



# Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 11-Nov-2022 | Report No: PIDA34786

**BASIC INFORMATION****A. Basic Project Data**

Country Somalia	Project ID P179775	Project Name Somalia Urban Resilience Project Phase II Second Additional Financing	Parent Project ID (if any) P170922
Parent Project Name Somalia Urban Resilience Project II	Region EASTERN AND SOUTHERN AFRICA	Estimated Appraisal Date 08-Nov-2022	Estimated Board Date 20-Dec-2022
Practice Area (Lead) Urban, Resilience and Land	Financing Instrument Investment Project Financing	Borrower(s) Federal Republic of Somalia	Implementing Agency Baidoa Municipality/South West State, Benadir Regional Administration, Garowe Municipality/Puntland, Kismayo Municipality/Jubbaland, Ministry of Public Works

## Proposed Development Objective(s) Parent

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

## Components

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

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

<b>Total Project Cost</b>	50.00
<b>Total Financing</b>	50.00
<b>of which IBRD/IDA</b>	50.00
<b>Financing Gap</b>	0.00



DETAILS

World Bank Group Financing

International Development Association (IDA)	50.00
IDA Grant	50.00

Environmental and Social Risk Classification

High

B. Introduction and Context

1. **Somalia is on the brink of famine.** Four consecutive rainy seasons failed; a climatic event not seen in at least 40 years. The 2022 March-June rainy season has been well below average and is likely the driest on record, devastating livelihoods and driving sharp increases in food, water, and nutrition insecurity. It is estimated that over 7 million people (nearly half the population) have been affected by severe water shortages across the country, triggering mass displacement. Since January 2021, drought induced displacement has reached almost 1.6 million people.<sup>1</sup> The number of affected people will likely increase in the coming months, given the low levels of rainfall during the current rainy season. Existing water sources are overstretched, and many water, sanitation and hygiene (WASH) infrastructure is dysfunctional due to mechanical failures, overuse, and lack of proper maintenance. Consequently, an estimated 60 percent of the people are now using unimproved water sources, increasing the rate of water-borne diseases.<sup>2</sup> Lessons from the past show that when lack of food and water is combined with disease outbreaks, mortality surges, especially among children. On September 8, 2022, the Global Famine Review Committee projected famine in two areas in the Bay region in South-Central Somalia for October to March 2023, unless humanitarian aid is immediately scaled up. Between January and June 2022, humanitarian assistance reached 4.1 million people and has prevented the worst outcomes. However, the level of assistance is outpaced by rapidly growing needs. A probable fifth consecutive failed rainy season in the October- December could prolong drought conditions into 2023. The Government of Somalia declared the drought a national emergency on November 23, 2021, and issued an urgent appeal for international assistance.<sup>3</sup>

2. **The impact of drought and floods has been exacerbated by the COVID-19 pandemic and rising commodity prices due to the invasion of Ukraine.** The pandemic is having significant indirect effects on security, driven by the regional economic downturn and supply chain disruptions and rising costs of

<sup>1</sup> The displacement figures are based on the Protection and Return Monitoring Network (PRMN), which is derived from Key Informant interviews. As a result, the findings should be considered as estimates. Displacement figures could be related to the interconnectivity between conflict and drought-induced displacement. For example, while data collectors may have identified drought as the primary cause of displacement, conflict may also be a factor.

<sup>2</sup> United Nations (2022).

<sup>3</sup> OPM. *Urgent Humanitarian Appeal* (Ref: 0579). Nov. 24, 2021.



production. Border closures have hurt trade, livestock exports, and household incomes. Daily wages have fallen by 27–33 percent compared to the five-year average –30 percent decline in income.<sup>4</sup> IDPs already suffer from higher poverty rates than non-IDPs (77 percent versus 66 percent).<sup>5</sup> Among them, IDP families with children, especially single female caregivers, are expected to suffer more as they are 17–20 percentage points more likely to be poor than other IDPs.<sup>5</sup> Due to repeated shocks, between 2014 and 2021, real per capita growth rates averaged zero percent. The ongoing severe drought is affecting Somalia’s economic recovery by reducing the country’s limited domestic agricultural production, including livestock - the country’s primary source of export earnings. More than three million estimated livestock have died to starvation and disease since mid-2021.<sup>6</sup> Furthermore, poor harvests and rising commodity prices, particularly for wheat and fuel and the reduction of cross-border stable food imports due to the drought, are placing strains on household expenditures, especially for the poor. More than 40 percent of the population is projected to be food insecure between October and December 2022, including at least 300,560 that will be in Catastrophe (IPC 5).<sup>6</sup>

**3. The government has limited fiscal space and policy options to respond to the drought, and significant funding gaps remain.** The Central Bank of Somalia has no monetary policy instruments, as de facto dollarization supports price stability. There is limited fiscal space to allocate resources to respond to multiple climatic shocks, the COVID-19 pandemic, the impacts of the war in Ukraine,<sup>7</sup> and regular security incidences. As Somalia is in debt distress and participating in the Heavily Indebted Poor Countries initiative, there are no opportunities to borrow to increase fiscal space to respond to crises. In response to the drought crisis, the FGS submitted a request for financing under the CRW ERF to the World Bank on July 5, 2022, to scale up the ongoing response.<sup>8</sup> To date, US\$1.05 billion has been raised (46% of the \$US 2.26 billion required) by humanitarian partners for the wider humanitarian response<sup>9</sup>, including FGS and by the World Bank. Critical gaps remain across key sectors to prevent famine and provide life-saving assistance and sustain lives and livelihoods. These includes for the Food Security (37% funding gap), WASH (73% funding gap), nutrition (45% funding gap), health (58% funding gap) sectors, amongst others. All remaining available IDA resources for FY23 have been notionally programmed, leaving no additional resources for drought response or recovery, and making CRW ERF resources a critical last resort for much-needed additional support.

