



# Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 16-Jul-2019 | Report No: PIDA27339



**BASIC INFORMATION**

**A. Basic Project Data**

|  |  |   |  |
|--|--|---|--|
| Country<br>Somalia                                   | Project ID<br>P171346                      | Project Name<br>Shock Responsive Safety Net for Human Capital Project | Parent Project ID (if any)                       |
| Region<br>AFRICA                                     | Estimated Appraisal Date<br>20-Jun-2019    | Estimated Board Date<br>08-Aug-2019                                   | Practice Area (Lead)<br>Social Protection & Jobs |
| Financing Instrument<br>Investment Project Financing | Borrower(s)<br>Federal Republic of Somalia | Implementing Agency<br>Ministry of Labor and Social Affairs           |  |

Proposed Development Objective(s)

The project development objective is to provide cash transfers to targeted poor and vulnerable households and establish the key building blocks of a national shock-responsive safety net system.

Components

Nutrition-linked Unconditional Cash Transfers  
Delivery Systems and Institutional Capacity Building  
Project Management, Monitoring and Evaluation, and Knowledge Management

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

Yes

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

**SUMMARY**

|                           |       |
|---------------------------|-------|
| <b>Total Project Cost</b> | 65.00 |
| <b>Total Financing</b>    | 65.00 |
| <b>of which IBRD/IDA</b>  | 65.00 |
| <b>Financing Gap</b>      | 0.00  |

**DETAILS**

**World Bank Group Financing**



|   |       |
|---|-------|
| International Development Association (IDA) | 65.00 |
| IDA Grant                                   | 65.00 |

Environmental and Social Risk Classification

Substantial

Decision

## B. Introduction and Context

### Country Context

- After more than two decades of conflict and insecurity, Somalia is gradually establishing the foundations for a new political settlement.** Somalia has entered a new phase of relative peace and stability since 2011 with the Agreement on the Provisional Constitution and the establishment of the Federal Republic of Somalia (FRS), bringing to power the Federal Government of Somalia (FGS) in 2012, and ending long period of revolving transitional governments. The federal system of governance with Federal Member States (FMS) opens a new chapter for Somalia’s development and offers hope for a stable future. However, Somaliland’s relationship with Somalia remains unresolved. Further, insecurity remains a concern, and Government control beyond urban areas and key towns continues to be limited.
- Economic challenges continue to be daunting despite the recent positive macroeconomic outlook, and growth remains insufficient to address wide-spread vulnerabilities of a large segment of the population.** Between 2013 and 2017, there was an annual contraction in per capita incomes of 0.4 percent, leaving GDP per capita at just over US\$ 500. Growth is mainly consumption driven, enabled by large remittance and aid inflows (US\$ 1.4 billion and US\$ 1.75 billion respectively in 2017). Remittances support household consumption at 132 percent of GDP and represent an important component of income for the bottom 40 percent of households. Half of Somalia’s estimated 12 million people live in rural areas, pursuing pastoralist and agro-pastoralist livelihoods.
- Somalia is highly vulnerable to natural disasters, namely repeated cycles of droughts driven by climate change, resulting in protracted humanitarian crisis.** Somalia has experienced 14 drought events since 1960, averaging one every four years. In 2016/17, the country experienced a wide-spread drought, leaving an estimated 6.7 million people in urgent need of humanitarian assistance and 1 million people internally displaced. In 2018, Somalia also experienced major flooding, which further displaced over 230,000 people, worsening the impacts of the 2016/17 drought. Currently, about 14 percent of the total population to date continues to be internally displaced. Another drought is now anticipated in mid-2019 due to exacerbated drought occurrences resulting from climate change, which is expected to further deteriorate food security and displacement.<sup>1</sup>

<sup>1</sup> Data obtained from the Somalia Food Security Cluster indicates that large scale, emergency food assistance has continued across Somalia, reaching 1.8 to 2 million people per month between August and December 2018. This has prevented worse food security outcomes in many areas. See Food Security and Nutrition Analysis Unit – Somalia and Famine Early Warning System Network. 2019. “Key Message Update.” <http://fews.net/east-africa/somalia/key-message-update/january-2019>.



