



Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 28-Jun-2018 | Report No: PIDISDSA22028



BASIC INFORMATION

A. Basic Project Data

Country Somalia	Project ID P163857	Project Name Somalia Urban Resilience Project	Parent Project ID (if any)
Region AFRICA	Estimated Appraisal Date 05-Apr-2018	Estimated Board Date 31-Jul-2018	Practice Area (Lead) Social, Urban, Rural and Resilience Global Practice
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Finance	Implementing Agency Benadir Regional Administration, Garowe Municipality	

Proposed Development Objective(s)

To strengthen public service delivery capacity at the sub-national level and support the reconstruction of key urban infrastructure in targeted areas.

Components

Mogadishu Municipality
Garowe Municipality
Contingent Emergency Response

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

Yes

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	9.00
Total Financing	9.00
of which IBRD/IDA	0.00
Financing Gap	0.00

DETAILS

Non-World Bank Group Financing



Trust Funds	9.00
Somalia Multi-Partner Fund	9.00

Environmental Assessment Category

B-Partial Assessment

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

Country Context

1. **Somalia is emerging from a legacy of two and half decades of cycles of violent conflict and fragility. Since 1991, the country has been fragmented by armed conflict, *ad hoc* regime change and state capture.** The August 2012 peaceful transfer of power from a transitional to a full federal government in Mogadishu and the peaceful handover of power in 2017 to President Mohamed Abdullahi Mohamed Farmaajo generated domestic political momentum and triggered international recognition and support for the new federal government. Over the last four years, Somalia has made encouraging steps towards a political settlement and the rehabilitation of government institutions. The creation of four new regions – Jubbaland, South-West, Galmudug and Hirshabelle – and the ouster of Al Shabab from its major tax bases in Mogadishu and Kismayo form the basis for a devolved/federal political settlement. While Al Shabab retains control and continues to destabilize parts of southern Somalia, it no longer administers nor controls major urban areas.

2. **However, decades of conflict compounded by recurring natural disasters have displaced a significant part of the society and damaged much of the country’s infrastructure, resulting in high rates of poverty and food insecurity.** Of the 12.3 million Somali population,¹ 2.4 million are expected to live on the margins of food insecurity.² It is estimated that some 1.1 million Somalis currently reside in neighboring countries as refugees, and another 1.1 million internally displaced, many of whom live in urban areas.³ Poverty is estimated at approximately 49 percent at the national level while overall urban poverty rate stands at 45 percent and the poverty rate in Mogadishu specifically higher than the national average at 57 percent. Poverty is heavily concentrated in settlements of Internally Displaced Persons

¹ UNFPA (2014) <http://somalia.unfpa.org/sites/default/files/pub-pdf/Population-Estimation-Survey-of-Somalia-PESS-2013-2014.pdf>

² FEWSNET – Somalia Food Security Outlook for October 2017 to May 2018.

³ UNOCHA (2017). “Humanitarian Bulletin July 2017”



(IDPs) at 70 percent.⁴ The poor are also likely to experience non-monetary poverty with even worse access to basic services such as education, health, water and sanitation than the overall population.⁵

3. Somalia's economy has proven remarkably resilient, but resources for infrastructure and service delivery are limited and poverty remains high. Despite the perpetual civil conflict, the economy has grown at a moderate pace. Sectors such as telecommunications, money transfer businesses, livestock exports, and localized electricity services drive the growth. The government has shown remarkable improvement in domestic revenue collection, achieving 103.2 percent of the 2017 budget target. Domestic revenue grew by 26.5 percent, from US\$112.7 million in 2016 to US\$142.6 million in 2017 driven by trade taxes. The government, however, still relies heavily on external assistance which almost doubled to US\$103.6 million in 2017 from US\$55.3 million in 2016. Total revenue in 2018 is estimated at US\$274.6 million with domestic revenue accounting for 57 percent. Yet, the current revenue levels, at about 3 percent of GDP, are inadequate for the government to deliver meaningful services to citizens. Public expenditures have expanded significantly driven by year-on-year increases in revenue from US\$170.5 million in 2016 to US\$243.7 million in 2017. Despite the remarkable improvement, almost 90 percent of total spending goes to security and administrative services, with capital spending accounting for just 3 percent of total spending in 2016 and 2017. Somalia relies heavily on external assistance for socio-economic infrastructure and services. With an estimated per capita GDP of US\$535 in 2017, Somalia remains one of the poorest countries in the world.

4. The recent drought in 2016-2017 has resulted in a crisis weakening the economy and forcibly displacing more people, thereby exacerbating the country's vulnerability. The prolonged drought which began in November 2016 has led to the decline of real GDP growth from 2.4 percent to 1.8 percent in the first half of 2017.⁶ With the increase in food prices, inflation rose from 1.3 percent in 2016 to 5.2 percent in 2017.⁷ The agriculture sector, which underpins the Somali economy, experienced near total collapse with crop failures and increased livestock mortality due to widespread shortage of water. This resulted in loss of livelihoods for many and has left approximately 6.7 million Somalis – more than half the population – in need of humanitarian assistance and displaced more than 915,000 people.⁸ The majority of the drought related displacement is taking place in rural areas with populations moving to urban centers to join existing settlements for the internally displaced. Many of the drought-displaced people are settling in Mogadishu (231,696 people),⁹ Baidoa (243,884 people)¹⁰ and Kismayo (42,000 people).¹¹ These three cities alone host almost 40 percent of the total drought-related displacements.¹²

Sectoral and Institutional Context

5. Somalia's urban population is growing rapidly partly as a result of significant forced migration into urban areas caused by protracted conflicts, insecurity, and cyclical natural disasters. Rapid urbanization is driven by decades of internal conflicts, insecurity, political turmoil, human rights violations,

⁴ World Bank (2017). Draft Systematic Country Diagnostic (SCD).