**4. Somalia is a context beset by frequent climate-related shocks and protracted conflict, which has triggered large-scale displacement contributing to rapid urbanization.** Somalia’s rapid urbanization is driven by traditional economic rural-urban migration, as well as decades of internal conflicts and cyclical environmental adversities such as drought and famine. The growth rate for urban population is high at

<sup>4</sup> Famine Early Warning Systems Network (FEWSNET), Somalia Food Security Outlook February–September 2021.

<sup>5</sup> World Bank 2022. <https://blogs.worldbank.org/african/want-keep-internally-displaced-people-somalia-out-poverty-increase-womens-economic>.

<sup>6</sup> Famine Early Warning Systems Network (FEWSNET), Somalia Food Security Outlook October–December 2022.

<sup>7</sup> In recent years, Somalia sourced 90 percent of its wheat from Russia and Ukraine. Somalia is highly dependent on food imports which cover 60–65% of domestic requirements even in the best of years.

<sup>8</sup> The SURP-II recently activated the US\$20 million CERC to provide urgent support for the newly arriving drought-induced IDPs and the host communities in Mogadishu, Baidoa, and Garowe, in collaboration with the International Organization for Migration and its *Dawnwadaag* consortium.

<sup>9</sup> The updated 2022 HRP requires \$US 2.26 billion to respond to the most life-threatening needs of 7.76 million people, an increase of the initial \$US 800 million target in January for about 5.5 million people. More than 80 percent of the funding requirement is related to drought.



around 4.3 percent per year.<sup>10</sup> An estimated 54 percent of Somalis are currently living in cities—compared to neighboring Kenya’s 28 percent—and the urban population is expected to triple by 2050.<sup>11</sup> It is estimated that approximately 75 percent of the country’s 2.6 million IDPs live in Somali cities fleeing violence and in search of better jobs and services. Consequently, about one-quarter of today’s urban population are thought to be IDPs.<sup>12</sup> Somalia is highly susceptible to the effects of climate change and extreme weather events, which could exacerbate the rural-urban migration or affect the welfare of the urban residents. Depending on the Representative Concentration Pathways scenario, temperature in Somalia may rise between 1.4–1.9 °C by 2030.<sup>13</sup> The annual number of very hot days (with daily maximum temperature above 35 °C) is projected to increase with high certainty all over Somalia, with central Somalia being particularly affected. Higher exposure to heatwaves will very likely lead to an increase in heat-related mortality. Heatwaves will also impact the Somali economy, and projected sea-level rise threatens the livelihoods of coastal communities, including those in the capital Mogadishu.<sup>14</sup>

**5. As urban areas fail to keep pace with the rapid urbanization, Somalia’s cities are becoming more fragile, threatening the country’s stability.** As Somali cities grow rapidly, the absence of adequate planning and uneven, contested governance risk stunting the potential development and economic growth Somali cities can generate. Unplanned growth is resulting in slum expansion and environmental degradation. Basic public goods like roads, water and sewer systems, and access to the power grid are complicated by unplanned growth. Settlement patterns are typically highly segregated by ethnic groups/clans. Meanwhile, cities are receiving large waves of forcibly displaced people and other rural-urban migrants, which risks shifting clan dynamics in ways that are destabilizing. The rights of urban IDPs are contested, and their settlements are often cut off from basic services. Poor and marginalized groups, more broadly, are often excluded from access to land and basic services. Further, property disputes in neighborhoods where real estate is a prized and scarce commodity are a major source of violence and communal tension. As promising as Somalia’s cities’ economic successes have been, the risks of targeted political violence, communal clashes, and terrorist attacks make them vulnerable.<sup>15</sup>

**6. The increased inflow of IDPs due to the drought puts additional strains on the already overstretched cities.** IDPs in Somalia total approximately 2.96 million<sup>16</sup> people, and the majority are settled in precariously conditioned sites in urban and peri-urban areas. It is estimated that about 75 percent of the total IDPs in Somalia currently reside in urban areas, and many tend to settle for decades.<sup>17</sup> Clusters of IDP camps, de facto slums, spread throughout cities.<sup>18</sup> More than 1.1 million individuals have been displaced to IDP sites in urban centers in 2022 alone, with Baidoa receiving the highest number of new arrivals (almost 32% or over 360,000 IDPs), followed by Mogadishu (over 27% or over 306,000 IDPs).<sup>19</sup> Taken together, the two cities host 59% of all the drought induced IDPs that have been displaced to date.

<sup>10</sup> UN World Population Prospects 2019 and World Urbanization Prospects 2018 (United Nations Department of Economic and Social Affairs).

<sup>11</sup> World Bank. 2021. Somalia Urbanization Review: Fostering Cities as Anchors of Development.

<sup>12</sup> World Bank 2021.

<sup>13</sup> [World Bank \(2022, unpublished\) ‘Somalia Country Climate Risk Profile.](#)

<sup>14</sup> [World Bank \(2022\)](#)

<sup>15</sup> World Bank 2021.