4. **Development outcomes have been exacerbated by the economic challenges and on-going humanitarian crisis.** Nearly 80 percent of Somalis live below the international poverty line<sup>2</sup> according to the second wave of the Somalia High Frequency Survey undertaken in 2017/18, making Somalia the third poorest country in the region.<sup>3</sup> Poverty rates vary significantly across regions, and is more acute among children and youth<sup>4</sup>, as well as in rural areas and among Internally Displaced Persons (IDPs) settlements. Further, only 55 percent of Somalis are literate; only 16 percent have completed primary school; and only 7 percent have finished secondary school. Three-quarters of the population are under the age of 30 years, which, coupled with high rates of unemployment, presents major social and economic challenges.

5. **Chronic food insecurity and the resulting severe malnutrition among children under five years of age are of particular concern.** Currently, about 3.4 million people are estimated to be in the “Stressed” (IPC 2) phase through June 2019, while an additional 1.5 million are estimated to be in the “Crisis” (IPC 4) and “Emergency” (IPC 4) phases.<sup>5</sup> The population facing crisis and emergency phases are supported by humanitarian assistance to prevent famine conditions. However, lack of a formal safety net delivery system that provides predictable, reliable and scalable assistance to households facing chronic food insecurity under the “Stressed” phase risks worsening their food security in the event of a shock or stress. Moreover, high levels of chronic malnutrition persist across Somalia due to food insecurity, high morbidity, low immunization and vitamin-A supplementation, and poor care practices.

6. **Vulnerability in Somalia is multi-dimensional and poor households are more likely to be deprived beyond monetary poverty.** Vulnerability is directly linked to poverty incidence, such that in addition to 7 in 10 people being below the poverty line, a further 1 in 10 people are vulnerable to falling below the poverty line during a shock. Further, Somalis are vulnerable to various covariate (i.e. natural disasters and epidemics) and idiosyncratic (i.e. injury, death or unemployment) shocks, which threaten their well-being. Almost two in three Somali households (66 percent) reported experiencing at least one type of shock in the past 12 months,<sup>6</sup> mainly related to fluctuation in climate and its impact on livelihoods and the economy due to the 2016/17 drought.

7. **Women and girls are particularly vulnerable to Gender-based violence (GBV) risks.** A 2016 GBV survey commissioned by the World Bank and United Nations (UN) partners found that 17 percent of women have experienced some form of physical or sexual violence from non-partner.<sup>7</sup> Further, intimate partner violence is a common experience that has been found to be often linked to women’s engagement in income generating activities, affecting 36 percent of women interviewed. Displaced women and girls are among the most affected due to extreme poverty, marginalization and conflict and climate-related shocks, such as droughts.

8. **Given the low development indicators and wide spread vulnerabilities, it can be reasonably assumed that human capital in Somalia is commensurately low, limiting the potential of Somalia’s rapidly growing young**

<sup>2</sup> Poverty is estimated using the international US\$1.90 2011 purchasing power parity (PPP) poverty line.

<sup>3</sup> World Bank. 2018. “Country Partnership Framework for the Federal Republic of Somalia,” Washington, DC

<sup>4</sup> Fifty-six percent of children under five years and 59 percent youth between 5 and 15 years are poor.

<sup>5</sup> IPC refers to the Integrated Food Security Phase Classification, which is a tool for improving food security analysis and decision-making across a standardized five phase scale with 1 being minimal and 5 being famine. It is intended to help governments and other humanitarian actors quickly understand a crisis (or potential crisis) and take action. For more details, see <http://fews.net/sectores-t%C3%B3picos/abordagem/classifica%C3%A7%C3%A3o-integrada-de-fases>.

<sup>6</sup> There were 18 categories of shock in the dataset which were collapsed into 8 categories presented in the graphs. Loss of crop and livestock refers to crop failure; crop disease or pest; and livestock death or disease. Reduction in income includes loss of remittances or other assistance; job loss or business failure; and loss of a household member or main earner due to illness or accident. Conflict covers both experiencing violence and land eviction whereas other natural shocks include floods or landslides and fire.