⁵ World Bank (2017). Draft SCD.

⁶ World Bank estimate.

⁷ World Bank estimate.

⁸ Drought Impact Needs Assessment (DINA) Executive Summary. 2017.

⁹ UNCHR PRMN October 2017.

¹⁰ UNHCR PRMN October 2017.¹¹ IPSOS (2017).

¹¹ IPSOS (2017).

¹² Humanitarian Bulletin, July 2017, UNOCHA.



and governance failures in addition to the traditional economic rural-urban migration. These challenges are compounded by cyclical environmental adversities such as drought and famine. The country has also witnessed a steady flow of returnees and refugees from neighboring countries. From December 2014 to January 2018, over 112,000 refugees have returned to Somalia predominantly from Kenya with the impending closure of the Dadaab refugee camp.¹³ More recently, conflict in Yemen has resulted in 37,000 Yemeni refugees seeking shelter in Somalia.¹⁴ Returnees and refugees are settling in urban areas such as Mogadishu in the hope of better access to humanitarian assistance, safety, services and job opportunities. While it is difficult to produce widely accepted population figures, the current urban population is estimated at around 5.2 million people (42 percent) with a growth rate of around 4 percent per annum.¹⁵ If the current trend persists, by 2030, Somalia will add another 4.5 million urban residents to its already constrained urban environment, nearly doubling current numbers.¹⁶

6. Urbanization is one of the most significant drivers of development. If managed well, it can provide a pathway out of poverty and act as an engine of growth. In the Somali context, cities are also increasingly serving as centers of resilience where people seek refuge. High urban densities can reduce transaction costs, make public spending on infrastructure and services more economically viable, and act as an economic hub that attracts investments and talent. Furthermore, cities in Somalia are increasingly coming to serve as a safe haven or the last resort for those fleeing violent conflicts or natural disasters.

7. Yet as urban areas fail to keep pace with the rapid urbanization, Somalia's cities are becoming more fragile thereby threatening the country's stability. The rapid pace of urbanization has created multiple challenges for cities, which are expected to intensify as urbanization continues. Cities have not been able to cope with the increased demands for land, housing, basic services, and job opportunities. As a result, cities are sprawling in an uncontrolled manner, slums are on the increase, and environment degradation is accelerating. It is feared that large influxes of people may shift clan dynamics which can potentially destabilize already fragile social structures. Protection challenges are also significant in the context of ongoing urbanization and displacement. Gender-based violence (GBV), among other protection concerns, is a prevalent issue in Somalia and a significant challenge confronting displaced populations in particular¹⁷. IDPs face increased risks of GBV and sexual exploitation due to limited security in the IDP settlements, poor living conditions and limited clan protection. Rapid urban population growth, high unemployment rate especially among the youth, income inequality, lack of access to basic services, and lack of government's ability to cope are all contributing to increased fragility of cities in Somalia. Indeed, Mogadishu, Merca and Kismayo have been named the world's three most fragile cities in the world.¹⁸ Urban fragility, particularly in the capital of Mogadishu, can have a profound impact on Somalia's nascent stability.

8. The Government has limited capacity and resources to address these challenges. District governments (which function as municipal governments) have the primary responsibility for providing

¹³ UNHCR (2018). "Somalia: Refugee, asylum-seekers and returnees at 31 January 2018". <https://data2.unhcr.org/en/documents/download/62260>.

¹⁴ UNHCR (2017). <http://data.unhcr.org/yemen/regional.php>.

¹⁵ UNFPA (2014).

¹⁶ World Bank staff calculation based on UN-Habitat and CIA World Factbook.

¹⁷ Several studies estimate that roughly three-quarters of survivors are IDPs.

¹⁸ "These are the World's Most Fragile Cities". Urban Gateway. <http://new.unhabitat.org/news/these-are-worlds-most-fragile-cities>.



basic services. But capacity and fiscal constraints often limit their ability to undertake basic municipal functions, and outside of a few larger cities, these constraints deepen rapidly. Sub-national governments are only receiving a small recurrent budget through an inter-governmental fiscal transfer, and staffing is generally skeletal with limited capacity. Municipal governments' own source revenue collection is minimal and unstructured. They are dependent on external assistance or private sector for capital investments and delivery of services which tends to be *ad hoc* due to lack of comprehensive urban development plans and limited resources.

9. The persistent and recurrent nature of the drivers of migration and conflict contribute to protracted conditions, which require a holistic resilience-based approach particularly at the city level.

Cities play a central role in Somalia's development and security. There is thus an acute need to strengthen their resilience. There are various definitions of urban resilience, and various scales to measure it from individual to community to national levels. Urban resilience, under this project, is defined as "*the municipal governments' ability to prepare for, respond to, and adapt to shocks and stresses while continuing to provide critical services following an adverse event.*" External shocks and stresses in the Somali context will include both natural disasters and fragility.