<sup>16</sup> UNHCR. “Data Portal” (as of Feb. 2022)

<sup>17</sup> World Bank (2021). Somalia Urbanization Review.

<sup>18</sup> Camp Coordination and Camp Management Cluster (CCCM) Somalia Overview. (United Nations High Commissioner for Refugees [UNHCR]).

<sup>19</sup> [Microsoft Power BI](#) New Arrivals Tracker CCCM (Reporting dates: 6 Jan – 10 Nov 2022)



Garowe has received 3,461 IDP to date.<sup>20</sup> While Garowe has not received significant numbers of new drought displacement, the situation of the existing caseload of existing IDPs remains critical as most are classified in Emergency (IPC Phase 4). An additional 520,000 individuals is estimated to be displaced by the end of the year.<sup>21</sup> The growing population in these cities places considerable stress on municipal service delivery capacity, increasing social tensions between host communities and the displaced. Taken together, the two cities host 43 percent of all the drought induced IDPs that have been displaced to date.

7. **SURP-II’s support for the drought-induced IDPs flowing into urban centers complements the Bank’s overall drought response in Somalia.** To date, the Bank has allocated US\$393.5 million for drought response through various ongoing operations, namely the Shock Responsive Safety Net for Human Capital Project (P171346, known as Baxnaano Program), Shock Responsive Safety Net for Locust Response Project (P174065, SNLRP), Water for Agro-Pastoral Productivity and Resilience Project (P167826, known as Biyoole Project), and the Somalia Crisis Recovery Project (P173315, SCRCP). Other relevant new operations include the recently approved WBG supported Horn of Africa Groundwater for Resilience Program (P174867, GW4R) and the De-risking, Inclusion, and Value Enhancement of Pastoral Economies in the Horn of Africa (DRIVE; P176517); and the Food Systems Resilience Project (FSRP) under development, which will advance longer-term solutions to boot food and nutrition security, reduce risks, and strengthen food systems. While these projects collectively help alleviate the impacts of drought in rural areas, none of them operate in urban areas where the majority of the drought-induced IDPs are coming into. SURP-II is the only project that has established implementation arrangements at the municipal level and has experience providing drought response through the CERC. It is thus imperative that SURP-II leverages the pre-existing structure and experience to scale-up the drought response for urban IDPs. The Bank-supported drought response collectively puts the government in the driver’s seat to oversee and coordinate the emergency response. Based on the needs assessment conducted by humanitarian agencies, newly arriving IDPs require emergency cash transfer to address their acute food insecurity in addition to access to basic services such as nutrition, health, and WASH. Since Baxnaano Program is yet to operate in urban areas, it was agreed that SURP-II will provide the cash transfer but harmonize the targeting, levels of contribution, duration, and data collection with the Baxnaano Program.

8. **In light of the urgency to act, this second AF is being processed as an emergency operation.** This is pursuant to paragraph 12, Projects in Situations of Urgent Need of Assistance or Capacity Constraints of Section III of the Bank Policy, Investment Project Financing. The request was approved by the Country Director on August 29, 2022. There will be no deferral of the E&S requirements.

**Summary of Proposed Changes**

9. The proposed changes under the SURP-II second AF are detailed in *Table 1* below.

**Table 1. Summary of Proposed Changes**

Activities	Proposed Changes
(a) Component 2: Institutional Strengthening and Analytics	<ul style="list-style-type: none"> <li>Reduce the budget allocation from the current US\$5 million to US\$2 million.</li> </ul>

<sup>20</sup> Camp Coordination and Camp Management (CCCM) cluster site verification

<sup>21</sup> Displacement Tracking Matrix (DTM) Drought analysis 2021



Activities	Proposed Changes
(b) Component 3: Project Management and Capacity building	<ul style="list-style-type: none"> <li>To add US\$8 million.</li> <li>The total allocation will increase from the existing US\$20.5 million to US\$28.5 million.</li> </ul>
(c) Component 4: Support for Urban Forced Displacement	<ul style="list-style-type: none"> <li>To add a new component that combines all the project’s drought response activities including those under the CERC.</li> <li>To scale up and expand the project’s drought response through an additional US\$45 million from the CRW ERF and reallocation of US\$20 million from the CERC, totaling an allocation of \$US65 million for the component.</li> </ul>
(d) Component 5: CERC	<ul style="list-style-type: none"> <li>There CERC will now be labeled as a new Component 5 (previously Component 4)</li> <li>The CERC will now have a US\$0 budget allocation.</li> </ul>
(e) Changes to the RF	<ul style="list-style-type: none"> <li>Intermediate indicators to be edited and new indicators to be added to reflect the scaled up drought response</li> <li>Targets to be changed for the PDO and intermediate indicators to reflect the scaled-up drought response</li> </ul>

### C. Proposed Development Objective(s)

#### Original PDO

To strengthen public service delivery capacity of local governments, increase access to climate-resilient urban infrastructure and services, and to provide immediate and effective response to an eligible crisis or emergency in selected areas.

#### Current PDO

To strengthen public service delivery capacity of local governments, increase access to climate-resilient urban infrastructure and services, and to provide immediate and effective response to an eligible crisis or emergency in selected areas.

