2015
Approval:	08/15/2014	Mid-term Review:	12/07/2014	
		Closing:	02/27/2015	04/30/2015

C. Ratings Summary	
C.1 Performance Rating by ICR	
Outcomes:	Moderately Satisfactory
Risk to Development Outcome:	Significant
Bank Performance:	Satisfactory
Grantee Performance:	Moderately Satisfactory

C.2 Detailed Ratings of Bank and Borrower Performance (by ICR)

Bank	Ratings	Borrower	Ratings
Quality at Entry:	Satisfactory	Government:	Moderately Satisfactory
Quality of Supervision:	Satisfactory	Implementing Agency/Agencies:	Moderately Satisfactory
Overall Bank Performance:	Satisfactory	Overall Borrower Performance:	Moderately Satisfactory

C.3 Quality at Entry and Implementation Performance Indicators

Implementation Performance	Indicators	QAG Assessments (if any)	Rating
Potential Problem Project at any time (Yes/No):	No	Quality at Entry (QEA):	None
Problem Project at any time (Yes/No):	No	Quality of Supervision (QSA):	None
DO rating before Closing/Inactive status:	Satisfactory		

D. Sector and Theme Codes

	Original	Actual
Sector Code (as % of total Bank financing)		
Central government administration	25	25
General public administration sector	40	40
Public administration- Education	10	10
Public administration- Health	10	10
Sub-national government administration	15	15
Theme Code (as % of total Bank financing)		
Conflict prevention and post-conflict reconstruction	100	100

E. Bank Staff

Positions	At ICR	At Approval
Vice President:	Makhtar Diop	Makhtar Diop
Country Director:	Bella Deborah Mary Bird	Bella Deborah Mary Bird
Practice Manager/Manager:	Renaud Seligmann	Patricia Mc Kenzie
Project Team Leader:	Adenike Sherifat Oyeyiola	Adenike Sherifat Oyeyiola
ICR Team Leader:	Tanuj Mathur	
ICR Primary Author:	Nishith Dwivedi	

F. Results Framework Analysis

Project Development Objectives (from Project Appraisal Document)

The Development Objective for the Series of Projects is to enable the Somali Government to achieve reliable and transparent financing of critical civil service operations to help strengthen the legitimacy of the state. The Development Objective of this first Project in the Series is to finance and support an operational payroll and payment system for the non-security sectors. This aligns with the MPF objective "to foster socio-economic recovery and stabilization by supporting the payment of civil service salaries, and the running costs of government institutions; financing technical assistance and supporting the building blocks of larger public investment programs across a range of sectors."

Revised Project Development Objectives (as approved by original approving authority)

There were no revisions in the PDO when the Project was restructured and the Grant Agreement amended in February 2015.

(a) PDO Indicator(s)

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Indicator 1 :	Number of civil servants in non-security sector paid.			
Value quantitative or Qualitative)	1,970	3,909	3,600	3,893
Date achieved	08/07/2014	08/19/2014	02/04/2015	04/30/2015
Comments (incl. % achievement)	Fully achieved (108 %)			
Indicator 2 :	At Approval: Percentage of registered civil servant salaries in non-security sector paid on time. On Restructuring: Reduction in the days of delay in payments of civil servant salaries in non-security sector			
Value quantitative or Qualitative)	42 % at approval 58 days on restructuring	80%	12 days	58 days
Date achieved	08/07/2014	08/19/2014	02/04/2015	04/30/2015
Comments (incl. % achievement)	Partially achieved. This indicator was initially in percentage terms (target being – salaries of 80 percent civil servants paid on time) but was later revised to ‘reduction in the days of delay up to 12 days’. The payment lag consistently reduced for the first six months of the project. As of December 2014, the original closing date, the payment lag was 8 days from 58 days in June 2014 when the project took over. However, with the restructuring of the project, there were commendable efforts by the Government to make all payments through a financial accounting software (SFMIS) which was implemented in a short period of time and was expected to improve the controls around payrolls. The process of loading all civil servants’ data on the SFMIS and ensuring the controls were effective, delayed payments in February 2015 to 58 days; the data migration over may have attributed to the delay. Though, the last payroll was paid in 58			

	days, the average delay over the project lifetime (eight payrolls) was 31 days. The follow up project, RCRFII was effective on July 2015 and has paid accumulated salaries from March to June 2015 within three months of effectiveness. The Government has committed to paying up all arrears by December 31, 2015 and would pay on due dates from January 2016.			
Indicator 3 :	Number of payroll verifications undertaken by independent agent.			
Value quantitative or Qualitative)	0	3	8	8
Date achieved	08/07/2014	08/19/2014	02/04/2015	04/30/2015
Comments (incl. % achievement)	Fully achieved (100%)			

(b) Intermediate Outcome Indicator(s)

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Indicator 1 :	Verified reimbursements of non-salary recurrent cost expenditures (unit of measure in %).			
Value (quantitative or Qualitative)	0.00	50	25	0.00
Date achieved				
Comments (incl. % achievement)	Activity was not carried out as the drafting of guidelines were delayed and the Government did not meet the necessary criteria for reimbursement.			
Indicator 2 :	Withdrawal applications reviewed and approved by independent monitoring agent (unit of measure in numbers).			
Value (quantitative or Qualitative)	0.00	6.00	8.00	8.00
Date achieved	08/07/2014	08/19/2014	02/04/2015	04/30/2015
Comments (incl. % achievement)	Achieved (100%)			
Indicator 3 :	Number of monthly updates of the personnel and payroll databases in line with agreed eligibility criteria undertaken (unit of measure in numbers).			
Value (quantitative or Qualitative)	0.00	6.00	8.00	8.00
Date achieved	08/07/2014	08/19/2014	02/04/2015	04/30/2015
Comments (incl. % achievement)	Achieved (100%)			
Indicator 4 :	Number of monthly payroll report published in the MoF website (unit of measure in numbers).			

Value (quantitative or Qualitative)	0.00	6.00	5.00	4.00
Date achieved	08/07/2014	08/19/2014	02/04/2015	04/30/2015
Comments (incl. % achievement)	Achieved. As stated in the ISR (sequence 2) the indicators would be achieved on completion of review for salary payments of January and February, 2015.			
Indicator 5 :	Operations manual for external affairs fiduciary section updated and approved (unit of measure is Yes/No).			
Value (quantitative or Qualitative)	No	Yes	Yes	No
Date achieved				
Comments (incl. % achievement)	Not achieved as copy of the updated and approved Manual was not available.			
Indicator 6 :	Accountant General Office equipped and upgraded for payroll monitoring			
Value (quantitative or Qualitative)	No	Yes	Yes	Yes
Date achieved				
Comments (incl. % achievement)	Partially achieved as the civil services registry was uploaded in the SFMIS in Feb'15 but Bank missions highlighted physical and capacity challenges which impacts the engagement with the EAFS and their support to Govt. FM of donor Funds.			

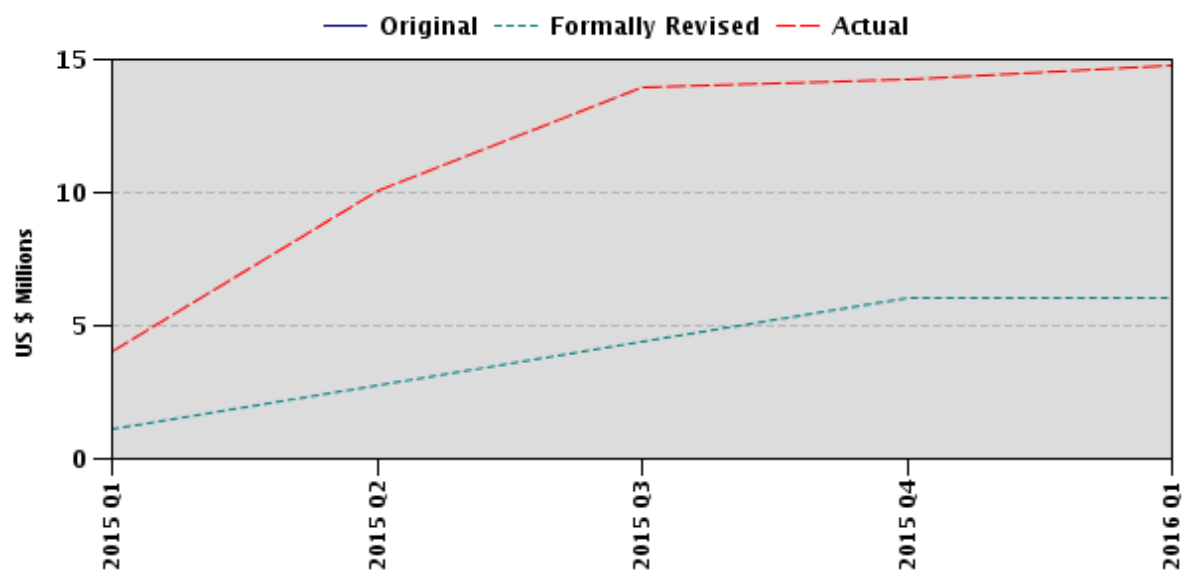
G. Ratings of Project Performance in ISRs

No.	Date ISR Archived	DO	IP	Actual Disbursements (USD millions)
1	12/03/2014	Satisfactory	Satisfactory	6.00
2	08/07/2015	Moderately Satisfactory	Moderately Satisfactory	14.36

H. Restructuring

Restructuring Date(s)	Board Approved PDO Change	ISR Ratings at Restructuring		Amount Disbursed at Restructuring in USD millions	Reason for Restructuring & Key Changes Made
		DO	IP		
02/04/2015		S	S	10.06	1) Extension of closing date to April 30, 2015 from Feb 27, 2015. 2) Reallocation of funds. 3) Update results framework. 4) Dropping some activities under component 2.