10. Urban resilience is understood as a holistic concept that comprises five composite dimensions - spatial, physical, economic, social, and institutional.

First, spatial resilience ensures flexibility in spatial plans, policies and land use management systems so as to mitigate and manage possible impacts of external shocks. Integration and inclusion of IDP settlements into the urban fabric is an important aspect of spatial resilience in the Somali context. Second, physical resilience relates to making the city-level infrastructure and service delivery resilient to external shocks, ensuring that they are able to meet the increased demands resulting from a large influx of people. Third, economic resilience is understood as the ability of the city to manage and adapt to disruptions to the economic system, such as negative impacts on assets, production factors, outputs, employment, and consumption caused by external shocks. Fourth, social resilience relates to strengthening social capital and social networks to cope and adapt to external stresses. Finally, institutional resilience relates to improved local government's capacity to plan and manage the other dimensions of urban resilience including mobilizing necessary resources and creating an enabling environment.

11. The Somalia Urban Resilience Project (SURP) will enhance the resilience of select cities by:

(i) supporting institutional resilience through the strengthening of municipal governance by building capacity of local governments, delivering infrastructure and services through sub-national government systems, and helping to better define the division of roles and responsibilities between the federal, state, and municipal governments in the area of sub-national development and service delivery; (ii) supporting physical resilience by financing investments in priority urban infrastructure or services; (iii) supporting spatial resilience through forward-looking urban planning; (iv) supporting economic resilience by creating short-term income generation opportunities particularly for the urban poor and IDPs through labor-intensive works and exploring longer-term job opportunities for these groups by collaborating with the ongoing Bank-financed Somali Core Economic Institutions and Opportunities (SCORE) project for micro-, small- and medium enterprise (MSME) development and vocational training; and (v) strengthening social resilience by fostering social cohesion by supporting infrastructure that benefits both the host communities and the displaced and ensuring investments are prioritized through a participatory decision-making process.



12. **The SURP is a national urban resilience project that aims to pilot the use of country Public Financial Management (PFM) systems at the sub-national level and strengthen municipal governments' capacity. It takes a programmatic approach and will scale up its geographical and sectoral coverage as additional funding becomes available.** The SURP takes a Series of Project (SOP) approach which would allow the project to be scaled up gradually. While the initial interventions will begin in Mogadishu and Garowe due to the cities' readiness, additional funds worth US\$21 million has already been secured to expand the project to Kismayo and Baidoa, secondary cities that suffer from a rapid and large influx of returnees and IDPs. The subsequent phases will also look to strengthening inclusive development by better integrating displaced people in an urban setting. The government has made it clear that it wants SURP to expand its geographical and sectoral coverage incrementally as and when additional funds become available. Investments in respective cities are small and simple mainly due to budget constraints (Somalia's ineligibility for IDA limits its funding source to the Multi-Partner Fund (MPF)) but also partly due to limited government capacity at the sub-national level making large-scale complex investments difficult at this stage. The delivery of infrastructure investments through municipalities/district governments under SURP will not only provide a means of testing this decentralized service delivery model in the context of Somalia but will also help strengthen service delivery capacity at the sub-national level for long-term sustainability. It is hoped that successful implementation of this project and strengthened municipal government capacity will help catalyze additional development funding to be channeled through sub-national government systems.

13. **The SURP complements the current World Bank program in Somalia.** Considerable resources have been invested in the federal government public sector, strengthening public financial management (PFM), institutional capacity, and payment of recurrent costs. Special Financing Facility for Local Development (SFF-LD), another urban project in Somalia, developed procurement and supervision functions at the federal Ministry of Finance and financed small-scale investments across Somalia, mainly in smaller secondary and tertiary cities. SFF-LD expanded the use of the PFM system from existing recurrent costs to capital investments in the Federal Member States (FMS). SURP will help extend the Bank's outreach to the sub-national level by supporting funds flows from the federal to lower levels of government and strengthening project planning and implementation capacity at the municipal level - with the implementing agencies located at the municipal level, mostly in primary and larger secondary cities. If successful, SURP can catalyze further investments from other development partners at the municipal level. Finally, SURP can be an important instrument to prepare sub-national governments for possible inter-governmental fiscal transfers in the future.

14. **The SURP builds on other ongoing projects supported by various development partners.** UN-Habitat's work on urban planning and strategic spatial planning in Mogadishu provides useful city level information on existing land use, housing, IDPs, infrastructure and service delivery; urban plan that points to the future direction of city growth; and infrastructure/service requirements. SURP will validate the selected roads' strategic importance vis-à-vis UN-Habitat sponsored urban plan. UN agencies' Joint Program on Local Governance (JPLG) is helping to develop Local Government Laws at the FMS level and establishing representative District Councils. UNDP's Rule of Law Program has established paralegal aid and alternative dispute resolution mechanisms involving informal leadership and local NGOs in major cities of Somalia, which are anchored under Ministry of Justice. Such a mechanism can be utilized to mitigate any potential forced evictions as a result of SURP engagements. USAID financed Transition



Initiatives for Stabilization (TIS+) supports quick impact stabilization activities at the district and community levels with a focus on targeted areas in the FMS. In Mogadishu, TIS+ has set up community institutions at the district level which were used by the SUIPP in carrying out consultations on priority roads. TIS + has also supported the rehabilitation of secondary roads in Mogadishu and the BRA/community representatives ensured there was no overlap between the SUIPP/SURP investments and those of TIS +.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

To strengthen public service delivery capacity at the sub-national level and support the reconstruction of key urban infrastructure in targeted areas.