#### Key Results

- People with access to all season roads within a 500-meter range (% female, % IDPs, % host communities)
- Financed subprojects functioning and delivering services one year after completion. (Percentage)
- Municipalities with clean financial project audits that continue to remain eligible for the project (Number)
- Number of beneficiaries reached under the municipal drought response (number, % women, % IDPs)

### D. Project Description

10. **Component 2: Institutional Strengthening and Analytics (US\$2 million equivalent, of which IDA US\$2 million).** Budget allocation for Component 2 will be reduced from the existing US\$5 million to US\$2 million to address the shortfall of the project management budget to account for the two-year extension of the project closing date which was approved under the previous AF. The remaining budget will finance preparation of city strategic development plans where needed and the Somalia mayor’s forum to encourage peer-to-peer learning among different mayors on critical issues related to urban development.



11. **Component 3: Project Management and Capacity Building (US\$28.5 million equivalent, of which IDA US\$18 million and SMPF US\$10.5 million).** To cover the government’s increased project management costs due to the drought response and the extended project closing date, the budget allocation will be increased from the current US\$20.5 million to US\$28.5 million.

12. **Component 4: Support for Urban Forced Displacement. (US\$65 million equivalent from IDA).** A new component will be added to provide urgent support for the newly arriving IDPs affected by climate related drought to alleviate the increased pressure on the already limited urban services and mitigate social tension. The ongoing drought response activities under the CERC worth US\$20 million will be incorporated into this new Component 4. In Baidoa and Mogadishu, the proposed AF will provide target households a “Minimum Response Package” (MRP) that includes emergency cash transfer (ECT)<sup>22</sup>, two plastic sheets for emergency shelter, and one hygiene kit per household. At the site level, IDPs will benefit from emergency water supply (water trucking, solar powered boreholes rehabilitation/construction), sanitation services (construction of communal latrines/handwashing stations), Camp Coordination and Management (CCCM) (biometric registration of beneficiaries, displacement tracking, service delivery monitoring through community-based camp management committees<sup>23</sup>), and health and nutrition assistance (deployment of mobile health teams, strengthening existing community health centers, training of community health workers and staff). The injection of cash to families at the outset of the emergency will enable the project to rapidly scale-up while supporting families to meet their most immediate needs. In Garowe, the proposed second AF will provide health and nutrition services (mobile health clinics) that cater to the drought-induced IDPs which could not be provided under the CERC due to budget constraints. These sectors and target areas were identified as top priorities in the Drought Response and Famine Prevention Plan (DRFPP)<sup>24</sup>, based on the most recent UN agencies, NGO, and FGS assessments. In alignment with the parent project, all infrastructure supported under the AF will meet climate resilient<sup>25</sup> standards. The proposed activities will be completed within 12 months. According to the recently completed assessment by the Foreign, Commonwealth and Development Office (FCDO), MRP was evaluated positively for having accomplished an integrated approach of support for those recently displaced in urban environments and was recommended for further expansion.

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<sup>22</sup> The Shock Responsive Safety for Human Capital Project (SNHCP), known as the *Baxnaano* Program, was established as a national safety net program expected to be a long-term and predictable cash assistance to the chronic poor and vulnerable but also capable of adapting during shocks to deliver emergency cash transfers (ECTs). The proposed cash assistance through SURP-II will align with the amounts and duration of the Baxnaano ECT which is being implemented by the Ministry of Labor and Social Affairs (MoLSA) and supported by WFP. The benefit amount also aligns with that of the Somalia Cash Working Group (CWG) Recommended Transfer Values (April 2022). The project will also register relevant beneficiary households’ socioeconomic information into the FGS unified social registry being developed by MoLSA. The project will provide US\$60 per drought-affected household (HH) for six months, a total of US\$360 per HH (in line with Baxnaano ECT and the recommended transfer value for multi-purpose cash assistance per the Somalia Cash Working Group).

<sup>23</sup> Camp management committees work with partners in designated zones (“zonal champions”) to support IDP registration/verification through a criteria based approach. The committees are comprised of representative IDP groups.

<sup>24</sup> <https://reliefweb.int/report/somalia/somalia-drought-response-and-famine-prevention-plan-may-december-2022-june-2022>

<sup>25</sup> Infrastructure is planned, designed, and operated in a way that anticipates, prepares for, and adapts to changing climate conditions (including for flooding and drought). This includes factoring localized climate projections into infrastructure designs. Adaptive operation and management approaches will also be incorporated to include flexibility to monitor and adjust to changing climatic conditions over the lifetime of project assets.





Table 2. City-Wise Activities

Mogadishu	Baidoa	Garowe
<p><b>Targeting:</b> Khada, Daynile (25,000HHs, 150,000 pax)</p> <p><b>[Household level]</b></p> <ul style="list-style-type: none"> <li>Multi-purpose cash transfer (US\$60/HH * 6 mos)</li> <li>Plastic sheets for emergency shelter</li> <li>1 hygiene kit/HH</li> </ul> <p><b>[Community level]</b></p> <ul style="list-style-type: none"> <li>Emergency water supply (water trucking, boreholes)</li> <li>Sanitation services (construction of communal latrines)</li> <li>Health and nutrition assistance through strengthening of existing community health centers/mobile health clinics and their services</li> <li>CCCM</li> </ul>	<p><b>Targeting:</b> All IDP hosting areas (25,000HHs, 150,000 pax)</p> <p><b>[Household level]</b></p> <ul style="list-style-type: none"> <li>Multi-purpose cash transfer (US\$60/HH * 6 mos)</li> <li>Plastic sheets for emergency shelter</li> <li>1 hygiene kit/HH</li> </ul> <p><b>[Community level]</b></p> <ul style="list-style-type: none"> <li>Emergency water supply (water trucking, boreholes)</li> <li>Sanitation services (construction of communal latrines)</li> <li>Health and nutrition assistance through strengthening of existing community health centers/mobile health clinics and their services</li> <li>CCCM</li> </ul>	<p><b>Targeting:</b> New relocation site (5,000HHs, 30,000 pax)</p> <p><b>[Community level]</b></p> <ul style="list-style-type: none"> <li>Additional primary health care and nutrition support through provision of mobile health clinic</li> </ul>

