

**COMBINED PROJECT INFORMATION DOCUMENTS / INTEGRATED
SAFEGUARDS DATA SHEET (PID/ISDS)
APPRAISAL STAGE**

Report No.: PIDISDSA15328

Date Prepared/Updated: 10-Nov-2015

I. BASIC INFORMATION

A. Basic Project Data

Country:	Somalia	Project ID:	P156257
		Parent Project ID (if any):	
Project Name:	Somalia Local Development Projects Facility (P156257)		
Region:	AFRICA		
Estimated Appraisal Date:		Estimated Board Date:	18-Dec-2015
Practice Area (Lead):	Social, Urban, Rural and Resilience Global Practice	Lending Instrument:	Investment Project Financing
Sector(s):	Sub-national government administration (50%), General public administration sector (50%)		
Theme(s):	Conflict prevention and post-conflict reconstruction (20%), Participation and civic engagement (20%), Decentralization (20%), City-wide Infrastructure and Service Delivery (20%), Rural services and infrastructure (20%)		
Borrower(s):	Federal Government of Somalia Republic		
Implementing Agency:	Ministry of Finance		
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)?			
Financing (in USD Million)			
Financing Source			Amount
Borrower			0.00
Somalia Multi-Partner Fund			6.00
Total Project Cost			6.00
Environmental Category:	B - Partial Assessment		
Appraisal Review Decision (from Decision Note):	The review did authorize to proceed with Negotiations, in principle		
Other Decision:			

Is this a Repeater project?	No
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B. Introduction and Context

Country Context

Somalia is a fragile and conflict-affected country emerging from violent contestation and the absence of formal state structures capable of effectively performing core state functions. Basic social and economic indicators illustrate that Somalia has low standards of living, a low level of human capital, and a severe lack of basic infrastructure and enabling services. An estimated 43% of Somalia's population, of an estimated 12.4 million, is living in extreme poverty. The Gross National Income per capita of US\$284 is one of the lowest in the world. Approximately 70% of the population has yet to reach the age of 30 and a large proportion of youth lack basic education and employment opportunities.

After two decades of civil war, Somalia's future remains on a challenging but more positive trajectory. The election of President Hassan Sheikh Mohamud by an appointed Somali parliament in August 2012 and the inauguration of the Federal Government of Somalia (FGS) offered a new beginning. This has been coupled with international recognition and gradual normalization with the Bretton Woods institutions. The FGS' Vision 2016 document anticipates the completion of the constitutional process, the settlement of federal relations between center and the regions, and the holding of national legislative and executive elections by end of 2016.

Yet the political 'coalition-building' process remains fragile. The FGS itself has been beset by internal political conflict; there have been three Prime Ministers and respective Cabinets in the last three years. Federal state entities, so-called 'interim regional administrations,' are emerging; however their relationship, and that of Puntland (an administration in the north established since 1998), and the central FGS remains fraught on issues such as natural resource and revenue sharing. In turn, the relationship with Somaliland, the self-declared independent state in the northwest, remains also to be settled.

In addition, the FGS faces the related challenge of the Al Shabaab insurgency, particularly affecting southern and central Somalia, but also Puntland. In support of the FGS, the Africa Union has launched a large peacekeeping mission, AMISOM, now comprised of 22,000 troops, which has, in conjunction with Somali national forces, gradually taken over territory once controlled by Al Shabaab. The insurgents, still present in many rural areas in southern Somalia, have changed tactics using hit-and-run assaults against AMISOM forces as well as 'terrorist' attacks particularly in urban areas, notably the capital Mogadishu, against the FGS and international partners.

The contested political process between federal and regional institutions, the protracted insurgency led by Al Shabaab, and the limited reach of government outside of the capital, reduce the visibility and impact of government-led development programs. The legitimacy of the FGS is therefore severely challenged as capacities to establish it are lacking on most fronts. The transition process will not only depend on the ability of the political actors to put in place a viable and effective state-society compact but also on the ability of the emerging government structures to demonstrate their capacity as service providers and delivery agents.

Sectoral and institutional Context

The 2011 World Development Report on Conflict, Security and Development highlights the need for governments in unstable situations to establish political ‘legitimacy’ by delivering concrete outcomes as ‘signals of future intent,’ or demonstrations of a new and better government narrative. Soon after the creation of the FGS in September 2012, it was agreed between the Government of Norway (GoN) and the FGS Presidency that two important ‘signals’ in the early life of the FGS would be the regular payment of civil service salaries and an ability to design, procure and implement simple projects of value to local communities. In each case, this would be the first time that any central government had managed to do such an activity in a generation. Consequently, in December 2012, the GoN pledged \$30 million as a grant to the Special Financing Facility (SFF-Norway), a project mechanism to be established within the Ministry of Finance, to pay civil servants as well as manage a number of small-capital investment projects for the regions.