Key Results

15. The achievement of the PDO would be measured by the following outcome indicators:
 - (a) People with access to all season roads within a 500 meter range (number, % female, % IDPs, % host communities)
 - (b) Sub-projects with established post-construction community engagement/O&M plans (%)
 - (c) Percentage of beneficiaries satisfied that the investments met their needs (number, % IDPs, % female, % host communities)
 - (d) People's satisfaction of the municipal government performance on road rehabilitation

D. Project Description

16. The following three components are proposed for a duration of 36 months: (i) Mogadishu Municipality; (ii) Garowe Municipality; and (iii) contingent emergency response.

17. Mogadishu and Garowe prioritized infrastructure investments through a participatory decision-making process using the criteria below:

- (i) *Strategic investments that contribute to urban resilience.* The investment should be aligned with a broader strategic plan or vision of the city. This plan should focus on how to make the city more resilient.
- (ii) *Inclusiveness.* Investments identified should be as inclusive as possible, i.e. incorporate needs of the IDPs, returnees, refugees and host communities. The investments should be selected in a participatory manner in consultations with community representatives.
- (iii) *Maximizing development impact.* Investments should maximize development impact and return on investment, thus avoid small scale/piece meal investments.



- (iv) *Coordination/complementarity with ongoing projects.* Investments should avoid overlap with ongoing government and development partner interventions and try to complement and build on these activities.
- (v) *Labor intensiveness.* Investments should provide short term income generation opportunities for vulnerable groups.
- (vi) *Sustainability.* Investments should build in operations and maintenance measures to ensure that they were sustained over the long term.
- (vii) *Government visibility.* Investments should be visible to citizens and highlight the government's (both federal and state levels) lead in implementation so as to strengthen their legitimacy.

Component 1: Mogadishu Municipality (US\$6.50 million)

18. **Infrastructure.** This component will finance the rehabilitation of approximately 19 roads in 7 districts of Mogadishu, covering an estimated total of 7.5 km. Under the Somali Urban Investment and Planning Project (SUIPP), the preparatory phase of SURP, a Project Implementation Unit (PIU) was established within the BRA and capacity of PIU staff strengthened, institutional assessment of the municipality undertaken, and Feasibility Studies, Preliminary Engineering Designs for 31 roads across all 17 districts of Mogadishu with a total cost of US\$6.9 million were prepared. These roads were selected based on participatory consultations held in each of the 17 districts that involved the BRA, district councils, traditional leaders, and community representatives.¹⁹ However, due to funding constraints, only US\$4.37 million including supervision fees is available for road rehabilitation which will finance approximately 19 roads with a total length of 7.5 km. This particular package of roads is being selected based on the following criteria: (i) strategic importance of the target areas in central Mogadishu; (ii) connectivity to key socio-economic facilities such as markets, health facilities, schools, mosques, and district headquarters; and (iii) benefit to both urban poor communities as well as IDP communities. The specific roads to be financed in the project may be subject to change due to budgetary, security and political economy considerations.

19. The Feasibility Studies and Preliminary Engineering Designs for these roads were carried out during the preparation project – the SUIPP.²⁰ The roads will be accompanied with side drainage to mitigate against flash floods that can impact the road investments, pedestrian walkways to ensure a larger percentage of the population benefit from the project, and solar battery charged street lights to improve safety of communities. As this component cannot finance all key primary and secondary roads in Mogadishu, analytical work looking into road connectivity and drainage networks within the city is being carried out which will help the government identify and prioritize areas for future investments in these sectors. (See para 26)

20. All roads in this component will be constructed using precast concrete interlocking paving blocks

¹⁹ The community representative groups used were those set up by the USAID funded Transition Initiatives for Stabilization project and included participation from women, youth and IDPs groups. The consultations were led by BRA with support from the UNOPS community liaison team.

²⁰ During the SUIPP, it was originally estimated that a unit cost of 1km of road would be USD200,000. The PEDs however have determined that this was grossly underestimated and the cost per 1km is at USD 380,000 (almost 90% higher than the original estimate).



with properly compacted sub-base and base materials. Such roads have two key advantages: (i) it is labor intensive and will provide short term income generation opportunities for communities; and (ii) it would allow communities to maintain and repair the roads with minimal training and support. The project will ensure that both IDPs and host communities, particularly the poor and the marginalized, equally benefit from the short-term employment opportunities. It is estimated that approximately 22,000 person days of labor would be generated from employment of approximately 330 people in the rehabilitation/construction of the targeted 19 roads. Moreover, the project will support the formation of Maintenance Committees within each district to supervise and mobilize the community for necessary maintenance and repairs. All roads have inverted block concrete open side drainage catered for in the detailed engineering designs.