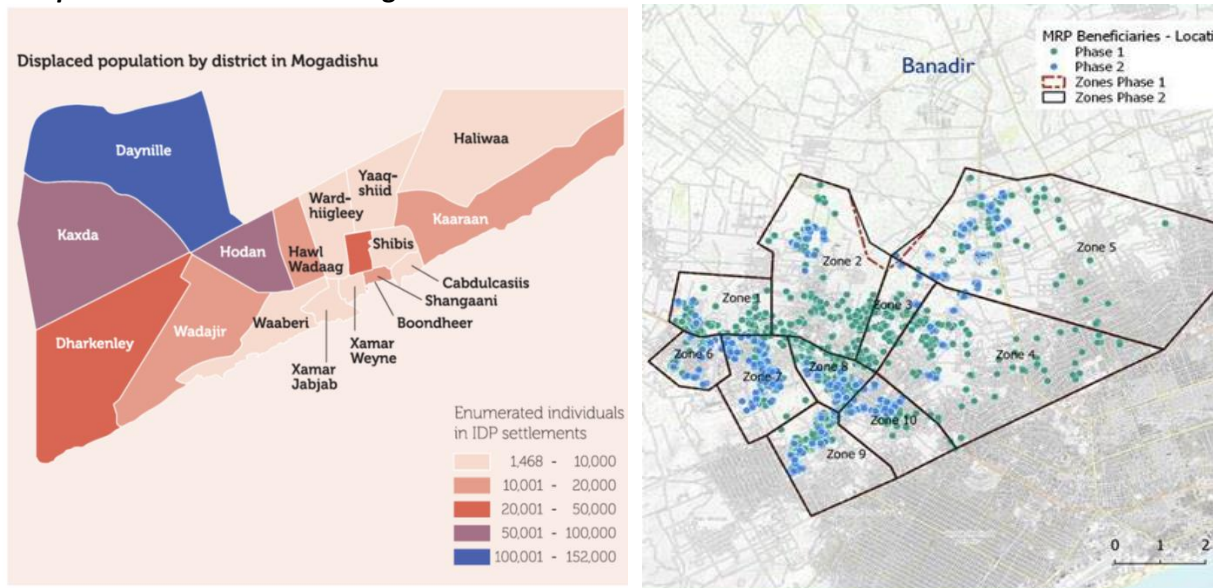
13. **The proposed activities will not only address the immediate needs but will also contribute to longer-term development outcomes by leveraging SURP-II’s ongoing development interventions.** Cash transfers alleviate immediate food insecurity, while health, nutrition, and WASH interventions address excess mortality. By channeling the support through the government, the proposed AF helps strengthen the government’s capacity to plan, coordinate and oversee humanitarian assistance. Further, the project will seek synergies between the ongoing development activities by supporting the cities to follow the city spatial development plan in planning IDP sites; connecting project roads, drainage, and solar street lights to IDP sites; and drawing on community structures established under SURP-II, such as project Grievance Redress and O&M committees, to verify and monitor beneficiaries of the humanitarian support and provide sustainable O&M of the facilities (such as boreholes) to be built.

14. **The proposed activities are complementary to the CERC activities in that they both target the drought-induced IDPs in the same cities.** However, the proposed activities under this second AF differ from the CERC activities in a couple of ways. First, the proposed activities are more short-term in nature (12 months) – there is no support for HLP, such as transitional shelter and security of tenure, or boreholes to be sustained through a public-private partnership. Second, the geographic targeting may be slightly different and based on arrival trends in “zones”. In BRA and Baidoa, areas of new IDP arrivals have been divided into zones (“MRP zones”), defined based on administrative boundaries, natural landmarks, and locations of the new arrivals. In Mogadishu, the CERC activities targeted zones 4 and 5 in Khada and Daynille districts, the two districts with the highest concentration of new arrivals, but the proposed AF activities may target up to all 10 zones in the same districts. In Baidoa, the CERC activities targeted the Barwaqo North Extension and the ADC area (zone 7). Under the AF, the activities will target up to eight zones, excluding the Barwaqo North Extension (as IDPs resettled to Barwaqo site will have access to basic services provided under the CERC), but include the southern side of ADC where new IDPs continue to flow in, and two other areas called Holwadaag and Berdale to the West and East of the city that also host drought-induced IDPs. These areas are depicted as zones 1 to 8 in the map below (*Map 2*). The actual



zones to be targeted in Mogadishu and Baidoa will be determined at the time of activity implementation considering the latest IDP movements and the availability of other resources. In Garowe, CERC activities targeted an IDP resettlement site near Jillab<sup>26</sup> and will remain the same under the AF. In addition to the US\$20 million reallocated from the CERC, US\$45 million from the CRW ERF will be added to this component. In total, the new component will receive an allocation of US\$65 million. The output agreement signed between the FGS and IOM for the CERC will be amended to accommodate the additional activities. In addition to its *Danwadaag Consortium*, IOM will engage additional partners to facilitate a rapid scale up.