<sup>7</sup> World Bank. 2018. “Country Partnership Framework for the Federal Republic of Somalia,” Washington, DC



**population.** In 2018, the World Bank Group launched the Human Capital Project (HCP) to build human capital by investing in people. The first pillar of the HCP is the Human Capital Index, which measures the human capital of the next generation, defined as the amount of human capital that a child born today can expect to achieve in view of the current risks of poor health and poor education in the child’s country. While Somalia was not ranked in the first year of ranking (2018) due to limited data, it can be reasonably assumed that there exists great potential for improving the human capital of its citizens, particularly the youth, most of which confront limited socioeconomic opportunities.

9. **In the absence of trusted institutions and inclusive socioeconomic opportunities, Somalia faces a “dual development trap.”** This trap perpetuates instability and exclusion and exposes the country to the risk of backtracking on its gains. Breaking out of this trap requires strengthening of the citizens’ trust in institutions and creation of inclusive opportunities for the poorest and most vulnerable and marginalized groups in the country. This can only be achieved through significant investments in services and economic opportunities, while continuing to address structural drivers of fragility.

### Sectoral and Institutional Context

10. **In the absence of a formal national safety net system, Somalis currently rely on traditional safety nets that are based on close clan affiliations in the face of increasingly frequent shocks.** Remittances represent an important component of income for the bottom 40 percent of households, but they are concentrated within particular clans, lineages and extended families. Moreover, urban households are more likely to receive remittances. As such, remittances often do not reach the neediest, who are most likely to fall through the cracks of informal safety nets.

11. **Within this context, several humanitarian and development agencies stepped in to deliver humanitarian aid and short term social and livelihood assistance.** Most of these programs were initiated as an emergency response to help the targeted communities and households absorb shocks, and had a short-term focus. As such, they fail to provide reliable and scalable safety nets, which protect the poor and vulnerable, address their vulnerabilities, and strengthen their resilience to shocks and stresses. Furthermore, humanitarian programs do not support Government-led service delivery systems, which contribute to the enhanced legitimacy of, and trust in, institutions and the Government by its citizens.

12. **There are however a few programs that are shifting from emergency relief to greater resilience building, with focus at the household and community level.** Conditional and unconditional cash transfers continue to be the most common forms of safety net assistance, but there are also schemes related to public works, cash or food for work, skills training, food vouchers, and school feeding and child nutrition. Key actors in the sector include the United Nations Children’s Fund (UNICEF), the World Food Programme (WFP), the Food and Agriculture Organization, African Development Solutions, Building Resilient Communities in Somalia (BRCiS) Consortium, and Save the Children Fund–United Kingdom, among others.

13. **While these programs deliver critical benefits to the targeted households and communities, they are implemented outside the Government structure and lack a common strategic vision.** Currently, there are wide variations in eligibility criteria, benefit amount, transfer mechanisms, and coverage period, which raise concerns about effectiveness, sustainability and equity. Due to the absence of a common targeting approach, integrated management information system (MIS) or a social registry, it is difficult to draw conclusions on programs’ overlap, double counting and inclusion and exclusion errors. Currently, WFP is undertaking a stocktaking exercise of existing beneficiary databases and looking at the interoperability of the system, including with its own database



(SCOPE) which is estimated to contain information on around 6 million people. This could provide an entry point towards developing a consolidated beneficiary database. However, moving from a program specific beneficiary list to a national digitized social registry requires a functional ID system. The World Bank is leading the support to FGS and the private sector on this front through its Somalia Capacity Advancement, Livelihoods and Entrepreneurship through Digital Uplift Project (SCALED-UP, P168115).

14. **There is a growing consensus among partners to adopt a longer-term development approach that builds Government’s capacity to gradually take the lead in policy formulation and delivery of SP interventions.** Among the development partners, United Kingdom’s Department for International Development (DFID) and the European Union (EU) are playing a fundamental role in paving the way to transition from a humanitarian to a development approach. DFID funds multiple cash transfer projects and has set up a monitoring and evaluation (M&E) cell in Nairobi known as MESH that conducts phone-based interviews with beneficiaries of these programs. This data provides a wealth of information particularly on benefit delivery and use that can help inform the way forward. EU has also supported the initiation of a Donors Working Group (DWG) and the set-up of a Technical Assistance Facility (TAF) on safety nets. In addition, there is a Cash Working Group that brings together all actors that are using cash-based interventions to coordinate their activities. The role of the Government in these initiatives is being further identified and supported.