I. Disbursement Profile



1. Project Context, Development Objectives and Design

1.1 Context at Appraisal

1. **The Federal Republic of Somalia has experienced conflicts for two decades since 1991.** This destroyed legitimate institutions, created widespread vulnerability and undermined basic service delivery severely impacting the human development outcomes. Gross domestic product (GDP) per capita and human development outcomes were among the lowest in the world with the estimated per capita GDP at \$284 against a sub-Saharan Africa average of \$1,300 per capita. Somalia therefore needed stability and investment in legitimate institutions to facilitate basic service delivery, infrastructure financing and inclusive growth. The August 2012 transfer of power from a transitional to a full federal government revived hopes in the country's ability to move from fragility towards sustainable stability and improved governance and triggered international re-engagement.

2. **New Deal for Somalia – “The Somali Compact”:** The September 2013 Brussels Conference provided a stimulus for a more sustainable and committed international re-engagement with Somalia and endorsed a new Deal pledging US \$ 2.4 billion against the Somali Compact (the “Compact”) successfully mobilizing international financial support to be delivered in part through a new financial facility: The Somalia Development and Reconstruction Facility (SDRF), which the Bank played a key role in establishing.

3. **Bank Group re-engagement:** The Bank re-established formal relations with FGS in late 2012 and delivered a new strategy for Somalia to the Board in December 2013 – Somalia Interim Strategy Note FY14-16 (ISN). This aligned the Bank work with the framework of the new Somali Compact that was committed to prioritize peace and state-building goals necessary to address the binding constraints to poverty reduction. Since then, the Bank developed an intensive dialogue with the Somali authorities, putting in place a new phase of operations. The World Bank established the Multi-Partner Fund (MPF¹) to implement the ISN. The Phase I Recurrent Cost and Reform Financing (RCRF) Project is the first MPF grant made operational which reflects the particular and emergency conditions facing the FGS at the sensitive point of Somalia transition.

Economic and Sector Context

4. **Somalia's economy is shaped by sustained conflict and remains vulnerable to shocks.** In the absence of state regulation and institutions, a vibrant informal sector had developed; however the absence of regulation coupled with elite capture in key economic sectors undermined the inclusivity of economic development. The overall macroeconomic situation was difficult to assess due to severe data limitations with accurate national accounts data not being available for the whole of Somalia. The economy was largely dollarized and the Somali shilling (used only for smaller transactions) was volatile. With

¹ The MPF is a discrete fund designed to consolidate donor funding under government leadership and accountability. It was anchored within the wider aid architecture set out in the Compact with the estimates of MPF pledges between US\$70 - US\$140 million in the first two years, with potential for further annual contributions thereafter of between US\$20 - US\$70 million.

little or no control over domestic money supply and little foreign reserves, the Central Bank had no influence over the exchange rate.

5. **Weak fiscal Situation:** The FGS's 2014 budget projected an expenditure of US\$182.3 million (excluding repayments of arrears and advances of US\$30.4² million) and revenue of US\$188.5 million, resulting in a nominal surplus of US\$6.2 million. However, with the repayment of arrears and advances being factored in, there was a 'fiscal gap' of US\$ 24.2 million. The budget remained heavily focused on meeting the Government's operating obligations with 45 percent (US\$ 91.0 million) of the recurrent expenditure being allocated for compensation of employees. Disaggregated by sector, 47 percent of compensation of employees is allocated to the security sector, 37 percent goes to the administration sector, 10 percent to the economic sector and 7 percent to the social sector.

Rationale of World Bank Involvement and Link to the ISN

6. **The proposed operation responds to the need to support FGS in the context of a highly fragile transition.** The combination of stabilizing the budget through salary payment and establishment of a core payroll system provided a financial and institutional platform for the Government, corresponding with Strategic Objective I (Strengthening Core Economic Institutions) of the ISN. This operation provided a natural platform, compared to sectoral projects, to engage the Government in dialogue on how the overall macro-fiscal framework supports the country institutional development and poverty reduction objectives.

7. The Recurrent Cost and Reform Financing (RCRF) program, implemented under the modality of a "series of projects"³, is a key element in a wider effort to support the Somali transition through the gradual establishment of accountable and effective core government institutions. This Project (Phase I in the series) was an emergency operation in response to the Government's request for six-month financing support within the 2014 budget and was intended to facilitate the strengthening of core government functions and basic service delivery. The project while supporting new planned public financial management and public administration reforms in Somalia through other Bank Projects (existing and planned) would lay the groundwork for future operations ("Phase II project") consolidating the gains made under Phase I, and moving to a more structured approach to recurrent cost financing.

8. Given the exceptional circumstances surrounding the new institutions in Mogadishu (on-going insecurity and severe capacity gaps) this project has been processed as an emergency operation under paragraph 12 of Operational Policy/Bank Procedures (OP/BP) 10.0. Somalia meets these requirements because it: (i) has experienced violent conflicts for the past twenty years; (ii) is experiencing conflict with an active Al-Shabab

² This amount includes US\$21.4 million of payroll arrears.

³ Series of Projects: In cases of single-borrower sequential Projects, documentation for the first Project presents the rationale for a phased approach, the potential benefits and risks, the overarching DOs for the series, overall expected results, and timeline for expected completion of each phase and the series. Subsequently, each Project in the series is prepared and appraised individually, taking into account the performance to date of the preceding Project(s) in the series –Annexure 2 of the Project Appraisal Document.

insurgency; and (iii) is at risk of future violence. Additionally, there was an urgent need to support the country by financing its recurrent operational costs because: (i) public revenue generation is still very low; (ii) the future expenditure needs of the Government will increase as the reconstruction proceeds; and (iii) the existing SFF⁴ facility for recurrent cost financing was available only up to June 2014 and FGS was unable to sustain the payment of salaries beyond that period. A failure to ensure a seamless transition of salary payments from the SFF to the World Bank-administered RCRF would undermine public confidence in the FGS.

1.2 Original Project Development Objectives (PDO) and Key Indicators

9. The Development Objective for the Series of Projects (SOP) is to enable the Somali Government to achieve reliable and transparent financing of critical civil service operations to help strengthen the legitimacy of the state. The Project Development Objective is to finance and support an operational payroll and payment system for the non-security sectors. This aligns with the MPF fund-level objective which is *“to foster socio-economic recovery and stabilization by supporting the payment of civil service salaries, and the running costs of government institutions; financing technical assistance and supporting the building blocks of larger public investment programs across a range of sectors.”*

10. **The higher level objectives to which the Project contributes are:** Federal revenue is insufficient to cover civil service salaries and specialized instruments are needed to finance the fiscal gap given Somalia's high risk context. The MPF's recurrent cost window provides a platform for performance benchmarking and a policy dialogue platform related to the establishment of a track record of economic governance. This project supports: macro-fiscal stability by providing predictable financing of salary payments and recurrent costs, and the injection of high capacity human resources; increase of government legitimacy through support of service delivery; institutional capacity building; and provides a financing stop-gap to allow government to have a financial buffer in case of unforeseen but likely internal and external shocks.

PDO-Level Results

11. The key results of the project were: (a) improved effectiveness of payroll controls; (b) support the budgetary needs of the FGS to pay regular salaries to civil servants; (c) smooth transition in reimbursement of civil servants' salaries from SFF to RCRF program funding; and (d) inject cash into the economy and enable government funds to be concentrated on providing basic social services.

⁴ The Government of Norway (GoN) had through the Special Financing Facility (SFF) financed a start-up recurrent cost operation since August 2013. The SFF financed civil service salaries and small employment-generating works; based on dialogue between the Government of Norway, FGS and the Bank.

PDO Level Results Indicators

12. The PDO level results of the project would be measured using a combination of three key indicators and six intermediate results indicators stated below:

Key Indicators

- a) Number of civil servants in non-security sectors paid;
- b) Percentage of registered civil servants salaries in non-security sectors paid on time; and
- c) Number of payroll verifications undertaken by independent monitoring agent.

Intermediate Results Indicators: (a) withdrawal applications reviewed and approved by independent agent ; (b) number of monthly updates of the personnel and payroll databases in line with agreed eligibility criteria undertaken; (c) number of monthly payroll reports published on MOF website; (d) operations Manual for external assistance fiduciary support updated and approved; (e) office of the Accountant General equipped and upgraded for payroll monitoring; and (f) verified reimbursements of non-salary recurrent cost expenditures

1.3 Revised PDO

13. The PDO was not revised during the Project period. Changes were made to the indicators and/or the corresponding end targets consequent to Project restructuring in December 2014:

Indicator 1: Number of civil servants in non-security sectors paid - A revision downwards of the end target from the initial projection of 3,909 staff to 3,600 staff.

Indicator 2: Reduction in days of delay in payments of Civil servants salaries in non-security sector - The indicator name was amended and rephrased and the unit of measured changed from percentages to days. This reflects an indicator based on the lag between the statutory and actual pay date of the salaries.

Indicator 3: Number of Payroll verifications undertaken by independent agent - With the new closing date extension by two months, the end target value for this indicator is also increased to six.

The intermediate results indicators were also amended to reflect the changes due to the extension of project closure date/ delays in activities being carried out under sub-component 1.3.

1.4 Main Beneficiaries

14. The main beneficiary of the Project is the Ministry of Finance, FGS.

1.5 Original Components

Component 1: Emergency Support of Core Government Functions in Ministries, Departments and Agencies (US\$13.0 million)

15. *Sub-Component 1:1: Payment of salaries of eligible civil servants in Ministries, Departments and Agencies (MDAs) (US\$11.47 million).* The project would support the FGS to maintain core government functions during the July to December 2014 period by financing the salaries of about 3,900 non-security sector⁵ civil servants in the MDAs.