During this same period, AMISOM started an offensive campaign against Al Shabaab, forcing the group out of many urban areas in southern and central Somalia. Critical for the success of this campaign was the ability of the FGS and its partners to come in behind military forces and start providing essential security, justice, governance and basic social services. International donors provide about \$50 million per year through various modalities in support of these recovery and stabilization efforts in these areas (above and beyond humanitarian assistance). In early 2014, the FGS Ministry of Interior and Federalism established a “Stabilization Strategy for Newly Accessible Areas” as part of an attempt to better coordinate donor interventions in the recovery effort. Amongst the different initiatives supporting recovery, the only project providing service delivery and small project assistance through government systems was the SFF.

The other important political change since the original design of the SFF-Norway has been the emergence of the Interim Regional Administrations (IRAs). Sub-project allocations under the SFF-Norway had been made equitably according to the 18 administrative regions designated (pre-1991) under the Siad Barre regime (minus five regions that comprise Somaliland). As part of the federal constitutional process initiated in 2012, local elite-based coalitions have been formed with the intention of forming the ‘federal member states’ that comprise the Federal Republic of Somalia upon a final political settlement. To this end, the Interim Juba Administration (IJA) was established in May 2013, the Interim South West Administration (ISWA) in November 2014 and the Galmudug Interim Administration (GIA) in June 2015. These administrations remain institutionally very weak and provide little more than rudimentary security and justice for the local populations. However, as part of the political process, their ambition is to take on (as yet undefined) roles and responsibilities under the new state formation.

In these areas, local communities confront enormous humanitarian and development challenges. Some 1.7 million children lack access to education, 3.2 million persons lack access to regular health services and some 2.75 million are in need of regular access to safe water (as estimated by UNOCHA). Only about 10-15% of the 2,600 kilometers of primary roads are in good condition and less than 10 % of the 19,200 kilometers of secondary roads are in good condition. Basic infrastructure has been devastated by war damage, vandalism and neglect. A joint needs assessment undertaken by the Bank and the UN in 2006 estimated that some \$1.12 billion was required for immediate priorities in the transport and urban infrastructure sectors.

In late 2014, the GoN approached the World Bank requesting support to review the progress of the SFF-Norway with the potential to take over the management of the small-projects window (the World Bank already having taken over the payment of civil service salaries with its Recurrent Costs Project in xx 2014). In February 2014, a World Bank team assessed the SFF-Norway as well as the broader efforts of international partners to support recovery and stabilization in southern and central Somalia. In discussions arising out of that review, it was agreed between the FGS, the GoN and the Bank, that the latter would seek financing through the Multi-Partner Fund (MPF) to take over the SFF-Norway by end of calendar 2015.

Given the volatile security context as well as the institutional concerns over governance and accountability, the decision was for a small ‘pilot-phase’ to start the Bank engagement with the potential for this to be scaled up subject to achieving results and securing additional trust funding from donors.

Re-launching the SFF-Norway as the SFF-Local Development Project (SFF-LD), a Bank-financed project implemented through the FGS Ministry of Finance, is in line with the general objectives of the Somalia Reconstruction and Development Facility (SDRF) and the multi-donor trust fund, the MPF, established to part-finance the SDRF. These objectives are also reflected in the Bank’s Interim Strategy Note (ISN) for Somalia for FY14-16. The ISN has two priority areas: (a) strengthening core economic institutions; and (b) expanding economic opportunity. The ISN aligns the Bank’s work fully within the New Deal framework of the Somali Compact that is committed to key peace and state-build ing goals necessary to address the binding constraints to poverty reduction in Somalia.

The rationale for the SFF-LD is that: (i) it continues to support the building of legitimate public sector institutions by using government systems and demonstrating they can work; (ii) being housed within the Ministry of Finance, it will play a critical role in helping define the division of roles, responsibilities and capacities between central government and the states in the area of development financing; (iii) it begins to rebalance Bank support between the center and regions; and (iv) it supports recovery efforts for vulnerable populations in the most war-affected parts of the Somali territory.

C. Proposed Development Objective(s)

Development Objective(s)

to support the construction and reconstruction of new and damaged infrastructure for local service delivery in targeted areas of Somalia and support the development of basic public investment management functions.