15. **In recent years, the FGS, represented by the Ministry of Labor and Social Affairs (MoLSA), initiated a policy dialogue to explore options for shifting from humanitarian to a Government-led SP agenda.** Currently, the MoLSA is leading a “Food Security, Nutrition and Social Protection (SP)” sub-working group at the federal level under the Government-led “Resilience Pillar Working Group” of the National Development Plan. In addition, MoLSA has drafted a National Social Protection Policy, which has been approved by the Steering Committee for the Social Protection Joint Program,<sup>8</sup> and is near approval by the Sub-committee of the Social Sector Cabinet. MoLSA has also embarked on developing a 5-year Social Protection Implementation Framework, with technical assistance from UNICEF and WFP. Further, MoLSA has created a Technical Working Group on Social Protection bringing together relevant government stakeholders, including focal points from all the FMS. Nonetheless, the development of a formal SP system is still at a nascent stage, particularly in terms of institutional and governance arrangements at the federal and state levels. Capacity of MoLSA requires further strengthening to effectively take over the delivery of safety net interventions.

16. **There now exists an opportunity to support efforts towards establishing a Government-led SP system, as the FGS is on track to achieve debt relief under the Heavily Indebted Poor Countries (HIPC) Initiative.** The most recent fourth Staff-Monitored Program (SPM IV) by the International Monetary Fund (IMF) assessed that implementation of necessary macroeconomic and fiscal reforms by the FGS is continuing satisfactorily, leading to positive outlooks for increased domestic review resulting from a strengthened tax base and administration. However, the outlook remains vulnerable to the still fragile security situation, climate shocks and the still developing institutional capacity. Nonetheless, opportunities exist to utilize pre-arrears clearance grants by the International Development Association (IDA) to support efforts in strengthening safety net delivery and SP systems in the country.

17. **The proposed Shock Responsive Safety Net for Human Capital Project (SNHCP) would provide poor and vulnerable households nutrition-linked cash transfers to meet their immediate consumption gaps and protect**

---

<sup>8</sup> The Social Protection Joint Program is chaired by MoLSA, and members include the ministries of Planning, Humanitarian Affairs and Disaster Management, WFP, UNICEF, and the Italian cooperation, who has also funded the program.



against food insecurity and malnutrition risks expected as a result of the developing drought in 2019. With a view towards longer-term development, it would also support efforts by the FGS to strengthen institutional resilience and establish the basic delivery mechanisms of a national social safety net system. Further, the project would build on the experiences and lessons learned to date of partners in Somalia providing humanitarian assistance and safety net support, taking into account the findings and recommendations of the numerous research work in the country.

### C. Proposed Development Objective(s)

#### Development Objective(s)

The project development objective is to provide cash transfers to targeted poor and vulnerable households and establish the key building blocks of a national shock-responsive safety net system.

#### Key Results

18. The project is expected to measure achievement of the PDOs with the following outcome indicators:
  - a) Nutrition-linked Unconditional Cash Transfers (UCT)
    - Beneficiaries of social safety net programs, of which female (core indicator)
  - b) Delivery Systems and Institutional Capacity Building
    - National cash transfer program targeting methodology developed and endorsed by FGS
    - Operational design of the national Social Registry developed and endorsed by FGS

### D. Project Description

19. **The SNHCP is a total of US\$ 65 million financed from the IDA's pre-arrears clearance grant and would support three components, to be implemented over a three year period.** The components are: (a) Nutrition-linked Unconditional Cash Transfer, (b) Delivery Systems and Institutional Capacity Building, and (c) Project Management, Monitoring and Evaluation, and Knowledge Management.

#### Component 1: Nutrition-linked Unconditional Cash Transfers (US\$ 53 million equivalent)

20. **This Component would provide unconditional cash transfers to households that are chronically poor and vulnerable to drought and malnutrition and link them to complementary nutritional support programs.** The objectives of the component are: (i) support households to strengthen their resilience and avoid negative coping mechanisms (e.g. selling off existing households' assets) to meet escalating needs as a result of the drought in the short term; and (ii) promote human capital investment in the medium to long term by linking beneficiary households to complementary nutrition services (where it exists)<sup>9</sup> and continuing to smooth consumption gaps through predictable and reliable provision of cash transfer, even after drought risks are no longer present.