16. *Sub-Component 1:2: Payment of salaries and allowances to Subject Matter Experts in selected MDAs (US\$0.75 million):* The project would finance the salaries and allowances of a cadre of SMEs who are largely recruited from the Somali Diaspora and hold key positions and functions in government. These functionaries include the Auditor General, Accountant General, experts in the Office of the Prime Minister; Ministry of Finance; Ministry of Planning and International Cooperation; Ministry of Labour and Social Affairs; National Civil Service Commission; and specialists in budgeting, debt management, Central Bank of Somalia, etc.

17. *Sub-Component 1:3: Financing of Eligible Non-Salary Recurrent Costs in selected MDAs- (US\$0.78 million):* The project would support strengthening of controls for non-salary recurrent costs expenditures through pilot support in four MDAs i.e. Ministry of Finance, Office of the Accountant General, Office of the Auditor General and the Civil Service Commission.

Component 2: Strengthening Systems for Expanded Operations and Service Delivery (US\$ 1.0 million).

18. *Sub-component 2.1: (US\$0.225 million):* Technical assistance for assessment, review and analysis of salaries of civil servants in specific regions.

19. *Sub-component 2.2 (US\$0.3 million):* Carrying out a program of activities to increase the reliability and integrity of the civil service payroll, e.g. supporting the Civil Service Commission to develop and improve its operational processes and developing human resource tools.

20. *Sub-component 2.3 (US\$0.35 million):* Technical assistance for assessment, review and analysis of teachers and civil servants in the health sector including developing databases and detailed operational guidelines and supply of equipment.

21. *Sub-component 2.4: (US\$0.125 million):* Providing technical assistance to the office of the Accountant General for fiduciary management.

⁵ The following are considered core security actors and not eligible for financing under the Project: armed forces, police, paramilitary forces, gendarmeries, presidential guards, intelligence and security forces, coast guards and custom authorities.

Component 3: Project Management and Coordination (US\$2.0 million)

22. This includes: (a) technical assistance for Project management; (b) capacity building for Project management including training of Project staff; (c) carrying out of audit on the Project; and (d) financing of operating costs.

1.6 Revised Components

23. As the result of a restructuring, the Project was extended for two months and US\$2 million reallocated to component 1 to pay for salaries for the additional two months. The support to strengthening the reliability and integrity of the payroll (sub-component 2.2) was dropped as this was being supported by another development partner. The contract for the Monitoring Agent was extended by the Government of Norway from December 2014 to February 2015. As a result, the project allocation under this component for monitoring agent support from January 2015 to the project closure was not required and the restructuring dropped this activity (sub-component 2.4).

1.7 Other significant changes

24. The original Grant Agreement (GA) was executed for US\$6.0 million⁶. Amendment to the GA was made vide amendment dated November 10, 2014 increasing the total Grant amount to US\$16.0 million.

2. Key Factors Affecting Implementation and Outcomes

2.1 Project Preparation, Design and Quality at Entry

Soundness of the background analysis:

25. Backdrop of the intense and urgent needs of Somalia: Somalia's population of around 10 million remains vulnerable to shocks in the context of continuing conflict, famines and destruction of legitimate institutions over the past two decades. Several indicators are extremely low e.g. 2.3 million live on the margins of food insecurity, poverty rates are at 73 percent and extreme poverty at 43 percent of the population. Gross Domestic Product (GDP) per capita is estimated at US\$288 and thousands have lost their lives to droughts and epidemics. Given its weak fiscal position, the FGS would have been unable to sustain payment of salaries to civil servants.

26. The multi-faceted risk of engagement in the Country: these include civilian conflict, political unrest, and insurgency. On the governance front the key financial institutions were

⁶ The original GA dated August 19, 2014 stipulated that the World Bank's payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donors.

extremely weak. The UN Monitoring Report⁷ for 2012 refers to questionable payments by the CBS, diversion of port revenue, and misuse of the fiduciary agent model amongst others. Based on the Corruption Perception Index, Transparency International has rated Somalia as the most corrupt country, out of total 175 countries, since year 2012. In this backdrop the most significant operational risk was restrictions on travel on Bank staff due to security concerns and therefore a diminished ability to supervise an Investment Project Financing (IPF) operation. Assessments highlighted the need for medium range capacity support across the entire PFM cycle (budgeting, accounting, payments, audit) be it the legal framework or implementation aspects.

27. Justification for engagement in the Country despite the very high risk: Given the fragile state of the economy where the FGS would have been unable to sustain payment of civil servants' salaries, there was an intense need for quick and continuing infusion of funds into the Somali economy to prevent a possible collapse. Had basic services not been maintained, insurgent groups could have again tried to establish their dominance over the land and resources. The Bank as part of the larger Donor community needed to engage with Somalia given the needs identified and despite the high risk – as mentioned in the ISN, the risk of international inaction in Somalia was even higher.

28. The Bank intervention through this Project was particularly responsive to the request of the FGS as the SFF was coming to an end and there was an urgent need to fill the gap that would be created in funding salaries of eligible civil servants estimated in the annual budget for the year 2014, especially in the light of poor domestic revenue performance (*refer Table 1*).

Table 1: Summary of FGS 2014 Budget (million US\$)

Particulars	2012	2013 Budget	2013 Actual	2014 Budget	2014 Projection WB
Revenue					
Domestic Revenue	30.2	53.8	75.7	115.3	98.2
Total (1)	30.2	53.8	75.7	115.3	98.2
Expenditure					
Compensation to employees	13.5	70.4	51.9	91	91
Use of goods and services	18.9	62.7	54.5	67.4	67.4
Grants	2.7	0	7.5	11.5	11.5
Capital expenditure	0	7.2	0	12.4	12.4
Total (2)	35.1	140.3	113.9	182.3	182.3
Balance (1) – (2)	-4.9	-86.5	-38.2	-67	-84.1

⁷ Section II E on 'Public Sector financial mismanagement and corruption' of the Report for FY 2012 – report dated July 2013

Particulars	2012	2013 Budget	2013 Actual	2014 Budget	2014 Projection WB
Less: Repayment of arrear and advances	0	0	0	30.4	30.4
Fiscal Gap (a)	-4.9	-86.5	-38.2	-97.4	-114.5
Donor Fund (b)#	4.9	60.4	41.7	73.2	62.3
Net Fiscal Gap [(a) – (b)]	0	-26.1	3.5	-24.2	-52.2

Source: Page 6 of the Project Appraisal Document – FGS, Ministry of Finance; Appropriation Act for 2014 Budget Act No. 00005 and 2014 Projections by World Bank; Donor funds include Grants from Qatar (US\$12.0 million), Norway (US\$ 27.0 million ,Turkey (US\$ 25.0 million) and projected Grant through Arab League (US\$7.0 million).

Assessment of Project Design:

29. **The PDO was appropriately aligned with the intent established at appraisal and the development objective for the RCRF Program.** The PDO was to finance and support an operational payroll and payment system for the non-security sectors which aligned well (being the first in the SOP) with the PDO for the SOP which was to enable the Somali Government to achieve reliable and transparent financing of critical civil service operations to help strengthen the legitimacy of the state. The components and sub-components were also consistent with the PDO and included activities which provided the underpinning for sectoral and regional expansions in follow-on projects.

30. The Bank developed the RCRF Program under the modality of a “series of projects” (SOP) focussing both on a short-term emergency operation under Phase I designed to meet the urgent fiscal needs of the FGS and a more sustained program of institutional reform and strengthening through follow-on Projects. The program complemented other Bank interventions (on-going and/or planned) within the PFM domain contributing to establish increased credibility and legitimacy of the FGS.

31. The project was prepared in a very short span of time and the concept review and effectiveness (August 2014) were only three months apart. The full team came together to deliver a well and a fully prepared project in response to ending of the SFF and the urgent FGS need. The Bank’s expertise and experience in supporting similar post-conflict interventions in fragile and conflict-affected countries in Africa and other regions supported the intervention and contributed to the design.

32. Security issues placed significant restrictions on travel and movement of staff/consultants. In this context a very important aspect of the Bank engagement was the Monitoring Agent (MA) who was present on the ground and whose role was to comment on each withdrawal application based on review of payroll data, staff files, actual payment, etc.

Some issues with project design:

33. **Definition of eligible civil servant:** Bulk of the project expenditure was allocated towards financing of salaries of eligible civil servants. For exercising control at entry

“eligible civil servants” were defined in the GA; as per clause 8 of the Appendix to the GA “eligible civil servants” means a civil servant employee of the Recipient’s non-security sectors and who meets the eligibility criteria set forth in the Project Operations Manual (POM). Definition of “Eligible Civil Servant” was however not part of the Manual referred to in the GA. Thus there was lack of clarity on this definition. Additionally, it was agreed⁸ at appraisal that this manual would be merged with the SFF manual for developing a robust POM which would guide implementation. This was not done.

34. **Memorandum of Understanding (MoU) with Donor Partner:** The key assurance on utilization of funds was to be derived from reports of a Monitoring Agent (MA) which had been hired under a contract with Norway as part of the SFF. It was decided to continue to finance the MA under the contract with Norway, but to establish a MoU between Norway and the Bank to clearly define the role of each party since there was no contractual relationship between the Bank and the MA. However, this MoU remained in a draft stage and was not signed. It should, however, be mentioned that the MA did comply with requirements of the contract which included an additional ToR at behest of the Bank and submitted regular reports.

35. **Adequacy of the Government’s Commitment:** The FGS exhibited adequate commitment throughout the appraisal stage under the overall guidance and supervision of the World Bank team.