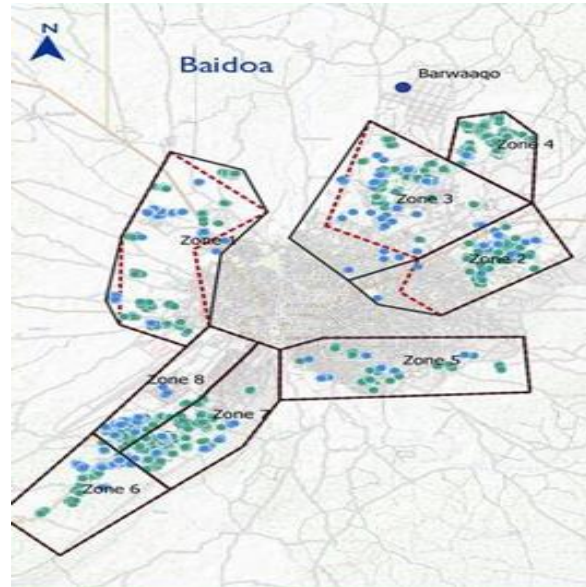
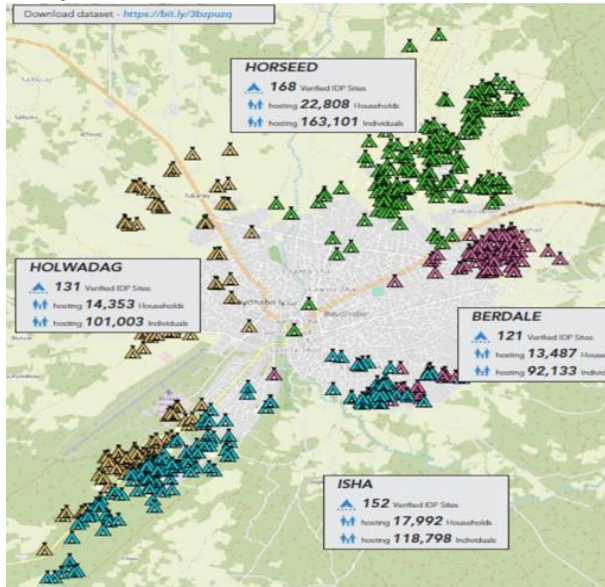
Map 1. IDP Settlements in Mogadishu



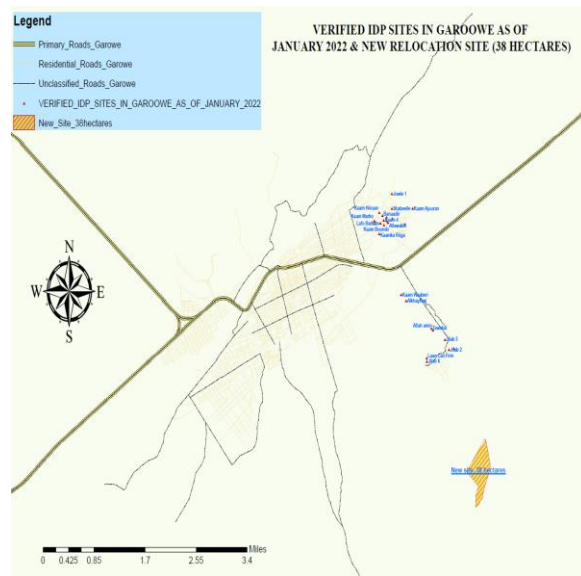
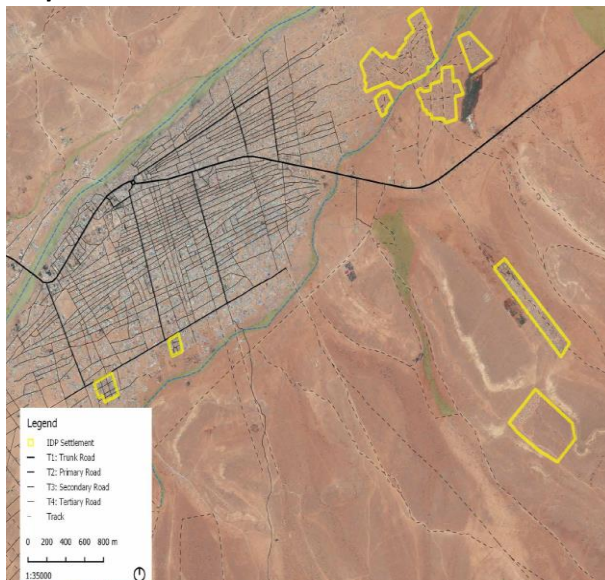
<sup>26</sup> Initially the resettlement site was in the northeast of the city center called Armale, but the government shifted the resettlement site to an area near Jillab, where existing IDP sites are already established.



Map 2. IDP Settlements in Baidoa



Map 3. IDP Settlements in Garowe





15. City selection was determined through a criteria based approach, which include (a) drought displacement projected arrivals; (b) IDPs' Integrated Phase Classification rating from FEWSNET, which measures the level of food insecurity; (c) eviction risk—as measured by IDP sites' security of tenure and recent issuance of eviction notices; (d) the city's absorption capacity—as measured by the level of political willingness to accommodate IDPs and availability of existing settlement sites for IDPs; and (e) overall balance within the World Bank's portfolio-wide drought response to different areas in Somalia and the ongoing CERC. Given the dynamic and evolving drought situation, the actual budget allocation by city and target area/zone will be determined at the time of project implementation using the allocation formula below using the up-to-date information at the time of actual funding to determine the final allocations.<sup>27</sup> The allocation formula has been agreed by the government.