21. This component includes the engineering supervision of the civil works contracts by an independent engineering supervision firm or agency. The supervision fees for both Mogadishu and Garowe have been included in this component as BRA will be managing the engineering supervision consultancy contract for the civil works in both cities. In Mogadishu, the supervision firm would be required to procure equipment for the testing of the crushing strength of the precast concrete interlocking blocks. This equipment would most likely be set up at the Ministry of Public Works or BRA laboratory with capacity building incorporated into the Terms of Reference for the supervision engineering firm. Given the allocation of funds for road rehabilitation is small, the costs of engineering supervision for these roads would be proportionately high as there would be minimal economies of scale.



22. **Capacity Building.** This component will also support the capacity building of the PIU in Mogadishu with a focus on financial management, procurement and environmental and social safeguards and engineering. While basic, these are the areas that are critical for ensuring the implementation of quality infrastructure in a transparent and accountable manner, which in turn will help strengthen people's trust in the municipal government's ability to deliver services. The PIUs are de facto part and parcel of the municipalities and on-the-job capacity development of the PIU staff will translate into knowledge transfer to the wider municipal staff. The capacity strengthening builds off of the institutional assessments carried out for BRA under the SUIPP.

23. To supplement the capacity building activities financed under SURP, concurrent Technical Assistance (TA) is being provided to the BRA through funding from the Global Facility for Disaster Reduction and Recovery (GFDRR). This TA supports the preparation of a Trunk Drainage Masterplan as well as a Road Connectivity Assessment for Mogadishu. The Trunk Drainage Masterplan will map out existing trunk drainage systems and identify gaps in their connectivity and develop topography specific designs. This will help mitigate unplanned expansion of the drainage system, frequent localized flooding, and road shoulder erosion among others. A comprehensive drainage network will also help ensure that roads built under SURP are well maintained. The proposed Road Connectivity Assessment will look at how the main road network can be developed to improve the connectivity of SURP-financed roads to existing and proposed trade and commercial hubs and socio-economic facilities. The proposed activities, together with the SURP, will help strengthen municipal governance of BRA and urban resilience of Mogadishu through better planning and (re)construction of critical urban roads and drainage systems in the city. Such master plans would also enable the BRA to develop Mogadishu city in a more planned and coordinated manner going forward and provides the municipality an important tool to maximize limited resources and mobilize additional financing for roads and drainage works.

24. **Operation and Maintenance (O&M).** This component will finance the development of O&M plans for the road and drainage investments supported under the project including support to the Maintenance Committees at the district level. These committees have already been formed by the BRA and TIS+ program for the maintenance of secondary roads in the city and are composed of the District Administrator, community members, religious leaders and members of the business association. Under the SURP, the composition of these committees will be revisited to ensure greater inclusivity of women, youth and IDPs. Further, the committees will be provided training to better take on their role of informing the municipal governments of maintenance needs of the secondary roads and mobilizing and engaging community members for day-to-day maintenance such as gutter clearance as required. This component will also finance the training of BRA units responsible for infrastructure maintenance, help the municipality develop and improve guidelines for the formation process and composition of the Maintenance Committees, and support better coordination of the committees' activities. Actual maintenance of the roads is expected to be financed by BRA and is not allocated for this in project due to the limited funding available.

25. **Project Management.** Finally, this component will finance project management costs i.e.- staffing of the PIU in Mogadishu; audits; establishment and implementation of a grievance redress and feedback mechanism (GRM) related to project activities; and monitoring and evaluation of project activities including geo-enabled monitoring. Recognizing that various elements of the project could become a focus for local disputes, the GRM will be integrated into the design of the project and described fully in the Project Implementation Manual (PIM).



Component 2: Garowe Municipality (US\$ 2.50 million)

26. **Infrastructure.** This subcomponent will likely finance four roads in Garowe covering an estimated total of 4.4 km. The SUIPP phase prepared Feasibility Studies and Preliminary Engineering Designs for a total of 19 roads and two bridge investments. Due to funding constraints, however, only US\$2.17 million is available for the rehabilitation of secondary roads which will cover approximately four of the 19 roads. These roads will be prioritized based on the connectivity they provide for both urban poor communities and IDP settlements to key socio-economic facilities, high economic internal rates of return and high benefit/cost ratio. The specific roads to be financed in the project may be subject to change due to budgetary, security and political economy considerations.

27. All roads in Garowe will be constructed using Otta seal surfacing with properly compacted sub-base and base materials designed to support the anticipated traffic loading. This surfacing was selected given: (i) it is cost efficient relative to other surfacing options as future resurfacing or maintenance is required only every 5-10 years; (ii) it would allow for communities to maintain and repair the roads with minimal training; and (iii) it is labor intensive and would provide short term income generation opportunities for communities. The project will support the formation of Maintenance Committees at the village level in the district to supervise and mobilize the community for necessary maintenance and repairs. It is estimated that for the case of the construction of Otta seal pavement, approximately 18,000 person days of labor would be generated, through short-term employment of approximately 250 people, from the rehabilitation/construction of the roads.

28. **Capacity Building.** This component will also support the capacity building of the PIU in Garowe Municipality with a focus on financial management, procurement and environmental and social safeguards and engineering. These are the areas that are critical for ensuring the implementation of quality infrastructure in a transparent and accountable manner. The PIUs are de facto part and parcel of the municipalities and on-the-job capacity development of the PIU staff will translate into knowledge transfer to the wider municipal staff. The capacity strengthening builds off of the institutional assessments carried out for Garowe Municipality under the SUIPP.