36. **Assessment of risks:** The Risks that the project faces have been clearly articulated in the Project Appraisal Document (PAD). These include risk relating to the overall security situation, political instability, and macro fiscal challenges. Risks also include those that relate to integrity of the payroll system, capacity constraints, risk of corruption, weakness of the banking arrangements, and the role of the monitoring agent. However the risk of hiring unsuitable staff (due to weak HR practices that may be susceptible to misuse) has not been clearly articulated. Further, given the severe physical constraints that were imposed due to security aspects, some of the mitigation measures⁹ seem un-implementable during the project duration.

2.1 Project Preparation, Design and Quality at Entry

2.2 Implementation

Implementation at a Glance

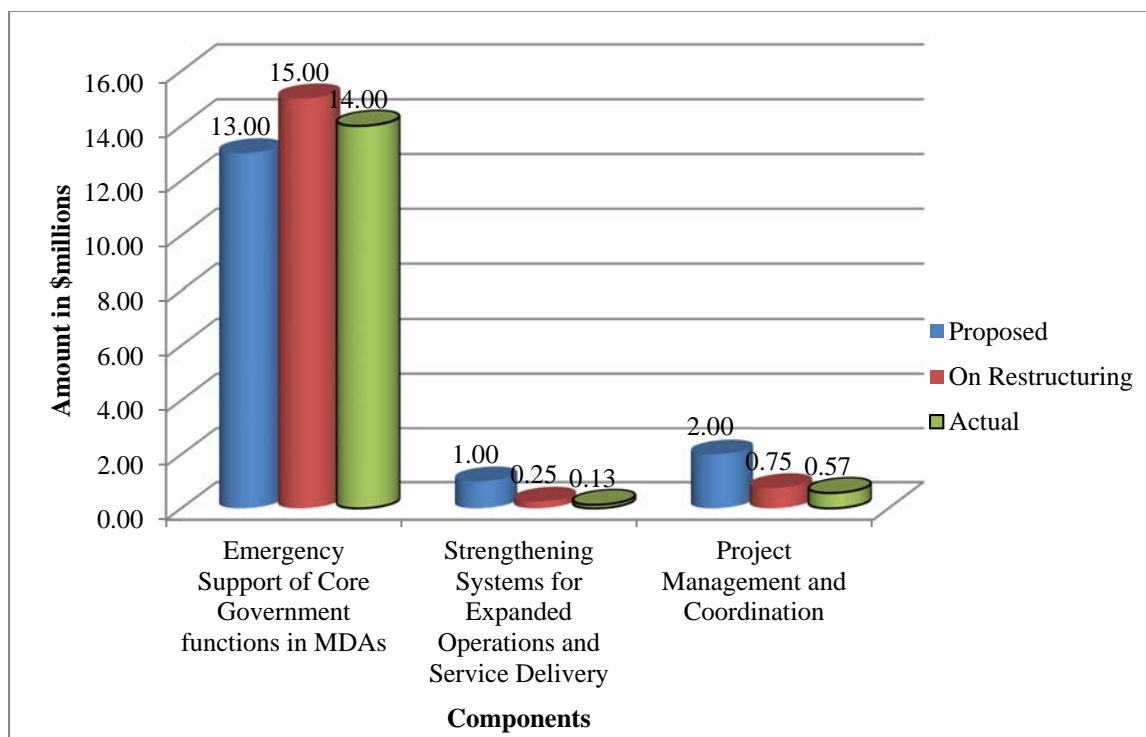
37. The project reported an aggregate expenditure of US\$14.70 million against the estimated project cost of US\$16.0 million, disbursement of 92 percent. Component-wise

⁸ Page 21 of Aide-Memoires of the World Bank Implementation Support Mission undertaken in September/October 2014 and December 2014

⁹ E.g. support to CBS in finalizing the correspondent bank arrangements and allow it to smoothly exit the salary payment business (refer to Annex 4 of the PAD on Operational Risk Assessment Framework)

summary of proposed cost (original and on restructuring) and the actual expenditure reported in the audited project financial statement is presented below:

Component-wise Proposed and Actual Expenditure is presented below:



38. Supervision of project activities was carried out diligently. The Bank undertook three Implementation Support Missions during the life of the project (September/October 2014, December 2014 and April/May 2015). Training of the FGS staff was conducted by the Bank in September 2014 (September 22 – 26) in Nairobi at project launch to share the fiduciary aspects related to the project, Bank fiduciary and operational requirements, etc. The Bank also conducted the Financial Management Supervision which was extended to include in-depth review of the payroll transactions for the period July – October 2014. The Bank Review Missions for December 2014 and April/May 2015 were held in Nairobi (Kenya) as visits to Mogadishu (Somalia) were cancelled due to security reasons and travel embargo.

39. The project also fitted in well with the other ongoing projects in the country, especially the one on Public Financial Management Capacity building which worked on developing a Financial Management Information System in the Country. The fiduciary framework established was focused on effective management of payment of salaries to eligible civil servant considering the overall weak PFM environment. The arrangements were similar to those developed under SFF as these were largely considered appropriate with one significant difference viz. the EAFS in the Office of the Auditor General (OoAuG) was made responsible for the Project implementation in accordance with the FGS desire to build country systems.

Some issues with project implementation:

40. **Monitoring Agent; engagement and findings:** The MA had been given responsibility for several wide ranging activities (other than review of withdrawal applications) which included development of solution to manage the HR data of civil servants to ensure different ministries maintained a list of active staff, suitable level of access control, management of staff grade, history and qualifications, etc.; capacity building of the EAFS section; revision of the EAFS Manual; review the process of licensing of new banks and supporting the FGS in opening accounts for staff. This breadth of MA's responsibilities possibly diluted focus on the 'Monitoring' activities and review of expenditure information. Despite the disclaimers as mentioned earlier, the MA reports were rich in information and facts from the ground. These contained detailed information on the salary payments; provided insights into other aspects of the payroll like internal controls, risk of fraud and corruption, delays in collection of salaries, processing errors, capacity limitations at FGS, etc. In this backdrop, the Aide Memoires of the Bank missions lacked analysis of information or effectively communicating the several shortcomings that were emanating from the MA reporting. Facts were available, but these were not forcefully communicated to the FGS.

2.3 Monitoring and Evaluation (M&E) Design, Implementation and Utilization

41. **M&E Design:** PDO-level results were monitored using three key indicators and six intermediate results indicators of which all the key indicators and three intermediate results indicators were linked to the financing of eligible civil servant salaries in non-security sector. No revisions were made in the PDO on restructuring, though modifications were made in the indicators to recognize the effects of decisions made on restructuring.

42. In terms of the M&E design, the aforementioned indicators and measures appeared to be sufficient given the focus of the project and the PDO-results to support the budgetary needs of the FGS to pay regular salaries. There was a close correlation between the project activities and the PDO level and the Intermediate Results Indicators. However, with project implementation as per the POM being a legal covenant the intermediate results indicator number 5 – "Operations Manual for external affairs fiduciary section updated and approved" may have been considered as one of the key indicators with compliance to the payroll systems and procedures prescribed therein as an intermediate results indicator. This would also have identified well with the "reform" segment of the project and one of the PDO-level results – "Improved effectiveness of payroll controls". Further, an indicator for measuring the performance of the FGS in achieving the PDO-level result – "Inject cash into the economy and enable government funds to be concentrated on providing basic social services" may have been considered. This indicator could have been linked to budget outcomes and tracked changes in expenditure patterns on providing basic social services.

43. **M&E Implementation and Utilization:** On the FGS side, the implementation arrangements established for the project appeared reasonable, particularly with the strengthening of the staffing arrangements at EAFS and provision for an Oversight Board and Operating Team. However, the Oversight Board seems to not have met and/ or effectively supervised the project activities.

44. Due to these restrictions on “reaching ground”, the role of the MA under the project was extremely critical to the arrangements for monitoring and evaluation established for the project. Their reporting covered several aspects of the M&E framework in addition to the critical fiduciary function of review of withdrawal applications. The data source and the agency responsible for data collection was identified in the Results Framework and Monitoring Table (Annex 1 of the PAD) with information being primarily made available through the monthly reports of the MA and the quarterly progress report of the FGS. The actual progress against indicators was reported in the Bank ISR Reports (Sequence 1 and 2) and in the Aide Memoirs for the three supervision missions. This evaluation also provided inputs for restructuring of the project including reallocation of MPF finances.

2.4 Safeguard and Fiduciary Compliance

45. Financial Management: The overall fiduciary risk rating ranged between high to substantial largely due to the weak institutional capacity and potential risk of financial mismanagement. The payroll used in the payment of monthly salaries was manual and maintained in excel sheets. The final payroll lists was generated by the Office of the Accountant General upon reconciliation of the lists from MDAs and NCSC and dispatched to Central Bank of Somalia for onward cash based payment through biometric system. To mitigate the risk, a fiduciary framework was put in place which included: (i) centralization of financial management function within the Ministry of Finance through the External Assistance Fiduciary Section (EAFS)¹⁰ supported by technical assistance provided by the Financial Management Unit; (ii) Monitoring Agent to pre-screen all withdrawal applications and provide an advisory opinion on all the recurrent cost salary payments; (iii) Bank Risk Management Expert to carry out in-depth transactional reviews and provide additional assurance; (iv) external audits by the Office of the Auditor General with technical assistance support from a qualified practicing audit firm in the region; (v) Bank FM implementation support supervision undertaken every three months.

46. The Grant Agreement (Schedule 2 clause 5) stipulated the role of the MA as follows: *“Prior to making payments under Part A^[1] of the Project, the Recipient shall ensure that an independent verification agent, whose qualifications and terms of reference shall be acceptable to the World Bank, has certified as to the eligibility of the payments sought to be financed and the accuracy of the amounts requested all in accordance with the guidelines of the Project Operations Manual”*. In this backdrop, the role of the MA was visualized as the “eyes and ears” of the Bank given the security restrictions on access to the project areas and the need for close monitoring. However, the ToR of the MA repeatedly uses the term ‘advisory report’ (which is at variance with ‘certified’) when referring to the deliverables of the MA. Thus, the two seem to be inconsistent and in practice the Bank was not demanding the same from the MA as it had committed to in the GA. Further, the MA prefaced each monthly report with specific disclaimers which would tend to reduce confidence in their work.