21. **The Component would complement humanitarian assistance as a means of responding to the**

<sup>9</sup> It would also be expected that this could lead to an increased demand by households for nutrition services, thereby compelling service providers to expand coverage in rural areas.



**impending 2019 drought.** Humanitarian agencies generally focus on areas experiencing emergency and crisis levels of food insecurity to prevent famine. At the same time, areas classified as “Stressed,” which cannot fully meet food consumption needs, are excluded from humanitarian assistance, and therefore, are at risk of worsening food conditions, if not protected. As such, this component would target poor and vulnerable households in “Stressed” food conditions and would provide them cash transfers on a longer term to mitigate the likelihood that they would be pushed into higher categories by the impending drought.

22. **The cash transfers would be available across Somalia’s Federal Member States<sup>10</sup> and would focus primarily on rural areas,<sup>11</sup> as they are often in the “Stressed” category and are underserved by humanitarian assistance programs.** Further, by extending protection to the “Stressed” populations, Component 1 would lessen the burden on the humanitarian assistance programs by preventing beneficiary households from reaching emergency and crisis levels of food insecurity.

23. **Implementation of Component 1 will be supported by WFP who will be contracted by MoLSA under a service contract arrangement to deliver nutrition-linked cash transfers.** To enhance the visibility of the role of FGS in delivering assistance to its people, WFP will make clear that this is a Government project through its sensitization and communication to communities and the general public. The delivery of cash transfers will benefit from WFP’s experience in Somalia and their well-developed SCOPE beneficiary management platform. The WFP will maintain the database of the project beneficiaries and this will be migrated to MoLSA once the Government’s capacity to manage the database is in place. While maintaining the database on behalf of the FGS, WFP will apply its established personal data protection and privacy processes, that are aligned with the UN Principles on Personal Data Protection and Privacy and the 2017 WFP corporate guideline.

## **Component 2: Delivery Systems and Institutional Capacity Building (US\$ 6 million equivalent)**

24. **Component 2 would establish the key building blocks of a SP delivery system and advance policy development, as well as strengthen institutional capacity of relevant government ministries to manage and implement it.** The component will provide policy support and technical assistance for the development of safety net delivery systems: a social registry, MIS, operational procedures for registration, enrollment, targeting, grievance redress, payment delivery, monitoring, community outreach and information campaign; and capacity building activities.

25. **The Component will be implemented with technical assistance and implementation support by UNICEF.** UNICEF will be contracted by MoLSA under a service contract arrangement to provide technical assistance (TA) for the establishment of the building blocks of a national SP system and institutional capacity building through training and other related services.

26. **The backbone of an effective and scalable social protection system is a social registry.** The activity would provide a platform for consolidated beneficiary lists across programs, enhance coordination and collaboration and improve efficiencies. It is expected that this would serve as a first step towards a national social registry that in the future can also be used for coordinated service delivery to the poor and vulnerable and emergency

---

<sup>10</sup> Official Federal Member States include (in alphabetical order): Hirshabelle, Galmudug, Jubbaland, Puntland and South West. Somaliland is also included in component 1 of SNHCP to ensure a fair distribution of resources.

<sup>11</sup> For example, Banadir will not be covered under Component 1 because it is an urban municipality with strong presence of humanitarian agencies





assistance, thereby bridging existing humanitarian and development efforts.

27. **Activities under this component will be closely coordinated with the Cash Working Group and the TAF supported by donors to enhance alignment and coordination of cash transfer programs.** They will also benefit from several World Bank supported interventions such as the foundational ID initiative and the regulatory framework of the ICT sector, under the SCALED-UP project, and would draw on the technical expertise of Government experts, mobile networks operators, financial service providers, technology service providers, etc.

28. **Support to the above activities would be led by the FGS and would seek to reach an arrangement to define the role and working relation between the federal and regional/state levels in delivering safety net programs.** These would be undertaken through an inclusive dialogue to define the governance structure and roles between the federal and regional/state levels. The component will also support consultation with the private sector, humanitarian and development partners, NGOs, and civil society organizations. The purpose would be to ensure sustained commitment from all stakeholders to the common vision of supporting Somalia to establish a sustainable SP system.