29. **Operation and Maintenance (O&M).** This component will finance the development of O&M plans for the road and drainage investments supported under the project including support to the Maintenance Committees at the district level. These committees have been formed under the UN-JPLG and are composed of community members including women, youth, IDPs, religious leaders and members of the business associations. Under the SURP, these Maintenance Committees the composition of these committees will be revisited to ensure inclusivity and committees will be further strengthened to take on their role of informing the municipal governments of maintenance needs of the secondary roads and mobilizing and engaging community members for day-to-day maintenance such as gutter clearance as required. This component will also finance the training of units in Garowe Municipality that are responsible for infrastructure maintenance, help the municipality develop and improve guidelines for the formation process and composition of the Maintenance Committees, and support better coordination of the committees' activities. Actual maintenance of the roads is expected to be financed by Garowe Municipality and is not allocated for this in project due to the limited funding available.

30. **Project Management.** Finally, this component will finance project management costs i.e.- staffing



of a PIU in Garowe; audits; implementation of a grievance redress and feedback mechanism (GRM) related to project activities; and monitoring and evaluation of project activities including geo-enabled monitoring. Recognizing that various elements of the project could become a focus for local disputes, the GRM would include the formation of Grievance Redress Committees at the district level and would be integrated into the design of the project. The GRM would be described in more detail in the Project Implementation Manual (PIM).

Component 3: Contingent Emergency Response (US\$0 million)

31. This contingency emergency response component (CERC) is included under the project in accordance with Bank Policy Investment Project Financing dated November 10, 2017, Paragraph 12 and 13 for situations of urgent need of assistance, as a project-specific CERC. This will allow for rapid reallocation of project funds in the event of a natural or man-made crisis in the future, during the implementation of the project, to address eligible emergency needs under the conditions established in its operations manual. This component will have no funding allocation initially and will draw resources from the other expenditure category in the case of activation. If an Immediate Response Mechanism (IRM) is established, this component will serve as an IRM CERC to allow the reallocation of uncommitted funds from the project portfolio to the IRM Designated Account (DA) to address emergency response and recovery costs, if approved by the World Bank.

E. Implementation

Institutional and Implementation Arrangements

32. The proposed SURP will be implemented on behalf of the FGS by the BRA/Mogadishu Municipality in Mogadishu and the Municipality in Garowe using proceeds from the MPF through a Grant Agreement with the Bank. A Grant Agreement would be signed between the Bank and the Ministry of Finance the BRA and Garowe Municipality, however, will have overall responsibility for project implementation in their respective cities. PIUs have already been established within the BRA and Garowe Municipality under the SUIPP and reports to the respective Mayors.

33. Under SURP, the PIUs will have project management responsibility, coordinating overall project implementation, ensuring the timely availability of fund transfer to contractors, implementing the relevant safeguard instruments (Environment and Social Management Frameworks, Resettlement Policy Framework, Environment and Social Management Plans and Abbreviated Resettlement Action Plans) and ensuring continuous community outreach and consultation, maintaining project accounts and producing financial reports, monitoring and evaluating program implementation and impacts, developing and implementing the GRM and reporting results to various stakeholders. The ESMF and RPF have already been prepared but the ESMP and Abbreviated RAPs for each road segment will be prepared once the final selection of roads have been made. The ESMPs will be prepared by the engineering supervision consultant whereas the RAPs would be prepared by the PIUs.

34. The PIUs will be supported by a contracted engineering supervision consultant who will be responsible for monitoring the contractors of the civil works as well as monitoring adherence to the safeguard instruments. The PIUs will also be supported by a third-party/ independent Monitoring Agent



contracted by the Bank. Efforts will be made to explore cost-effective options for third party monitoring to ensure this arrangement is sustainable throughout the various phases of the SURP. The third-party monitor will provide quality assurance of the supervision carried out by the engineering supervision consultant and carry out spot checks on both the engineering quality of the civil works and adherence to the safeguard instruments.

35. Given that SURP is following on from the ongoing SUIPP, the PIUs in Mogadishu and Garowe are in a satisfactory state of readiness for rapid project implementation. Under SUIPP, the PIUs were staffed with a Project Focal Point/Coordinators, Procurement Specialists, Finance Specialists, Project Engineers, Environment and Social Safeguard Specialists and M&E Specialists. These positions were all competitively recruited. The capacity in the PIUs will continue to be enhanced through training by the Bank technical staff on fiduciary and safeguards issues as well as the engineering supervision firm.

36. SURP will be implemented over a period of 36 months.

F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

The project will cover (i) 7 districts of Mogadishu city and (ii) Garowe city. The exact segments of roads to be rehabilitated have not yet been identified but a long list of subprojects have been studied under the Somali Urban Investment Planning Project (SUIPP). Under SUIPP, feasibility studies and preliminary engineering designs were prepared for 31 roads across all 17 districts of Mogadishu and for 18 roads and two bridge investments Garowe. Due to funding constraints, only a subset of this long list of subprojects will be supported under the SURP. In Garowe, bridge investments will not be supported in this phase of the project but may be supported in subsequent phases of the project. Of the long listed roads studied, there is the potential for chance find of cultural or archeological significance during construction and the existence of some historic buildings around the secondary road investments that could potentially be impacted from the construction. OP 4.11 has therefore been triggered. Per the ESMF, the site specific ESMPs will address these issues through the inclusion of cautionary measures for identified existing structures and chance find procedures.