¹⁰ A Unit within the Office of the Accountant General, Ministry of Finance

47. The project accounting, reporting and internal control processes were governed by the EAFS Manual. The quarterly interim unaudited financial statements (IFRs), SOEs based withdrawal applications were prepared and submitted to the Bank though some IFRs were delayed; similarly the end of project audited financial statements together with the management letter was submitted to the Bank though, with some delay¹¹. All the IFRs as well as the external audit reports were reviewed and feedback formally provided to the Government.

48. Ineligible expenditures amounting US\$157,555 relating to payment salaries to Commissioners for the period October- December 2014 were identified. The Commissioners were political appointees from the Commissioners in National Reconciliation Commission, National Constitution and Federal Affairs Commission and the National Civil Service Commission, not eligible under the project. Additional ineligible expenditures amounting to US\$37,683 were also identified. These were related to internal control weaknesses specifically unauthorized allowances, inclusion of National Civil Service (NSC) unauthorized staff in the payroll, payment of salaries at higher grade other than the approved the NSC. The Bank team worked closely with Government in ensuring all the ineligible expenditures were excluded from the documented expenditures and the related costs taken up by Government.

49. Key areas of operational and policy dialogue with Government identified from the various reviews undertaken include: (a) migration of the entire payroll function to the Government Financial Management Information System (SFMIS) supported by well-defined change management processes; (b) harmonization of salary scales and pay grade; (c) define and assign designations for all undefined positions¹²; (d) definition of all allowance types and the qualifying criteria; (e) policy direction on accrued but uncollected/unpaid salaries; (f) depending on the financial sector development, discontinue cash based payments and embrace direct payments of salaries and vendors to bank accounts through checks and/or telegraphic transfers. One shortcoming was that an internal audit unit which was envisaged at appraisal to review the project activities, did not develop.

50. The Government and the Bank took a proactive approach in addressing and resolving the emerging issues and visibly improving the financial management capacity. Although the FM risk rating was substantially rated the fiduciary rating for the ISR was *moderately satisfactory*.

51. **Procurement:** Procurement plan was prepared for RCRF Project taking into consideration Paragraph 11 of Bank Operational Policy (OP) 10.00 triggered to allow the application of the flexibility detailed in the Guidance to World Bank staff: Simplified

¹¹ Delay in submission of IFR and Audited Financial Statements as per ISR sequence 2, archived on August 7, 2015

¹² 1507 as at February 2015 salary payment

Procurement Procedures in Situations of Urgent Need of Assistance or Capacity Constraints, April 2013, Somalia in the current list of FCS countries.

52. In using flexible and simplified procurement procedures, all the procurements were undertaken expeditiously and within the timelines in the procurement plan. Various individual consultants under component 1 - emergency support to core banking functions were hired and deployed to the respective departments in Government in time with their contracts commencing in August, 2014 to February, 2015. The outputs from the consultants have provided the necessary information for the development of the PFM Phase II and RCRF Phase II. Consulting firms were also contracted and engaged to undertake review of the educational/ health sectors. Outputs from the consultancies informed the design of RCRF II; in particular the design of planned support to expenditures in social sectors. Project management was supported by recruitment of consultants for the FM and EAFS these provided support for processing of payments. The technical specialists provided adequate support. Under goods category one 4WD vehicle was procured using shopping procedures and delivered within the agreed time frame, as stated in the LPO.

53. **Environmental and social safeguards:** During the identification and preparation stage the project was screened regarding environmental and social impacts, and found to have no adverse environmental or social risks or impacts. It thus was classified as safeguards category C, meaning that there effectively were no requirements regarding environmental or social assessment and management. The team monitored the project's implementation, especially regarding the compliance of the financed activities with project design. This monitoring and supervision included spot-checking for any issues that might have adverse impacts, and thus a relevance for the project's safeguards classification. Throughout project implementation the team could confirm that no adverse environmental and social impacts occurred, neither caused by the project nor by directly associated activities.

2.5 Post-completion Operation/Next Phase

54. RCRF 1 was a short duration project which was processed as an emergency operation. This is being followed up with a second project (the RCRF 2 project which, considering the exigencies of the FGS has become effective in July 2015, and is expected to be a five year project) which would ensure continuity of financing of civil servants' salaries; and, in addition, support a wider set of activities including support to service delivery, fiscal policy management and institutional capacity building.

3. Assessment of Outcomes

55. The Project was restructured in December 2014, two months prior to the date of closure with around 63 percent of the Project finance having being disbursed and utilized. The restructuring was based on the findings of the mid-term review. There was no change in the PDO and the PDO results indicators though revisions were made in the indicator target values to recognize the effects of restructuring with one key indicator being rephrased for a more robust measurement. Consequently despite restructuring, the outcomes are assessed against the original objectives and targets

3.1 Relevance of Objectives, Design and Implementation

56. Substantial: The objectives, design and implementation of RCRF 1 are quite relevant and important in context of building legitimacy of the state and keeping it on a positive trajectory of development. The PDOs were kept quite simple and for a reason – this was a response to the imminent and urgent needs of the FGS. This being Phase I of the Series of projects, the objectives are appropriately aligned to the development objective of the SOP which envision achievement of reliable and transparent financing of critical civil service operations to strengthen legitimacy of the state. This is also consistent with the Bank ISN (FY 14-16) for Somalia which states that the MPF's recurrent cost window will provide a platform for performance benchmarking and a policy dialogue platform related to establishment of a track record of economic governance. The objectives (as conceived at inception) are equally relevant today and remain fully aligned with the Country priorities.

3.2 Achievement of Project Development Objectives

57. Substantial: The Project being the Phase I of the RCRF Program had an overall DO for the Program and a PDO. The project has contributed towards the achievement of the DO for the Program through a transparent and reliable financing of the critical civil service operations by establishing legitimacy of the state. Two out of the three PDO indicators were achieved as described below.

- PDO 1 – Number of civil servants in non-security sector paid: the project started by paying 2515 civil servants for the month of July 2014. This number increased significantly (55 percent during the project lifetime) and the last payment was to 3907 civil servants for the month of February 2015. This is 108 percent achievement of the revised target of 3600 (which had been revised downwards from 3909 on restructuring). Increase in number of civil servants over the period of the project indicated new hiring as well as other civil servants that were earlier considered ineligible but were later declared eligible once the required processing of documents was completed. This highlights a robust verification process while also placing importance on systems that were strengthened by implementation of the SFMIS (a full-fledged financial management system) which included payroll processing.
- PDO 2 – Percentage of registered civil servants salaries in non-security sector paid on time: This indicator was initially in percentage terms (target being – salaries of 80 percent civil servants paid on time) but was later revised to 'reduction in the days of delay up to 12 days'. The payment lag consistently reduced for the first six months of the project. As of December 2014, the original closing date, the payment lag was 8 days from 58 days in June 2014 when the project took over. However, with the restructuring of the project, there were commendable efforts by the Government to make all payments through a financial accounting software (SFMIS) which was implemented in a short period of time and was expected to improve the controls around payrolls. The process of loading all civil servants' data on the SFMIS and ensuring the controls were effective, delayed payments in February 2015 to 58 days; the data migration over may have attributed to the delay. Though, the last payroll was paid in 58 days, the average delay over the project lifetime (eight payrolls) was 31 days. The follow up project, RCRFII was effective on July 2015 and has paid accumulated salaries from March to June 2015 within

- three months of effectiveness. The Government has committed to paying up all arrears by December 31, 2015 and would pay on due dates from January 2016.
- PDO 3 – Number of payroll verifications undertaken by independent monitoring agent: This was required to ensure reimbursement of monthly salary to the FGS and the verifications were 100 percent of the eight verifications targeted. The payroll processing was undertaken at defined dates for each ministry during each month and was based on biometric verification of each employee by the CBS. Further reviews included checks by Bank hired Consultants as well.

3.3 Efficiency

58. Modest. Refer to Annex 3.

3.4 Justification of Overall Outcome Rating

59. This project formed the bedrock of the Bank engagement in Somalia. Its linkages with the PFM Project and the (proposed) Public Sector Capacity Project ensured a well-rounded approach of the Bank to the country circumstances. However, effectiveness of payroll controls (PDO Level Result) could not demonstrate a clear improvement on account of the following: (a) significant delays in salary payments persisted; and (b) the control environment around salary payments did not improve as highlighted by repeated observations in the MA reports which were further validated by findings of the External Auditor. Thus the overall outcome rating assigned is *Moderately Satisfactory*.

3.5 Overarching Themes, Other Outcomes and Impacts

(a) Poverty Impacts, Gender Aspects, and Social Development

60. The project being primarily aimed at financing salaries of civil servants in the non-security sector was able to achieve the appraised targets. This would have a positive social impact on their household including establishing the legitimacy and credibility of FGS particularly in Mogadishu and peripheral areas. Financing of recurrent costs also led to a significant infusion of funds into the Somali economy, and the spending by the civil servants infused much needed resources in the economy, directly impacting poverty.

(b) Institutional Change/Strengthening

61. Since the project was implemented by the Ministry of Finance with direct involvement of the Auditor General, Accountant General including EAFS, and the CBS, this project was able to initiate a process of institutional strengthening and reforms for the key financial institutions of Somalia and lay the foundation for strengthening of these institutions during subsequent engagements. These changes though gradual, would be sustained in the long term. Further, since the changes impact key institutions of financial management, which are at the core of the government, these would have a continuing and positive impact on all aspects of the public sector including governance and service delivery.