Key Results

- (i) Financed sub-projects that are functioning/ delivering services to communities one year after completion (Service Delivery) %
- (ii) Direct project beneficiaries - # of which female % (governance and service delivery)
- (iii) Sub-projects for which community/ or local authority engagement in post-project sustainability and/ or O&M plan is established % (community ownership and sustainability)
- (iv) Improved perceptions of local authority or federal government performance %
- (v) # (at least one) Interim Regional Administration with small-project investment design and implementation capacity

Intermediate indicators

- (i) % Grievances registered related to project are addressed
- (ii) # Roads by km that are rehabilitated
- (iii) # of Local Project Oversight Committees established
- (iv) # (at least two) Interim Regional Administrations accompanying project design and implementation (consultation, identification, procurement and implementation processes).

D. Project Description

D. Project Description

The SFF-LD builds on the successful SFF-Norway project. It is designed to support a simple process for the planning, financing, implementation and oversight of small-scale public works in support of the FGS's state and peace building objectives. Evidence suggests that the efficient and fair provision of goods and services plays a key role in building public confidence in a government during its initial phase of establishment and consolidation. To that end, the objective of the SFF-LD is: To support the construction and reconstruction of new and damaged infrastructure for local service delivery in targeted areas of Somalia and support the development of basic public investment management functions.

The Project is conceived as a Series of Projects (SOP). While drawing extensively from the experience of SFF-Norway, the first of the series to be funded by the MPF is envisaged as a pilot. As experience is consolidated during the implementation of the pilot, lessons will be internalized and, conditions permitting, the SOP approach will allow for the scaling-up of the pilot phase to additional regions and potentially allow for incremental implementation changes in subsequent phases as conditions warrant and allow (e.g. the potential to move from centralized implementation, to a decentralized block-grant system in line with the establishment of the new Interim Regional Administrations, or Federal Member States, once the constitution has been finalized).

While the SOP is anticipated to have a notional overall financing envelope of \$25 million from MPF and will be implemented over a period of seven years, this first pilot phase will comprise a grant of \$6 million. It will comprise three components and will be implemented over a period of two years.

Component Name

Component 1 Small-Scale Infrastructure

Comments (optional)

Component Name

Component 2: Program Operations and Capacity Building

Comments (optional)

Component Name

Component 3: Emergency Contingency Component (unfunded component)

Comments (optional)**E. Project location and salient physical characteristics relevant to the safeguard analysis (if known)**

As this project is a continuation of an ongoing effort, some of the locations are already identified, as they have been earmarked for contracting and implementation during the preceding project. These are listed in the table below:

Please insert / provide Table: list of ongoing activities financed under SFF

Table

No	Region	Project Description	Cost	Timeline
1	Hiraan	Rehabilitation of Regional Admin. Block	\$287,116	December 2014 – September 2015
2	Hiraan	Rehabilitation of District Admin. Blocks	\$76,804	December 2014 – September 2015
3	Hiraan	Construction of Market	\$148,994	December 2014 – September 2015
4	Hiraan	Construction of Market	\$148,994	December 2014 – September 2015
5	Galgaduud	Rehabilitation of Regional Admin. Blocks I	\$368,399	December 2014 – September 2015
6	Galgaduud	Rehabilitation of Regional Admin. Blocks II	\$180,817	December 2014 – September 2015
7	Galgaduud	Construction of Livestock Market	\$148,817	December 2014 – September 2015
8	Benadir	Talex Road	\$154,998	August 2015 – November 2015
9	Benadir	Afarta Jardino Road	\$240,541	August 2015 – September 2015
10	Benadir	Villa Somalia Road	\$304,461	August 2015 – September 2015
Total Cost		\$2,059,941		

The specific project locations of future activities are currently unknown. However, they will broadly be located in urban surroundings, often close to the centers of urban agglomerations, often in the provincial capitals. The project is striving to achieve parity between the regions, and the remaining provinces where activities are yet to be implemented are:

Please insert / provide List of provinces and cities therein.
Original Plan for Phasing of SFF-LD Projects by Region

Regions Covered under SFF-Norway

Proposed First Set of Regions under SFF-LD Pilot Phase

Proposed Second Set of Regions under SFF-LD Pilot Phase
Proposed for Subsequent Funding Round

Region Budget in USD	Region Budget in USD	Region Budget	Region Budget in USD	Region Budget in USD
In USD	Region Budget in USD			
Benadir 700,000	Bay 700,000	Lower Shebelle 700,000	Mudug 700,000	
Hiraan 750,000	Middle Shabelle 700,000	Nugal 700,000	Gedo 700,000	
Galgaduud 750,000	Lower Jubba 700,000	Bakool 700,000	Bari 700,000	
	Benadir 300,000		Middle Jubba 700,000	
TOTAL	\$2.20M	\$2.4M	\$2.1M	\$2.8M