G. Environmental and Social Safeguards Specialists on the Team

Tracy Hart, Environmental Safeguards Specialist
Verena Phipps-Ebeler, Social Safeguards Specialist
Richard Everett, Social Safeguards Specialist



SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The Project triggers OP4.01 and is screened as Category B under the environmental screening category. The project will rehabilitate and upgrade existing roads in both Mogadishu and Garowe; therefore, the civil works are expected to have a low impact on the biophysical environment near selected roads. While bridge investments have been studied in Garowe, these will not be supported in this phase of the project due to funding constraints. The Borrower has prepared ESMFs for the project (one for each city) and will also prepare Environmental and Social Management Plans (ESMPs) for specific road investments once the road selection is finalized in order to better capture specificities of the targeted roads. The ESMF has been disclosed in country and at the World Bank InfoShop in June 2018 and the ESMPs will be disclosed by September 2018.
Performance Standards for Private Sector Activities OP/BP 4.03	No	This Policy is not triggered and OP 4.03 is not applicable as project components and sectors are not private sector led.
Natural Habitats OP/BP 4.04	Yes	The Project triggers OP4.04 for Garowe as the two bridges studied under SUIPP can potentially be constructed in subsequent phases of the project. The works for these two new bridges would be of a larger scale compared to the road rehabilitation works and the location of the two water bodies (Tongga-Garowe river and the seasonal Lan Alitrin stream) relative to the physical works.
Forests OP/BP 4.36	No	The Policy is not triggered. There are no forests within and at the vicinity of the construction area.
Pest Management OP 4.09	No	The Policy is not triggered. It is not anticipated that agricultural chemicals (i.e. pesticides, fungicides, herbicides, etc.) will be used in the rehabilitation of existing urban roads.
Physical Cultural Resources OP/BP 4.11	Yes	Physical and Cultural Resources is triggered owing to the potential for chance find of cultural or archeological significance during construction and the existence of some historic buildings around the



		secondary road investments that could potentially be impacted from the construction. Per the ESMF, the site specific ESMPs will address these issues through the inclusion of cautionary measures for identified existing structures and chance find procedures.
Indigenous Peoples OP/BP 4.10	No	The Policy is not triggered. The people in the area are not considered as indigenous peoples.
Involuntary Resettlement OP/BP 4.12	Yes	There are vendors and kiosks along the secondary roads in both Mogadishu and Garowe. A Resettlement Policy Framework (RPF) has been prepared initially because the list of specific road segments to be rehabilitated have not yet been finalized. Once the final selection of subproject road segments is completed, Resettlement Action Plans (RAPs) will be prepared to determine if livelihood and possible resettlement compensation will be required.
Safety of Dams OP/BP 4.37	No	The Policy is not triggered. The projects do not involve the construction or maintenance of dams.
Projects on International Waterways OP/BP 7.50	No	The Policy is not triggered. The proposed urban road subprojects are located inland. Water will not be sourced from any international waterway and discharges from construction site is not expected to flow into these international waters.
Projects in Disputed Areas OP/BP 7.60	No	The Policy is not triggered. There are no records of disputes in the Project area. The country has seen a period of stability and absence of armed conflict.

KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

The project will rehabilitate and upgrade existing roads in Mogadishu and Garowe. A total of 31 secondary roads in Mogadishu and 18 roads and 2 bridges in Garowe were studied under the Somali Urban Investment Planning Project (SUIPP) for investment. Only a small subset of the secondary roads and none of the bridges will be supported in this first phase of the project due to insufficient financing. The final selection of the roads to be rehabilitated in both Mogadishu and Garowe have not yet been identified. The civil works related to the road rehabilitation are expected to have a low impact on the biophysical environment near selected road sections. Potential adverse environmental impacts may include soil erosion and degradation, decreased water quality, loss of vegetation, fauna disturbance, deposition of solid wastes, dust emission, and health and safety of construction workers/artisans. In at least two key locations in Mogadishu and two locations in Garowe, there are economic activities abutting (and sometimes