(c) Other Unintended Outcomes and Impacts (positive or negative)

62. None identified.

3.6 Summary of Findings of Beneficiary Survey and/or Stakeholder Workshops

63. Beneficiary Survey and Stakeholders Workshop were not conducted.

4. Assessment of Risk to Development Outcome

Rating: Significant

64. The Bank has demonstrated its commitment to financing recurrent costs for the FGS as part of a Series of Projects and this financing would continue through the second phase of this project. The RCRF window forms an integral part of the Bank's Interim Strategy Note (14-16) and is considered as an enabler for engagement in other sectors. This financing and allocation for salaries of new civil servants are part of the budget of the FGS which get approved at the highest level. Given the planned and on-going Bank interventions in the PFM domain and the RCRF program planned in the near future, risk to development outcome is assessed as Significant, as delays in effectiveness/implementation of these projects could negatively impact the assessment.

5. Assessment of Bank and Borrower Performance

5.1 Bank Performance

(a) (a) Bank Performance in Ensuring Quality at Entry

Rating: Satisfactory

65. The Bank's intervention through this project was relevant and consistent with the strategy for re-engagement with Somalia and the MPF objective. It was responsive to the request from the FGS with the SFF coming to an end and there being an urgent need to fill the gap in funding salaries and other recurrent costs due to poor domestic revenue accruals. Given the need for an emergency intervention, the Bank team conceptualized the project in a short duration within the broader RCRF Program with a follow-on project for a sustained engagement. The PDO and the components reflected the intent at entry with financing the salaries of the civil servants in the non-security sector and laying the groundwork for sectoral and regional expansion based on technical consultancies undertaken in this project which would provide inputs for the design of the follow-on project.

66. Project implementation was designed to rely on country systems with interventions for strengthening the existing arrangements given the weak PFM environment, some being made a part of the legal covenants. With the overall risk being rated as high, project design provided increased supervision and implementation support missions and a MA was entrusted with responsibility for monitoring the monthly activities particularly salary payments to civil servants and review of withdrawal applications with its ToR revised as per the World Bank requirements.

67. However, the quality at entry had the following shortcomings: (a) eligibility criteria was not articulated in the Project Operations Manual (as per requirement of the Grant agreement) and nor did it form part of the ToR or reports of the MA; and (b) engagement with the MA was inconsistent with the Grant Agreement (GA) since the GA required a certification of expenditure while the MA reports were presented as advisory opinions.

(b) Quality of Supervision

Rating: Satisfactory

68. The Bank team was adequately staffed taking into account major aspects of the project design including Economists, M&E Specialists, Risk Management, Fiduciary, Controllers and Safeguards. The supervision team had rightly recognized the high risk nature of the project, provided periodic implementation support including FM supervision and in-depth payroll review highlighting the implementation challenges. However visits to Mogadishu were severely curtailed and could not be undertaken except during the first mission due to the prevailing security situation and the Bank having to rely substantially on reports of the MA. A restructuring which resulted in reallocation of resources, and cancellation of certain activities which were being taken up under similar operations, resulted in better utilization of resources and disbursement of 92 percent of the grant allocation.

69. The implementation related bottlenecks and areas of concern coming out of the MA reports were not forcefully communicated to the FGS counterparts. However, the project was for a duration of eight months only and the ratings were candid. The performance ratings which were higher earlier were lowered in light of implementation performance and the project closed with both the Development Objective and Implementation Performance rating as Moderately Satisfactory. Supervision of the fiduciary aspects also appears reasonable though the following is a surprising exception. The project auditors were not provided copies of reports of the Monitoring Agent and, thus, an important piece of fact/analysis was not made available to them.

(c) Justification of Rating for Overall Bank Performance

70. With a Satisfactory rating for quality at entry and a Satisfactory rating for supervision, the overall Bank performance is rated as Satisfactory.

5.2 Borrower Performance

(a) Government Performance

Rating: Moderately Satisfactory

(a) Government and Implementing Agency Performance

71. The Project was implemented by the Ministry of Finance, FGS under the overall supervision of the Oversight Board, an operating team and EAFS within the OoAG under the Ministry of Finance. Further payment of salaries of civil servants in the non-security sector, involved multiple MDAs. However given the size of the overall project

implementation structure, performance of the Government and the Implementing Agency/ies have been considered jointly and not segregated.

72. The FGS extended reasonable level of support to the project both at entry and during implementation despite a fragile security environment. It provided an enabling environment for project implementation. Since bulk of the funds were used for the payment of salaries to eligible civil servants, the FGS ensured monthly payments though the time duration each month was much higher than the target set for the Project. However some of the shortcomings in their performance included: (a) monitoring arrangements for the non-salary expenditure could not be established and disbursed till end of the project period; (b) issue of guidelines related to treatment of uncollected salaries were delayed; (c) delay in establishment of the internal audit function; (d) persistent findings of the MA which were subsequently confirmed by the in-depth payroll review; (e) the Oversight Board did not meet and thus did not guide the project as envisaged; and (e) physical and capacity challenges relating to EASF staff and consultants which impacted their effectiveness.

(b) Justification of Rating for Overall Borrower Performance

73. In view of the above the overall performance of the Government and Implementing Agency/ies is rated as *Moderately Satisfactory*.

6. Lessons Learned

74. **Use of Country Systems (UCS) was a bold step which ensured fiduciary assurance as well as sustained client capacity building:** The approach to use of the country financial management architecture was a bold and positive step in the backdrop of the security and governance challenges. The project used the Central Bank for payments (the designated account was in the Central Bank of Somalia) and the government system for accounting and reporting. This was guided by the ISN and the overall approach where three key projects were designed as the initial troika of interventions in the Country. These were the RCRF (focusing on payment of civil servants salaries and thus strengthening the credibility and legitimacy of the state); the PFM Capacity Strengthening Project (which continues to focus on creating/ strengthening of the accounting and payment systems and which has led to implementation of the SFMIS i.e. the Somalia Financial Management Information System which is gradually being rolled out in several MDAs); and the Public Sector Capacity Injection Project (which focuses on defining the HR systems, including harmonized pay scales etc. – though this is expected to be effective only by October 2015). Though the associated risks were high; UCS ensured fiduciary assurance was better, that supervision efforts will be optimized, and the improved capacity more sustainable – benefiting future projects/ donor assistance.

75. **Payment Systems need to migrate to direct transfer of salaries to accounts of civil servants in commercial bank accounts:** Use of CBS (though it has its own capacity challenges) for making payments was appropriate for this project. However cash payments is not part of the core competence of any central bank and thus subsequent operations should endeavor to transfer funds to personal accounts (in recognized commercial banks) of civil servants. If the ‘Know Your Customer’ or KYC norms of these banks are

reasonable, and it is assessed that the banks have reasonable internal controls, then transfer of funds would reduce the hardship associated with the need to be physically present to collect salary on a particular day.

76. **In context of travel restrictions, supervision needs to be augmented by using a supervisory agent model:** Restrictions on travel of Bank staff/ consultants are quite significant even at time of the ICR and this is usually ‘travel to and attend meetings at the Mogadishu airport’. This significantly impedes ability of Bank professionals to form a qualitative opinion of implementation of projects and what will/ will not work. Thus, as the Bank portfolio becomes more varied, there is a need to use a supervisory agent (e.g. ARTF supervisory agent in Afghanistan) who may be equipped with modern technology and be able to provide in-depth, customized information to task team members. This will be relevant for further stages of RCRF operations as well.

77. **Focus should not waver from core governance and anti-corruption requirements:** The Country risks will continue to be high and the Bank may gain from services/ advice of the INT (preventive services unit) in terms of building stronger anti-corruption measures as part of project design. Secondly, further engagements may also explore effectiveness of anti-corruption legislation, and give attention to development of anti-corruption institutions. Finally, the implementation of a Financial Management Information System is a big leap in context of improving internal controls on this/ other projects. However, reports are only as good as the quality of data inputs in the system; thus attention should not deviate from ensuring quality of basic data, files, controls, and approvals.

78. **ToR for the MA needs to be simplified:** Drawing lessons from the engagement with the MA for the ARTF; this is based on relatively clear and simple ToR which requires a confirmation on the veracity of the recurrent costs on a monthly basis and the more systemic issues to be addressed in depth in a quarterly report. Thus basic reports are timely and more detailed issues are dealt with separately.

7. Comments on Issues Raised by Grantee/Implementing Agencies/Donors

(a) Grantee/Implementing agencies

(b) Cofinanciers/Donors

(c) Other partners and stakeholders

(e.g. NGOs/private sector/civil society)

Annex 1. Project Costs and Financing

(a) Project Cost by Component (in USD Million equivalent)

Components	Appraisal Estimate (USD millions)	Revised Estimate February 2015 (USD millions)	Actual/Latest Estimate (USD millions)#	% of Appraisal
1 – Emergency Support to Core Government Functions in MDA	13.0	15.00	14.00	107.70
2 – Strengthening Systems for Expanded Operations and Service Delivery	1.0	0.25	0.13	13
3 – Project Management and Coordination	2.0	0.75	0.57	28.50
Total Project Costs	16.00	16.00	14.70*	91.88
Front-end fee PPF				
Front-end fee IBRD				
Total Financing Required				

actual expenditure reported in the audited financial statement covering the full Project period; *excludes US\$0.28 million of unpaid liabilities reported in the audited financial statement

(b) Financing

Source of Funds	Type of Co-financing	Appraisal Estimate (USD millions)	Revised Estimate February 2015 (USD millions)	Actual/Latest Estimate (USD millions)#	Percentage of Appraisal
Borrower		0.00	0.00	0.00	0.00
Somalia Multi Partner Fund		16.00	16.00	11.77	73.57

#Disbursement upto March 2015 as reported in the End of Project Evaluation Report (April 2015) submitted by FGS.