### **Component 3: Project Management, Monitoring and Evaluation, and Knowledge Management (US\$ 6 million equivalent)**

44. **Component 3 would establish Project Implementation Units (PIUs), strengthen MoLSA's coordination arrangements and promote learning and knowledge management through robust M&E.** Specifically, PIUs would be established at the federal and member state levels. Focus would be given to strengthening MoLSA's coordination arrangements within other ministries and stakeholders at the federal level, and between the federal level and the member states at the local level.

45. **The PIU will support MoLSA for the day-to-day management of the project, coordination with other stakeholder and for the project monitoring and evaluation.** The component will finance the establishment of the PIUs, training of government officials and PIU staff, office equipment and operating cost, as relevant. Additionally, the component will finance the contract of the Third Party Monitoring (TPM) firm.

46. **Knowledge management and learning activities would also be supported by Component 3.** This would include documenting the lessons and experiences of implementation of the project, which is expected to promote learning by doing and adjustments to project design, as well as knowledge dissemination. It will also contribute to the global knowledge on designing and implementing SP interventions in FCV contexts. The component would further support the design and preparation of a pilot cash for works activity targeting youth. It is expected that this will be rolled out using additional financing, and/or external financing by development partners. This will support Government capacity to test other forms of productive safety net interventions to address multiple vulnerabilities.

### **Project Beneficiaries**

47. **The SNHCP is expected to target 200,000 poor and vulnerable households (approximately 1.2 million individuals) across the FMSs of Somalia and provide them with nutrition-linked cash transfer.** Targeting of beneficiaries will be conducted in three stages: (1) selection of districts, (2) selection of communities in the targeted districts, (3) community-based targeting (CBT) of households in selected communities based on the



household eligibility criteria.

48. **Selection of districts.** Districts from each of the FMS would be selected that are predominantly rural districts and experience high distress in terms of malnutrition and past impact and/or risk of drought.<sup>12</sup> Several other considerations will affect the final choice of districts, including: security, local capacity constraints, presence of implementing partners, and ability of the payment agencies to disburse payments in those districts.

49. **Selection of communities.** Even with a limited set of districts, not all communities may be covered due to the limited budget. The final list of communities will be based on the rates and caseload of severe acute malnutrition and moderate acute malnutrition.

50. **Selection of beneficiary households.** Using the existing SCOPE database, WFP will produce lists of households with women and children under five years of age corresponding to the selected communities. All the households in the SCOPE database will be eligible for nutrition-linked cash transfer under Component 1. Eligible households in the targeted communities, who may not be in the SCOPE registry, will be able to register.

Legal Operational Policies

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

Summary of Assessment of Environmental and Social Risks and Impacts

The project shall ensure that any e-waste generated from project funding is segregated from other forms of waste and is taken to licensed refurbishers, collection centers or recyclers. Details to guide this should be included in the Project Operations Manual.

The project will be implemented in areas of fragility due to endemic poverty, acute drought and protracted conflict and insecurity which makes direct access to beneficiaries challenging. Against this backdrop, the major social challenges identified are:

**Security:** Conflict and insecurity remain persistent challenges in Somalia and have, in the past, impeded delivery of drought relief services. Ensuring security for project operations (including the handling of cash) amid armed groups in a region with a recent history of relative lawlessness and the potential for increased conflict due to the drought, will remain a significant challenge. Delivery points cash transfers may be targeted by opportunistic armed actors including Al-Shabaab. This general insecurity may impact both the project workers and beneficiaries. In addition, the presence of security services in the project area can pose a threat to the community through violence, exploitation and abuse. **Mitigation:** By design, the project will only operate in relatively permissive parts of the country, with security of operations and access to site for monitoring and supervision key criteria in the selection of districts for support. Further, the choice of WFP and UNICEF as key implementing partners provides the project access to the UNs system and local capacity for identifying and managing security threats to operations. UNDSS provides overarching security for all UN agencies. In addition, WFP has security officers in all of the regions who oversee the security of the WFP

<sup>12</sup> Poverty rates will not be considered in the distress rating given that the number of poor people per district seem to be heavily contested.