protruding into) the secondary roads, including several roadside vendors and associated kiosks. While some small roadside structures, such as kiosks or vendor tables, may need to be displaced during construction, they will all be able to return once works are completed, as the existing right of way is larger than the road carriageway. Therefore temporary physical relocation is a possibility as are short term livelihood impacts during construction. An Environment and Social Management Framework (ESMF) and Resettlement Policy Framework (RPF) has been prepared for the project (because final road segments have yet to be determined) and has been disclosed. Resettlement Action Plans (RAPs) and Environment and Social Management Plans (ESMPs) for the specific road investments in both cities will also be prepared once the exact roads to be rehabilitated have been selected (by August/September 2018). Given the relatively short distances of road being rehabilitated, and preliminary investigation of potential road segments, it is likely that the total number of potentially affected persons is less than 200, and temporary impacts will be minor, in which case Resettlement Action Plans may be prepared, as per OP 4.12 para 25. The RAPs and ESMPs will provide updated information on the nature and scale of the relocation/resettlement impacts; entitlement options; and an outline of mitigation and compensation measures. Vendors or others who encroach the margins of road rights of way and who only need to be temporarily displaced during construction will be offered alternative spaces for relocation or compensation for lost income during construction. If encroachment by some vendors occurs in the roadway itself (expected to be few or none based on initial investigations), and they are unable to return to those locations once construction is completed, the project will work with local leaders and communities to find alternative replacement locations for their economic activities. The RAPs and ESMPs will be required to be in place prior to construction and no construction is permissible until full compensation has been effected.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area: There are potential short (during the construction phase) impacts on the vendors situated along the proposed secondary road investments in both Mogadishu and Garowe but longer term impacts are not anticipated as the vendors would be allowed to return. Impacts expected include temporary relocation and impacts on livelihoods and are expected to be small in scale and mitigatable through the implementation of the ESMF and RPF as well as the actions derived from the RAPs and ESMPs which are to be developed (including consultations, compensation for lost assets and access to assets, livelihood compensation, and grievance redress mechanisms etc.).

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts. Feasibility studies were carried out for the road investments in both Mogadishu and Garowe. During the feasibility stage, several criteria were identified for the selection of roads which included potential economic benefit, traffic volume, road conditions, deterioration rate, constraints to flow of traffic, cost of road development, benefits of intervention, socio-economic centers served, environmental impact of the selected intervention, population served, poverty level and stakeholder priority. These criteria were used in consultations with communities and local government officials to identify a list of 31 potential roads that could be rehabilitated across all 17 districts of Mogadishu as well as 18 secondary roads and 2 bridges in Garowe. The Feasibility Studies also considered several roads surfacing options including asphaltic concrete and cobble stone. In Mogadishu, pre-cast interlocking paving blocks was selected as the best option given it would create income generating opportunities as also due to the availability of these blocks within the city. In Garowe, Otta seal surfacing was considered the best option given it would create income generating opportunities and based on the traffic flow expected on these roads.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described. The borrower has prepared an ESMF for each of the two cities - Garowe and Mogadishu, each of which includes a generic ESMP. Preparation of drafts for site-specific ESMPs will begin after appraisal, which will any mitigate possible disbursement delays associated with safeguards. The borrower has also prepared a draft Resettlement Policy



Framework. Once the exact roads to be rehabilitated are identified in each of the two cities, RAPs and ESMPs will be prepared for each road segment. The ESMF and RPF are expected to be disclosed both on the World Bank external website and in country. The borrower has Project Implementation Units in Garowe and Mogadishu; each is staffed with a full-time Environment and Social Safeguard Specialist. The E&S Specialists are able to lead the implementation of the ESMPs. There are also E&S counterparts in the state government ministries able to work with the PIUs. Garowe and Mogadishu both have experience implementing previous Bank projects, and thus experience with environmental and social safeguards.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

The key stakeholders are the Benadir Regional Administration and community members across 7 districts as well as the Garowe Municipality and its district representatives. The mechanism for consultation are through meetings and workshops with the district representatives which included women/youth/IDP representatives as well as local government officials. Consultations on the ESMF were held in between May 2016 and January 2017. These consultations involved project stakeholders such as relevant government agencies (over 65 government officials), beneficiary communities (380 community members), organizations residing/operating/having jurisdiction within the project area; and World Bank and UNOPS representatives. Consultations on the RPF were held in both Mogadishu and Garowe between 21-25 May. In Mogadishu, consultations involved a total of 51 people including community representatives of the 7 districts, women, youth and IDPs as well as business representatives. In Garowe, consultations involved 40 stakeholders including community members (women, youth, IDPs) and government officials.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other

Date of receipt by the Bank 30-Apr-2018	Date of submission for disclosure 25-Jun-2018	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
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"In country" Disclosure

Somalia
30-Jun-2018

Comments

The ESMF has been prepared and shared with the Bank. The ESMF has been translated and disclosed in Somalia - in both Mogadishu and Garowe city. The ESMPs for specific road segments will be prepared by August 2018 and disclosed by September 30, 2018.

Resettlement Action Plan/Framework/Policy Process

Date of receipt by the Bank 06-May-2018	Date of submission for disclosure 25-Jun-2018
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"In country" Disclosure

Somalia

27-Jun-2018

Comments

The RPF has been translated and disclosed in Somalia - in both Mogadishu and Garowe city.

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)

OP/BP/GP 4.01 - Environment Assessment

Does the project require a stand-alone EA (including EMP) report?

Yes

If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?

No

Are the cost and the accountabilities for the EMP incorporated in the credit/loan?

Yes

OP/BP 4.04 - Natural Habitats

Would the project result in any significant conversion or degradation of critical natural habitats?

Yes

If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank?

Yes

OP/BP 4.11 - Physical Cultural Resources

Does the EA include adequate measures related to cultural property?

Yes

Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?

Yes

OP/BP 4.12 - Involuntary Resettlement

Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?

Yes

If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?

Yes

The World Bank Policy on Disclosure of Information



Have relevant safeguard policies documents been sent to the World Bank for disclosure?

Yes

Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?

No

All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?

Yes

Have costs related to safeguard policy measures been included in the project cost?

Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?

Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?

Yes

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APPROVAL

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Country Director:	Hugh Riddell	29-Jun-2018

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