Annex 2. Outputs by Component

The project had three components and the outputs of each are listed below. Post restructuring component 1 accounted for around 94 percent of the actual expenditure.

Component/sub-component description	Key Performance indicators	
	End of Project Target ¹³	Achievement/Remarks
Part A: Emergency Support of Core Government Functions in Ministries, Departments and Agencies		Partially achieved <i>The Bank has rated the performance under this component as moderately satisfactory.</i>
1.1 Payment of Salaries of Eligible Civil Servants in MDAs	No. of civil servants in non-security sector paid <i>End Target: 3,600 numbers; Actual: 3,907</i>	Civil servant salaries were paid from July 2014 till February 2015 and the number of civil servants paid was more than the revised targets (close to the original target). The Project however was not able to achieve the planned reduction in number of days of delay in payment.
	Reduction in days of delay in payment of civil servants salaries in non-security sector: <i>End Target: 12 days; Actual: 58 days</i>	
	Number of monthly updates of the personnel and payroll databases in line with the agreed eligibility criteria <i>End Target: 8 nos.; Actual: 8 nos.</i>	
1.2 Payment of salaries of Subject matter specialists in selected MDAs	-----	Salaries and allowances for SMEs were paid from July 2014 to April 2015 (some contracts with SMEs were terminated in December 2014 while

¹³ End Target are those established post restructuring and the Actual status of the Targets is as provided in ISR Report (Sequence 2) and the Aide Memoire of the Final Implementation Report (April/May 2015)

		contracts with some were extended till April 2015).
1.3 Financing of eligible non-salary recurrent costs in selected MDAs	<p>Verified reimbursement of non-salary recurrent cost expenditures</p> <p><i>End target: 25 percent; Actual: Nil</i></p>	This activity was not carried out due to delays in the formulation of the draft guidelines for setting up of the systems for approval of such cost and the criteria for eligible expenditure under this category which would have formed the basis for reimbursement under this sub-component.
PART B: Strengthening Systems for Expanded Operations and Service Delivery		<p>Partially achieved</p> <p><i>The Bank has rated the performance under this component as moderately satisfactory.</i></p>
<p>2.1 Technical Assistance for assessment, review and analysis of salaries of civil servants in Puntland, Jubaland and other regions within Somalia</p> <p>2.2 Reliability and Integrity of Payroll</p> <p>2.3 Strengthening Support to the social sectors</p>	-----	<p>Activity under sub-component 2.1 was completed in February 2015.</p> <p>Sub-component 2.2 was dropped since the MA was undertaking this activity under contract with another development partners.</p> <p>Report of the consultant under sub-component 2.3 was submitted to FGS.</p>
2.4 Providing technical assistance to the OoAG for fiduciary management	<p>Number of Payroll verifications undertaken by independent agent</p> <p><i>End Target: 6 nos. with a monthly frequency¹⁴; the ISR Report (Sequence 2) states the end target as 8 nos.</i></p>	Sub-component was dropped on restructuring as the MA was reimbursed by the Government of Norway in continuation of their contract under SFF till February 2015.

¹⁴ As per the World Bank Project Restructuring Document dated January 26, 2015

	<i>End Target: 8 nos.; Actual: 8 nos.</i>	
	Withdrawal applications reviewed and approved by the independent monitoring agent	
	<i>End Target: 8 nos.; Actual: 8 nos.</i>	
Part C: Project Management and Coordination		Partially achieved <i>The Bank has rated the performance under this component as satisfactory.</i>
1. Project management and Coordination	Number of monthly payroll report published on MoF website	Activities envisaged under this component were generally undertaken and completed. However drafting of Project Operations Manual by merger of the EAFS manual and SFF manual was not completed. EAFS/FMU consultants contract were continued till the Project end; Audit was completed though the audit reports were not signed by the Auditor General as envisaged at appraisal; FGS internal audit function was not developed. Aide memoire for the Implementation Support Mission (December 2014) and the Final Implementation Support Mission (April/May 2015) highlighted insufficient infrastructure and logistics support to the EASF staff which adversely impacted the performance of their functions.
	<i>End Target: 5 nos.; Actual: 4 nos.</i>	
	Operations Manual for EAFS updated and approved	
	<i>End Target: Yes; Actual: Yes</i>	
	Accountant General Offices equipped and upgraded for payroll monitoring	
	<i>End Target: Yes; Actual Yes</i>	

Annex 3. Economic and Financial Analysis

The usual Economic and Financial Analysis was not carried out at time of the project preparation, given the paucity of economic data, the ongoing conflict and fragility; and the uncertainty in determining costs and benefits.

However, implementation of the project increased legitimacy of the state and, thus, brought benefits to the public. Payment of civil servant salaries in the non-security sectors is an important aspect in context of restoration of public confidence in the state and with security dividends that resulted from improved fiscal position of the recipient government and allow the state to provide basic services to the population. Supporting salaries and allowances of SMEs would result in strengthening and regularization of functioning of key MDAs of the FGS. The project has also led to reduction in accumulation of the country's financial obligations and freed up resources for support of expenditure in the social sectors which would support a peaceful state.

The project helped increasing the aggregate demand. As is clear from Table 1 (main report; Summary of FGS Budget) that compensation to employees formed approximately 50% of the annual FGS budget which was US\$ 182.4 million for FY 2014. The Bank financing is significant in context of the FGS budget (more than 10% of the budget on an annualized basis) and the regular payment of salaries, and the resultant spending made by the civil servants would have a significant impact on reviving of the economy and in reduction of poverty levels.

Injection of the money will expand trade, boost the aggregate demand and help the economy recovery with benefits to the poor. Overall, the resumption of economic activities resulting from payment of salaries should help in poverty reduction and enhancement of shared prosperity. In the medium term, this will lead to growth in the state's own resources and receipts.

Annex 4. Grant Preparation and Implementation Support/Supervision Processes

(a) Task Team members

Names	Title	Unit	Responsibility/ Specialty
Lending			
Bank Staff			
Adenike Sherifat Oyeyiola	Senior Financial Management Specialist	GGODR	Team Lead
Agnes Yvonne Masaka	E T Temporary	GGODR	Team Administration
Anjani Kumar	Senior Procurement Specialist	GGODR	Procurement
Barbara Weber	Senior Operations Manager	GPSOS	Operations/Education
Christiaan Johannes Nieuwoudt	Finance Officer	CTRLA	Disbursement
Diego Garrido Martin	Senior Operations Officer	GCFDR	Monitoring & Evaluation
Geoff Handley	E T Consultant	GGODR	Economics
Hugh Riddell	Representative	AFCE4	Operations
Marie J. Bolou	Senior Operations Assistant	GGODR	Program Support
Stephen Mugendi Mukaindo	Counsel	LEGAM	Legal
Wolfhart Pohl	Adviser	GCFDR	Safeguard
Non- Bank Staff			
Leonard Mutuku Matheka	Consultant	GGODR	Financial Management
Ocheng Kenneth Kaunda Odek	Consultant	GGODR	Procurement
Richard A. Cambridge	Consultant	GGODR	Operations Advise
Supervision/ICR			
Tanuj Mathur	Senior Financial Management Specialist	GGODR	ICR Team Leader
Nishith Dwevedi	Consultant	GGODR	ICR Primary Author

(b) Staff Time and Cost

Stage of Project Cycle	Staff Time and Cost (Bank Budget Only)	
	No. of staff weeks	USD Thousands (including travel and consultant costs)
Lending		
FY 15		125
Supervision/ICR		
FY 15		110
Total:		135

Annex 5. Beneficiary Survey Results

Not Done

Annex 6. Stakeholder Workshop Report and Results

Not Done

Annex 7. Summary of Grantee's ICR and/or Comments on Draft ICR

The full text of the Executive Summary of “End of the Project Evaluation Report (April 2015)” on the Project prepared by FGS is reproduced below in this Annex.

1. The End of the Recurrent Cost Reform Financing Project Evaluation was undertaken over the period of 12th to 30th of April 2015 by an independent evaluator. The end evaluation focused on measuring development results and potential impacts generated by the RCRF project. It was based on the scope and criteria provided in the evaluation terms of reference (TORs).
2. Based on the review of contextual documents, the evaluation noted that the RCRF project was implemented in an extraordinary period for Somalia and in a very complex and difficult environment. The magnitude of the challenges in the newly established Federal Government were quite phenomenal, particularly considering weak or inexistent public institutions, high levels of poverty, weak government structures at all levels, and the limited capacity within the civil service and public administration. Most importantly civil servants working on voluntary basis and most of the times without any remuneration offered.
3. The RCRF was designed to address institutional governance issues through multiple approaches, over both the immediate and longer-term. Somalia’s governance challenges are of a complexity nature and do not lend to a linear or singular approach. The RCRF project addressed the challenges through a multi-nodal approach that included fiscal support (recurrent cost), capacity injection, core systems building and policy-dialogue – so the RCRF project is linked to several *other Bank Projects* to take advantage of synergy effects. The operations and the implementation support were coordinated by well-designed inter-agencies institutions, which involved established appropriate institutions under the overall coordination of PFM program with needed support provided by technical expertise from other Bank’s projects. This approach enabled the program to diversify the risks and build a system with its needed capacity that promoted Government ownership and the use of country system. The RCRF project also assisted the government to harmonize project implementation units inside government and lowered the transaction costs.
4. Following the revision of the RCRF strategy and approach, the RCRF project’s approach was articulated and based on (a) the reality on the ground in addressing challenges in the enabling environment – mainstreaming recurrent cost of non-security sectors, and non-salaries recurrent cost expenditures and related activities within the context of national budget; (b) developing and implementing specific interventions to build institutional capacity to operate the program; (c) build ownership and using the country system in a transparent and accountable manner.
5. During the evaluation a few fundamental weaknesses have been observed in the RCRF implementation approach. Particularly within the operationalization of interagency working mechanisms, that’s MDAs, NCSC, MoF, Accountant General and CBS and more so with Independent Monitoring Agent. The flow of information was very slow at beginning, these was caused by poor capacity of MDAs being the one that had to initiate the process of salary payments by submitting the list of personnel with needed details. Most of the time the

information submitted was not adequate enough to be processed, so this led to back and forth attitude; where the submitted list of personnel to the MoF had to be send back to MDAs for corrections and clarifications. Second, the introduced innovative payroll system was slightly different from the existing one. So there was a need to converge the two systems. Once the two systems were converged and activities harmonized the process became smooth, efficient and managed to eliminate all the delays.