Map (ISN 2013):

F. Environmental and Social Safeguards Specialists

Verena Phipps-Ebeler (GSURR)

Wolfhart Pohl (GCFDR)

II. Implementation

Institutional and Implementation Arrangements

The SFF-LD project will be implemented on behalf of the FGS by the Ministry of Finance (MoF) using proceeds from the MPF via a Grant Agreement with the World Bank. The MoF will have overall responsibility for project implementation, in consultation and coordination with the IRAs. A Project Implementation Unit (PIU) will be established within the MoF and will report directly to the Director General. The PIU, having overall project management responsibility, will be supported by an Independent Monitoring Agent (MA) that has been contracted by the World Bank to provide monitoring support of all projects in the MPF World Bank portfolio. The Monitoring Agent has committed in its Technical Proposal to conduct supervision missions to sites by professional international engineers or architects that can be undertaken when the sub-project pipeline and timelines for construction work are known. Additionally, environmental and social safeguards, as discussed and agreed with the TT, can form part of the work plan. The PIU will be led by a Program Coordinator, reporting to the Director General of the MoF. In addition, the PIU will include a Deputy Program Coordinator and also include at the central level a Monitoring and Evaluation Officer, Procurement Officer, Engineer, Communications Officer, Financial Officer, and Administration Officer. At the decentralized level, Projects Officers will be included in each IRA and Project Committees will be established comprised of stakeholders across civil society.

Sub-projects will be implemented in the regions (pre-1991) with procurement and financial management functions centralized in the MoF through the PIU. The sub-projects will be identified through a consultative process that is led by the regions, with the support of the PIU/MoF and the Ministry of Interior. Selected sub-projects are approved by a Steering Committee that includes IRA, FGS and funder representation. A regional project's officer will oversee the day-to-day implementation of sub-projects and will be supported by a Project Committee comprised of regional stakeholders from the public, private and civil society sectors. Once completed, sub-projects are transferred to the IRAs. The SFF-LD project will be implemented over a period for 24 months as the first in the series of projects.

III. Safeguard Policies that might apply

Safeguard Policies	Triggered?	Explanation (Optional)
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Environmental Assessment OP/BP 4.01	Yes	The project will entail rehabilitation works of existing infrastructure (mostly urban roads and drainage systems), as well as small scale construction and rehabilitation of basic community infrastructure, such as markets, administrative buildings and schools. While the activities are expected to have minor, localized and readily mitigable impacts, there will be a need for clear guidance, rules and provisions regarding environmental and social management, workplace and community health and safety, and overall good housekeeping.
Natural Habitats OP/BP 4.04	No	Due to the urban local context of the project activities, no impacts on rare or critical natural habitats, or protected areas are expected.
Forests OP/BP 4.36	No	Due to the urban local context of the project activities, no impacts on forests are expected. The project will not finance activities relating to the economic use of forests, or located within forest areas.
Pest Management OP 4.09	No	The project will not finance agricultural or pastoral activities that would entail the use of pesticides, herbicides, fungicides or arachicides.
Physical Cultural Resources OP/BP 4.11	No	The project will finance urban infrastructure that was mostly built several decades ago and per se will not constitute cultural heritage. The ESMPs will contain provisions for chance find procedures, in case artefacts or other PCR are discovered during civil works execution.
Indigenous Peoples OP/BP 4.10	No	None of the project-affected stakeholders can be considered indigenous peoples in the sense of the policy.
Involuntary Resettlement OP/ BP 4.12	No	There will be no acquisition of privately owned land, or land used by private parties for their individual livelihoods.
Safety of Dams OP/BP 4.37	No	There are no activities planned that would require the construction of new dams, or are dependent on the rehabilitation, or continued functioning of existing dams.
Projects on International Waterways OP/BP 7.50	No	None of the planned activities affects international waterways in the sense of OP7.50.
Projects in Disputed Areas OP/ BP 7.60	No	None of the project activities will be located in disputed areas.

IV. 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 PAD will contain a positive list of eligible sub-projects (about up to 25 may still be identified) that will be compiled along a fairly narrow scope of activity typologies. All projects and activities will be on the lower end of category B, and most of them will involve remediation, restoration or reconstruction, rather than greenfield development.

