Early Warning System

WB-P176434

Somalia Currency Exchange Project

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Quick Facts

Countries	Somalia
Financial Institutions	World Bank (WB)
Status	Proposed
Bank Risk Rating	A
Voting Date	2022-09-15
Borrower	Government of Somalia
Sectors	Law and Government, Technical Cooperation
Investment Type(s)	Grant
Investment Amount (USD)	$ 40.00 million
Project Cost (USD)	$ 66.83 million

Project Description

According to bank documents, the objective of the project is to support the issuance of a new, legal, low denomination national currency notes to replace the counterfeit and old notes currently in circulation.

Componet 1 – Currency design and planning of implementation activities: The CBS will issue banknotes with low denominations and appropriate security features, namely SOS 1,000, SOS 2,000, SOS 5,000, and SOS 10,000. The CBS has already began to work on the design of the new currency and has completed the currency specifications including size, security features, and other specifications. The new series of banknotes will have much improved security features compared to the series from 1983–90 and will be difficult and time-consuming to copy by both traditional and computer-based printing methods. Typically, local counterfeiters do not exhibit sophisticated techniques and use crude in-house techniques. At this stage, the project will fund planning activities by the CBS, including development of a clear logistics and communication plan.

Component 2 – Currency exchange implementation: Through this component the CBS will implement all currency exchange activities. Printing of banknotes will be procured internationally through a competitive tendering process. There are several specialized currency printing firms with facilities in the U.K., US, Germany, Switzerland and Russia that would be eligible to bid for this project. Delivery of the banknotes will be done by the vendor(s) via air or ship to Mogadishu, upon clearance by the CBS/Currency Management Unit. Transportation from the harbor/airport to this facility would be arranged with Somali security and AMISOM forces. In addition, the communication consultant hired under the project will execute all communication activities by coordinating with key stakeholders. The new banknotes
will be distributed through MTBs and the process is expected to not to exceed 90-100 days.

Component 3 – Ongoing technical assistance: Subject to securing adequate funding, the project will finance TA to the CBS to ensure sustainability of the project. The CBS organizational reform and governance (including having a wellfunctioning currency management unit) and stronger financial sector regulations (including mobile money operators) will be needed to ensure that new national currency can be managed appropriately and achieve the development objectives of ‘a sound and stable legal tender national currency’.

Component 4 – Financial management, and monitoring and evaluation: This component would finance all the costs pertaining the Project Implementation Unit (PIU) within implementing entity; financial management, and monitoring and evaluation (M&E).

Investment Description

- World Bank (WB)

Contact Information

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ACCESS TO INFORMATION

To submit an information request for project information, you will have to create an account to access the Access to Information request form. You can learn more about this process at: https://www.worldbank.org/en/access-to-information/request-submission

ACCOUNTABILITY MECHANISM OF THE WORLD BANK

The World Bank Inspection Panel is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by a World Bank-financed project. If you submit a complaint to the Inspection Panel, they may investigate to assess whether the World Bank is following its own policies and procedures for preventing harm to people or the environment. You can contact the Inspection Panel or submit a complaint by emailing ipanel@worldbank.org. Information on how to file a complaint and a complaint request form are available at: https://www.inspectionpanel.org/how-to-file-complaint

Bank Documents

- Concept Project Information Document (PID) - Somalia Currency Exchange Project - P176434 (English) [Original Source]