operations. These systems are tried and tested on projects such as this. They work in all districts except those controlled by armed groups and as such have established systems for managing the security of their operations. Moreover, the WFP service agreement with project service providers contain a contractual obligation for the service provider and any contracted security to uphold humanitarian principles such as “do no harm” and to protect beneficiaries (from violence, exploitation and abuse). They also contain an obligation to ensure the security of their own personnel or workers by implementing appropriate risk prevention and mitigation strategies to reduce the likelihood of a harmful event occurring and to mitigate the impact of a security event if it were to occur. The WFP have developed a Safe Distribution Guidelines which outline their requirements and provide training to contracted entities in their use.

**Exclusion:** The security and other challenges associated with working in rural Somalia make effective stakeholder engagement and community participation very challenging. As such, the challenges of ensuring the project reaches vulnerable community members (such as minorities, people with disabilities or widows present in any cash transfer project are amplified.

**Mitigation:** In Somalia, community participation has been more robust in rural areas than in Urban and is used extensively by WFP on like projects. The WFP guidelines for community participation (adopted by the Somalia Food Security Cluster) in targeting uses a community driven process for identifying vulnerable people at risk of exclusion. To monitor the application and effectiveness of the targeting process the WFP carries out their own monitoring, of this system and where they are unable to carry out their own monitoring they use a monitoring contractor. Monitoring reports will be included in the SMP along with a detailed description of this process.

**Selection:** The project targets women and children at risk of malnutrition due to the drought. As such gender and other cultural dynamics will need to be managed to ensure transferred cash being captured by spouses, family, nominated caregivers, community leaders or armed groups but instead makes it to the intended beneficiaries.

**Mitigation:** WFP carries out periodic evaluations of intrahousehold dynamics including in Somalia seeking to better observe and understand this effect. After 10 years of administering cash transfer operations, WFP monitoring has not revealed a increase in intrahousehold abuse of the system including among spouses, family members or caregivers. However, this does remain of potential concern and hence WFP monthly monitoring screens for this effect.

External capture has been observed both in terms of soliciting kickbacks and favoring one group of beneficiaries. To combat this, the WFP has developed a robust and multitiered monitoring system including hotline for anonymous reports. Where offenders are individuals, they are dismissed, or where the problem is systemic, contracts with implementing partners may be terminated and the matter is addressed with local authorities. Note WFP has not encountered this impact in their operations in Somalia.

As WFP has a requirement to monitor their operations, they do not work in areas controlled by armed groups in Somalia. Similarly, capture by armed groups has not been a problem observed in parts of Somalia with elevated levels of lawlessness. The small amount of the cash transfer (\$20 per month) is also seen as a mitigation measure for this effect.

**Gender Based Violence:** Closely associated to selection risks noted above, the targeting of women and children as beneficiaries necessitates the management of gender-based violence risks. The exchange of sexual favors for registration or transfer of funds, or the spousal abuse to receive cash are key risks for the project.

**Mitigation:** The project implementing teams will develop and implement measures and actions to assess and manage the risks of gender-based violence due to the receipt of cash transfers by women and children (within households or at payment points) and sexual exploitation and abuse risks such as sexual favors for registration or release of funds. A GBV action plan will be drafted and included in the SMP to include measures for minimizing gender-based violence, most notably sexual abuse and exploitation including outreach to local communities. This will include a code of conduct for partners making payments and their hired security.

**Remoteness:** The unconditional cash transfer system employed on this project has been used more in urban and peri-urban areas of Somalia than rural areas to date. While the methodology has been tried and tested in rural areas of



Somalia, the cultural differences between rural areas creates a different set of challenges to urban environments which if not managed could complicate project implementation.

The unconditional cash transfer system was designed to operate in both rural and urban areas and has been tried and tested in rural areas in Somalia and has been found to work well. In practice, community cohesion is often stronger in rural areas than urban areas which adds to the effectiveness of the targeting and enrollment process. There are cultural differences between the rural areas and the WFP's use of local NGOs with operational knowledge of how to navigate these cultural differences is the principle mitigation measure along with the robust consultation process outlined below.

**Systemic Weakness:** As noted below, the borrower capacity for the preventing adverse social impacts on the project is limited, as is the borrower's capacity for redressing the impacts of social harm where it has occurred.