### **Budget Allocation Formula**

16. Given the relatively smaller number of drought-induced IDPs arriving in Garowe, the allocation to Garowe will be limited to approximately US\$2.7 million to provide supplementary primary health and nutrition support to the ongoing CERC activities. This will maximize the impact of the existing CERC investments and meet essential needs for drought-affected IDPs and the surrounding host community in Garowe. The additional health and nutrition investment in Garowe present an opportunity to layer a targeted needs-based intervention on existing operational structures providing value for money and complementing existing programming. FEWS NET estimates that 7,740 people will be in IPC level 5 between Oct-Dec 2022 – largely the Garowe IDP population which will be the primary target of this emergency response allocation.

17. The remaining financing of US\$42.3 million will be allocated to Baidoa and Mogadishu based on the criteria below. As per the agreement with the government and given the dynamic situation on the ground, the actual allocation will be determined at the time of activity implementation.

- Equal allocation (50%)
- Drought Needs based allocation (50%)

The Drought Needs allocation is calculated from:

- Projected arrivals of drought-induced IDPs based on the CCCM Cluster New Arrival Tracker (30% weight)
- Levels of food insecurity based on IPC projections from FEWS NET (30% weight)
- District prioritization in the UN Famine Prevention Strategy (40% weight)

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<sup>27</sup> Based on the Somalia Humanitarian Needs Overview, the funding requirement by relevant cluster includes (i) food security US\$610 m to reach 5.68 m people, (ii) health US\$73.5 m to reach 4.9 m people, (iii) WASH US\$74 m to reach 3.89 m people, and (iv) nutrition US\$60 m to reach 733k people. However, the humanitarian plans don't provide activity level costing. While borrowing from the cluster costing methodology, the city wise and activity costing will be determined in consultation with government and implementing partners using a criteria-based calculation methodology, similar to the city selection criteria, which will also consider evolving donor commitments in each target city and absorption capacity.





18. **Component 5: Contingent Emergency Response (US\$0 million).** With the proposed second AF, US\$20 million will be reallocated to a new dedicated drought response component. The allocation for the CERC will decrease from US\$20 million equivalent from IDA to US\$0 million.

**Table 3. Project Cost by Component and Funding Sources (US\$ million)**

Component	Parent Project	First AF	Second AF	Total
1. Urban Infrastructure and Services	89	108	108	108
2. Institutional Strengthening and Analytics	5	5	2	2
3. Project Management and Capacity Building	18	20.5	28.5	28.5
4. Support for Urban Forced Displacement	-	-	65*	65
5. CERC	0	20	0	0
<b>Total</b>	<b>112</b>	<b>153.5</b>	<b>203.5</b>	<b>203.5</b>

\*US\$20 million is shifted from the original CERC to Component 4

Legal Operational Policies

Triggered?

Projects on International Waterways OP 7.50

Projects in Disputed Areas OP 7.60

Summary of Assessment of Environmental and Social Risks and Impacts

**E. Implementation**

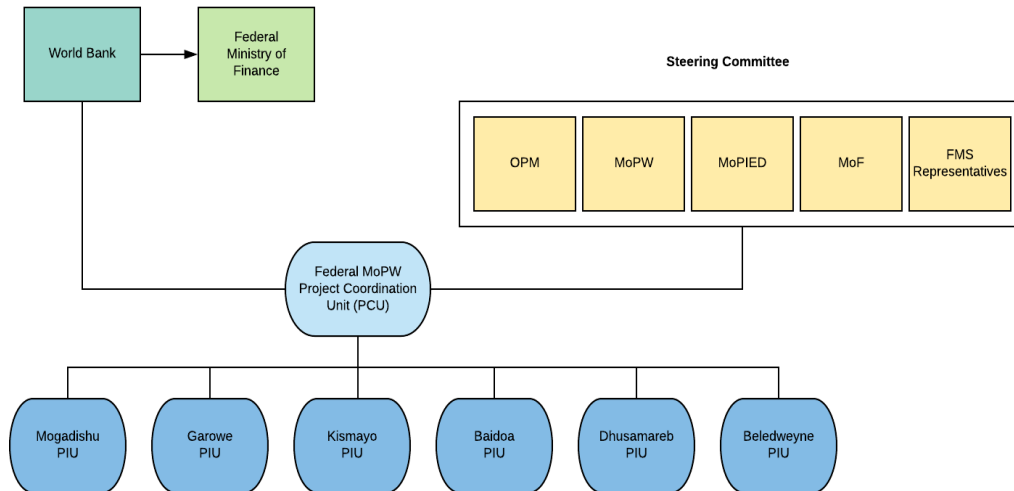
19. **The second AF builds on SURP-II’s existing institutional structures to oversee and coordinate the project’s drought response.**<sup>28</sup> The parent project is implemented through the FGS, and a Grant Agreement was signed between the World Bank and the Federal Ministry of Finance. Subsidiary Agreements signed between the Federal Ministry of Finance and the FMS outline the budget allocation for each FMS and cities along with their respective roles and responsibilities. Given the project’s focus on municipal capacity strengthening, the overall responsibility for project implementation lies with the municipalities. The PIUs established within the municipal governments facilitate implementation. Specifically, the PIUs coordinate overall project implementation; ensure timely payments to contractors, overall responsibility for the relevant E&S due diligence, ensure continuous community outreach and consultation, maintain project accounts and produce financial reports, undertake M&E activities, ensure functional and accessible grievance redress mechanism (GRM), and report results to various stakeholders. The PCU is responsible for providing coordination and technical support to the municipalities as needed. The FGS Inter-ministerial Project Steering Committee is responsible for providing strategic guidance to the