6. The Recurrent Cost and Reform Financing (RCRF) program, was implemented under the modality of a “series of sub-projects”, this was a key element in a wider effort to support the Somali transition through gradual establishment of accountable and effective core government institutions. The series of projects aim to provide financing for civil service wage bill and build the associated fiduciary elements of the payroll system. The Somali transition is a unique opportunity for the country to escape a cycle of conflict and fragility and lay the foundations for longer-term poverty reduction and shared prosperity, with positive spill over into the broader Horn of Africa and Eastern Africa sub-regions.

7. The Phase I of this project financed operational payroll and payment system at the Federal Government level for the non-security sector and paid for salaries of existing non-security sector staff of the Federal Government¹⁵ and provided technical assistance to targeted Departments in the FGS Ministries of Finance and Planning. This facilitated the strengthening of core government functions and basic service delivery – both essential contributors in the Somali context to the increased relevance and legitimacy of government institutions, ownership and the use of country system.

8. Under the four components of the RCRF program, significant outputs were delivered, and these contributed to outcomes in a meaningful ways. However, within the components of the program, component two and three delivered their outputs only partially. This depended on several factors included some of the delays in the implementations of component I. Implementation delays at the early stage of project resulted from the failure of all stakeholders to fully grasp constraints on the ground, including limited capacity and the introduction of complex procedures that did not converge with the existing ones for quick delivery. Another aspect that was overlooked by the project was on capacity building at the institutional level needed to contribute to increased coordination, harmonization.

9. RCRF outcomes with strongest results were noted under ***component 1***: Emergency Support to Core Government Functions in MDAs. The RCRF made significant progress in establishing and consolidating inter-agencies institutions needed to operate the program. Institutions had to be created or reformed from scratch, at a time when the FGS was attempting to manage multiple and often competing demands on its scarce capacity and resources. Component 1 of the RCRF was fully implemented in all aspects and the set objectives and targets have been fully achieved. This contributed to improved ownership under the leadership

¹⁵ The following are considered core security actors and not eligible for financing under the project: armed forces, police, paramilitary forces, gendarmeries, presidential guards, intelligence and security forces, coast guards, and customs authorities.

of the FGS and funds were disbursed in transparent and accountable manners within the federal government budget system.

10. **Component 2:** Strengthening Systems for Expanded Operations and Service Delivery. Under this component key activities undertaken included: the project engaged two consultants who undertook study missions to Puntland and Jubbaland to examine existing payroll systems, administrative structure in place needed to implement similar program at the state and regional levels. A report was prepared and presented to a stakeholders' workshop in February 2015. Consideration of the report is under way and expected negotiations and consultation with the Bank are taking place to finalize the process. Under the same component a study is being commissioned to review existing systems in the health and education sectors across South Central, Puntland and Jubbaland. These involve documenting evidence of past reviews, policy papers and recommendations as well as plans produced by FGS, Puntland and Jubbaland authorities or development partners. The set targets have been achieved in a satisfactory manner.

11. **Component 3:** Project Management and including audit, training and operational costs. This involved supporting the EAFS for the coordination, administration, communication, management, procurement, monitoring and evaluation and dissemination of project activities. The component contributed to strengthening financial management and oversight systems, and building institutional capacity to develop policies and providing training to personnel. RCRF project helped build state capacity through essential physical infrastructure and equipment and training. The component gave stimulus to a process underway to build country systems by using the capacity built under SFF, made up of Somali Diaspora consultants, to strengthen the EAFS. Additionally, EAFS staff was supported with training to enhance their capacity. In addition support was provided to the Office of the Auditor General with technical assistance to support the staff of the Office of Auditor General to audit the project once during the six month project implementation period.

12. On the **relevance** – at the design stage the RCRF was developed on the basis of identified needs and priorities of the Economic Recovery Plan (ERP) 2014-2015, New Deal and the Somali Compact. The RCRF in its formulation took into account the objectives, policies and strategies of the government guiding documents in its programming orientation and priorities. Each one of the four components of the RCRF was supporting development priorities set in the ERP, New deal and the Somali Compact, so it was aligned with the country priorities.

13. On the **effectiveness** – RCRF provided a cost – effective mechanism under the given circumstances prevailing in the context Somalia security conditions, weak public institutions, and poor credibility of the state. The RCRF has delivered substantial non-quantifiable benefits of facilitating and building core government functions, systems and criteria for the management of public expenditure. The cost effectiveness of RCRF relates primarily to its relevance to a given operational context that's it has enable the Government and the Bank to build national capacity to support and operationalize the program. It might have somewhat higher price given the fact of having have had to use experts from the Somali Diasporas and international ones. The benefit is once the capacity is built then the cost will come down.

14. **Sustainability** - is a long term process and impacted by both positive and negative factors that can be mitigated or enhanced to increase the probability for the RCRF project to continue after its completion. In the context of RCRF project a number of positive factors

supporting the sustainability have been observed, such as the high level of transfer of knowledge and skills from Independent Monitoring Agent, the EASF and the World Bank experts with the established inter-agencies institutions. This combined with the higher degree of ownership of the RCRF project and its integration within the FGS budget has the highest chance of being sustainable in the future.

15. **Impact** – significant positive impact of RCRF project has been noticed through its role in capacity building played by the Bank experts, Independent Monitoring Agent, SMEs and EASF. These activities and the “*hand holding*” were instrumental in a context of a weak existing institutional capacity. These made a real and lasting capacity impact for the newly established and reformed institutions. These have contributed to improve legitimization of the state through the provision of services by the MDAs and created credibility for the FGS in operating the core functions of the state.

Lessons Learned

16. The evaluation identified key lessons that were emerging from the RCRF project experience, which should be taken into account in future programming in order to enhance inter-agency collaboration and to strengthen effectiveness of program results. In the first place it was noticed that managing expectation was crucial for the successful implementation of the program.

17. The overall experience of the RCRF project was at the initial stage to manage expectations among a range of stakeholders – national, international, clients, and intended beneficiaries – by clearly articulating what an RCRF can and cannot deliver given the context in Phase I.

18. The speed of start-up, disbursements and results was planned in such a way as to avoid disappointing clients, and intended beneficiaries. Project management have attempted to manage expectations up front through clear communications by adopting a phased approach to operationalization in order to increase prioritization and sequencing in line with the existing capacities on the ground, provided technical assistance from the Bank, counterpart absorption capacity, and the broader security context.

19. Recurrent cost reform financing operations in this phase have enabled the project to build and test country systems, generate counterpart capacity for managing funds and ensure basic running costs are met in emergency contexts, while preparing for expanding operations of the program to cover other areas.

Annex 8. Comments of Cofinanciers and Other Partners/Stakeholders

Annex 9. List of Supporting Documents

- International Development Association and International Finance Corporation Interim Strategy Note (FY 14-16) for the Federal Republic of Somalia November 11, 2013
- Project Concept Note to the Ministry of Finance and Planning Federal Government of Somalia and Project Information Document Concept Stage (Report NO. PIDC 4512) for RCRF Project (P148428)
- Aide memoire of the World Bank Appraisal Mission (June 2014) for RCRF Project (P148428)
- Project Appraisal Document of RCRF Project (P148428), August 18, 2014
- Minutes of Negotiation Meeting held on August 6 & 7, 2014 between the Delegation of the Republic of Somalia and the Negotiating Team of the World Bank for RCRF Project (P148428)
- Somalia Multi Partner Fund Grant Agreement for RCRF Project (P148428) dated August 19, 2014 and its amendments dated November 10, 2014 and February 4, 2015
- Disbursement Letter dated August 19, 2014 issued by the World Bank for RCRF Project (P148428)
- Project Restructuring Document of RCRF Project (P148428), January 26, 2015
- Aide memoire of the World Bank Implementation Support Mission (September/October 2014, December 2014 and April/May 2015) for RCRF Project (P148428)
- Report on Financial Management Supervision and In-depth Payroll review of RCRF Project (P148428) conducted by the World Bank
- Implementation Status and Results Report, Sequence (1 & 2) for RCRF Project (P148428)
- Monthly Advisory Reports of Monitoring Agent Abyrint (Report Nos. First – Eighth) on RCRF Project (P148428)
- Audit Report, Management Letter dated June 30, 2015 and August 31, 2015 along with audited Project Financial Statements for the period August 20, 2014 to December 31, 2014 and August 20, 2014 to April 30, 2014
- End of the Project Evaluation Report for RCRF Project (P148428), April 30, 2015 prepared by the Federal Government of Somalia through Consultant - Aues Scek
- Public Financial Management Self-Assessment Report and Proposed Public Financial Management strengthening Initiative (2013-2016) dated April 4, 2013
- Federal Republic of Somalia Special Financing Facility Operations Manual (Version 12) dated June 01, 2014
- Federal Government of Somalia External Assistance Fiduciary Section (EAFS) Fiduciary Procedures Manual dated November 18, 2013
- Project Appraisal Document of RCRF Project Phase II (P154875), June 23, 2015
- Financial Management Assessment Report (August 2013) for Public Financial Management Capacity Strengthening Project (P146006)

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