**Mitigation:** The project has two primary approaches to overcoming the low capacity of the borrower. The first is the use of WFP as the implementing agent for the cash transfer system. WFP has a proven track record for delivering unconditional cash transfers in rural Somalia. It is also worthy of note that the project will work with regional and district governments as well, where the capacity is significantly higher than in the FGS. In addition, Component 2 of the project will see UNICEF build the capacity of the FGS to manage a national safety net program.

**Difficulty monitoring:** Security concerns and the remoteness of the project target areas combine to provide a significant challenge for monitoring and supervising project implementation. This can include challenges for community and stakeholder engagement, grievance redress and other risk mitigation protocols.

**Mitigation:** Under WFP's rules in Somalia, except in extreme lifesaving circumstances, they can only operate in environments permissible enough to monitor the implementation of their risk management processes. So for this project, WFP will use their already established capability for monitoring their operations. WFP have a multifaceted approach to monitoring involving WFP staff, a contracted company that provides staff for monitoring where WFP staff can't go and a complaints hotline. The Hotline is also used for proactive verification by making calls to beneficiaries to check how the project is operating. WFP is also monitored by other donors (notably USAID and DFID) plus the Bank will be hiring a third-party monitor to oversee this operation.

**Elite or Clan capture of project:** With no formal safety net system, Somalis largely depend on informal, clan-based support in the face of increasingly frequent shocks. As such, there is a risk that local community dynamics will see attempts to capture the benefits of the project for a particular group.

**Mitigation:** WFP's system for targeting beneficiaries is independent of the clan structures and has strong mitigations against elite capture. FAO's Food Security Nutrition Analysis Unit undertake an assessment for food security and nutrition which identified the target groups. This then underpins selection of the districts and existing data bases form a baseline for identifying target individuals within that district. Then the community consultation process is used to validate the data s

**Note:** To view the Environmental and Social Risks and Impacts, please refer to the Appraisal Stage ESRS Document.

## E. Implementation

### Institutional and Implementation Arrangements

51. **MoLSA would be the primary institutional home for the SNHCP and responsible for project implementation.** The SNHCP would be implemented through MoLSA's existing structures, supported by the PIU. The Social Protection Department of the MoLSA would be responsible for the day-to-day management of the project and will report to the Minister of Labor and Social Affairs.



52. **The PIU structures at the federal and member state levels would be as follows.** The PIU at the federal level will be headed by a Project Manager and will include an Operations Officer, a Communications Officer, a Payments Officer, an MIS officer, a GRM officer, a M&E officer, financial management (FM) officer, Procurement officer. Once the PIUs at member state level are established, they will include the following staff: Operations Officer, GRM Officer, and Communications Officer.

53. **MoLSA would sign service contracts with WFP and UNICEF to support the implementation of Components 1 and 2, respectively.** These service contracts will follow the “Standard Form of Agreement for Use by World Bank Borrowers: Delivery of Output Service Contract.”

## CONTACT POINT

### World Bank

Afrah Alawi Al-Ahmadi  
Sr Social Protection Specialist

### Borrower/Client/Recipient

Federal Republic of Somalia  
Adirahman Duale Beileh  
Minister of Finance  
abdirahmanbeileh010114@gmail.com

### Implementing Agencies

Ministry of Labor and Social Affairs  
Sadik Hersi Warfa  
Minister  
sadikwarfa@yahoo.com

Fardosa Ahmed Abdullahi  
Senior Policy Advisor/National SP Coordinator  
dowsaahmed79@gmail.com



**FOR MORE INFORMATION CONTACT**

The World Bank  
1818 H Street, NW  
Washington, D.C. 20433  
Telephone: (202) 473-1000  
Web: <http://www.worldbank.org/projects>

**APPROVAL**

|                      |                       |
|----------------------|-----------------------|
| Task Team Leader(s): | Afrah Alawi Al-Ahmadi |
|----------------------|-----------------------|

**Approved By**

|   |              |             |
|---|--------------|-------------|
| Environmental and Social Standards Advisor: |              |             |
| Practice Manager/Manager:                   |              |             |
| Country Director:                           | Hugh Riddell | 17-Jul-2019 |