<sup>28</sup> See SURP-II PAD, Annex 1, for additional details, including PIU and PCU staffing.



project, approving the inclusion of additional cities into the project, and deciding on the funding allocations across cities. Under the second AF, for the scaled-up activities under Component 4, the same implementation arrangements will be followed as shown in **Error! Not a valid bookmark self-reference.1.**

Figure 1. SURP-II second AF - Implementation Arrangements



20. **Drought response activities are implemented under a different modality to ensure timely implementation, though still under the overarching umbrella of the SURP-II institutional arrangements.** The SURP-II PCU, embedded in the MoPW, has the overall responsibility for the monitoring and supervision of all drought response activities, including E&S risk management. For efficient operational scale-up, the additional CRW resources will be absorbed through the ongoing SURP-II, and the Output Agreement signed between the FGS and IOM for the CERC will be amended to incorporate the additional activities.<sup>29</sup> The fiduciary responsibility lies exclusively with IOM. As under the CERC, IOM will outsource elements of the response through members of its *Danwadaag* Consortium. In addition, IOM plans to contract BRCIS to support health and nutrition activities<sup>30</sup> and WFP to advise on beneficiary targeting, registration, and monitoring of its cash programming while assuring alignment with the Baxnaano Program. IOM has been at the forefront of drought response as well as IDP support in Somalia, and has proven its performance through the FCDO-funded MRP and the Danwadaag Consortium, EU-funded IDP support (EU Reintegration Program), and UN’s joint program called the Samaayenta Program which all focus on sustainable solutions for urban IDPs.

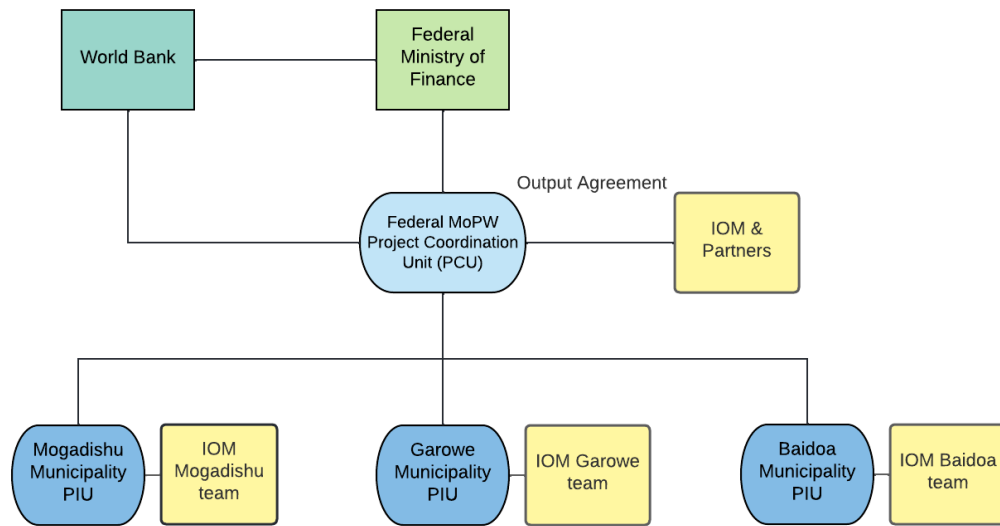
<sup>29</sup> IOM Somalia has absorbed a 25 per cent increase in its annual budget for 2022, which currently stands at USD 96 million (including confirmed funding). It’s total pipeline now stands at over 200 million USD for the remainder of 2022 and 2023, across 3 pillars and 46 district of implementation, the mission has demonstrated its capacity to rapidly scale up its response and deliver effectively. To ensure timely delivery at scale of the interventions proposed under this project, a dedicated team and support structure will be established. Additionally, due to the System-wide scale-up for Somalia, IOM Somalia will implement through expedited administrative processes. As a result, project implementation can be done faster. This is complemented by the mission’s strong field presence across all targeted locations, which would be further bolstered through this project, the engagement of additional partners with standing capacity, and the additional focus on cash programming, which can be quickly delivered through existing structures.

<sup>30</sup> Save and ACF would be contracted under NRC/BRCIS. While they are part of the consortium they still require contracting for additional program activities. IOM Somalia would only contract BRCIS / NRC who would then in turn contract Save and ACF.



21. The established PIUs in Mogadishu, Baidoa, and Garowe will support the day-to-day supervision and monitoring of the drought response activities, including E&S compliance. Given the need to coordinate with relevant stakeholders engaged in drought response and durable solutions activities, the PCU and the PIUs will also coordinate with the Somalia Disaster Management Agency (SODMA) (recently re-constituted) and the Durable Solutions Units within the FMS. The SURP-II FMS and FGS Inter-ministerial Project Steering Committee can be leveraged for coordination between ministries to ensure adequate knowledge sharing for a multi-sectoral response at the interface between humanitarian and durable solutions interventions.

**Figure 2. SURP-II Drought Response Implementation Arrangements**



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