In its physical dimensions the project will entail rehabilitation works of existing infrastructure (mostly urban roads and drainage systems), as well as small scale construction and rehabilitation of basic community infrastructure, such as markets, administrative buildings and schools. The activities are expected to have minor, localized and readily mitigable impacts, mostly relating to noise, vibrations, vehicle and machinery emissions, dust, increased traffic, waste and wastewater generation, vegetation and topsoil conservation, and erosion management. No large scale, significant (e.g. in terms of magnitude, duration or specific valued environmental components, vulnerable species or sensitive locations) or irreversible impacts are anticipated.

Only a small part of the project activities has so far been identified regarding the specific location and dimensions of its footprint.

Despite the anticipated minor magnitude and severity of the impacts, there will be a need for clear guidance, rules and provisions regarding environmental and social management, workplace and community health and safety, and overall good housekeeping. The overall approach for safeguards management is as follows: (i) deferral of SG instruments into implementation period under OP10, para 12; (ii) ESAP produced during preparation phase, which will define positive / negative lists, screening and selection process, E&S instruments, roles / responsibilities (as Annex to the PAD); (iii) preparation of specific E&S instruments, likely “checklist type” ESMPs, for specific subprojects, or groups / typologies thereof.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

The project is and will be implemented in existing urban centers, where core community infrastructure will be rehabilitated. These activities are not expected to lead to significant new developments, land conversion, or influx of people.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

The project relates to damaged infrastructure and public buildings and spaces, which are in high need of repair and rehabilitation. The selection was based on broad consultations and a techno-economic needs analysis, during which alternatives were considered. However, the relevance of any differential environmental / social impacts between the alternatives is insignificant.

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.

Currently no national regulations, standards or guidelines for E&S assessment and management instruments exist in Somalia, thus the project will need to rely on the World Bank’s policies and standards, as well as international good practice for E&S assessment and management on an operational level.

Capacity for safeguards management is very low. Thus, capacity building will be built into the project design, probably in the form of a series of 1-2 day workshops in 4-5 urban centers in Somalia. In addition, to avoid overly complex safeguards requirements, the positive list of eligible

<p>projects / activities will be kept as simple and narrow as possible, with clearly defined E&S issues, that can be addressed with standard, “off the rack” safeguards instruments. Capacity building would then focus on simple, basic principles and practical guidance regarding E&S management and good housekeeping.</p> <p>Moreover, due to the lack of counterpart capacity, E&S screening, the assignment and preparation of E&S instruments, and their implementation during works execution will be part of the design / supervision engineers’ TOR.</p>
<p>5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.</p>
<p>The screening of subprojects, the decision if a safeguards instrument is at all required (as there may be financed activities with negligible or no impacts), and the production of the checklist ESMP will be part of the Design Consultant’s TOR. The supervision of E&S safeguards implementation will be included into the Supervision Consultant’s TOR.</p> <p>The selection of subprojects for financing has been and will be carried out in an interactive manner with the affected communities, with broad consultations among community members as the core method. Once the E&S instruments are produced as advanced drafts, they will again be shared with the community through the existing consultative channels, a hearing organized and any community feedback considered for the finalization of the ESMPs.</p> <p>The WB’s and TIU’s environmental, technical and procurement specialists will jointly need to ensure that the ESMP in the works contracts are referenced, the ESMP made part of the Contractor’s obligations via appropriate clauses and remedies, and line items included in the BoQ for the ESMP implementation.</p>

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other	
Date of receipt by the Bank	31-Mar-2016
Date of submission to InfoShop	29-Apr-2016
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	////
"In country" Disclosure	
<i>Comments:</i>	
If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.	
If in-country disclosure of any of the above documents is not expected, please explain why:	

C. Compliance Monitoring Indicators at the Corporate Level

OP/BP/GP 4.01 - Environment Assessment	
Does the project require a stand-alone EA (including EMP) report?	Yes [] No [] NA []
The World Bank Policy on Disclosure of Information	

Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
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?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
All Safeguard Policies	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have costs related to safeguard policy measures been included in the project cost?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]

V. Contact point**World Bank**

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Title: Lead Urban Specialist

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Title: Lead Social Development Specia

Borrower/Client/Recipient

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Implementing Agencies

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VI. For more information contact:

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Task Team Leader(s):	Name: Dean A. Cira, Bernard Harborne	
<i>Approved By</i>		
Safeguards Advisor:	Name: Johanna van Tilburg (SA)	Date: 10-Nov-2015
Practice Manager/ Manager:	Name: Idrissa Dia (PMGR)	Date: 10-Nov-2015
Country Director:	Name: Bella Bird (CD)	Date: 27-Nov-2015