



## Somali Core Economic Institutions and Opportunities Program (SCORE) (P152241)

AFRICA | Somalia | Trade & Competitiveness Global Practice |  
 Recipient Executed Activities | Investment Project Financing | FY 2016 | Seq No: 3 | ARCHIVED on 28-Jun-2017 | ISR27564 |

Implementing Agencies: Government of Somaliland Ministry of Planning and Development, Ministry of Finance, Federal Republic of Somalia Ministry of Finance

## Key Dates

### Key Project Dates

Bank Approval Date:20-Jan-2016

Effectiveness Date:16-May-2016

Planned Mid Term Review Date:18-Dec-2017

Actual Mid-Term Review Date:--

Original Closing Date:30-Apr-2019

Revised Closing Date:30-Apr-2019

## Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The Project Development Objectives are to: (i) improve the enabling environment for private and financial sector development; and (ii) catalyze private investment and job creation.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

## Components

Name

Component 1: Strengthening Core Economic Institutions:(Cost \$8.00 M)

Component 2: Expanding Economic Opportunities:(Cost \$18.50 M)

Component 3: Program Management:(Cost \$2.00 M)

## Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	● Satisfactory	● Moderately Satisfactory
Overall Implementation Progress (IP)	● Satisfactory	● Moderately Unsatisfactory
Overall Risk Rating	● High	● High



## Implementation Status and Key Decisions

Overall project implementation for the SCORE Program has been downgraded to Moderately Satisfactory from Satisfactory during the second ISM in September 2016. This is because the main instrument to achieve the second part of SCORE's project development objective (PDO) to "catalyze private investment and job creation in key productive and service sectors", the matching grant fund or SBCF, has faced significant disbursement delays due mainly to difficulties in getting the SME Advisory Panels (SAPs) functional in both Garowe and Mogadishu. SAPs play a key advisory role in the grant award process and so the rate of progress of the SBCF is tied to SAPs functioning effectively.

### Implementation status and key decisions at Somaliland level

#### **Component 1 (Strengthening Core Economic Institutions)**

**Component 1a: Financial Sector Regulation and Supervision:** This work is substantially delayed due procurement processes. While implementation activities commenced promptly in June 2016 consultancy services are only expected to commence during May 2017.

**Component 1b: Improving the Investment Climate:** The company law is yet to be enacted and the OSS is still not operational. There is need to speed up the remaining steps towards enactment of the company law. As a transition measure, subsequent work will also explore improvements that can be accomplished in business registration process and use of the OSS even before the law is passed. With regard to the OSS, Somaliland authorities are looking at low cost hosting options for the OSS back office and embedding human resource needs and OSS operational costs in the national budget thereby ensuring operational sustainability.

#### **Component 2 (Expanding Economic Opportunities):**

**Sub-Component 2a: Somali Business Catalytic Fund (SBCF):** There is need to sustain the working of the SAP in Somaliland to ensure that the SBCF is able to move quickly and disburse funds to the final shortlist of applicants. Discussion are underway to support speedier processing of grant awards. SBCF and SMEF are effective potential mechanisms for drought-related projects because of their ability to react quickly with funding: a number of projects could be envisaged for support on a pilot basis to test their potential for impact and upscaling. If the SBCF were to support a special window focused on drought mitigation, SMEF could source expertise in this area to provide the needed technical assistance. Discussions are going ahead on how to target round two projects in this area and identify possible pilot interventions areas and approaches that might be useful for supporting recovery efforts, livelihoods and building resilience.

**Sub-Component 2b: Small and Medium Enterprise Facility (SMEF):** Year one targets for SMEF are expected to be met, although there is a need to accelerate support services focused on skills development/TVET in order to reach 200 individuals before the end of year one of implementation (June 2017).

#### **Component 3 (Project Management):**

Staffing is in place, office setup is underway, However, there has been delays in procurement processes and PIU to finalize revised procurement plan for second batch of prioritized implementation activities as soon as possible.

### Implementation status and key decisions at FGS (also including Puntland) level

#### **Component 1 (Strengthening Core Economic Institutions)**

**Component 1a: Financial Sector Regulation and Supervision:** Due to a growing financial sector program, administrative capacity at CBS is strained and requires closer matching of capacity. There has been substantial delays to commence implementation activities in Puntland as well as consulting services for market analysis of the demand for and supply of financial services in Somalia. The TORs for the assignment on harmonizing financial sector legal, regulatory and supervisory frameworks need to be completed by State Bank of Puntland (SBP) and CBS and the PIU procurement process and draft contract for market analysis assignment needs to be submitted to the World Bank. Concurrently, CBS needs to urgently commence (i) legal/regulatory diagnostics relating to financial sector laws including the Financial Institutions Law, development of roadmaps and action plans for long run financial sector development; (ii) follow up the high level policy dialogue already commenced with the Somali Bankers Association (SBA) on payment systems ; (iii) complete implementation of the core-banking and accounting system.

**Component 1b: Improving the Investment Climate:** Implementation progress is dependent on FGS decisions which are yet to be made relating streamlining and consolidation of business registration process. There is need to consolidate legal provisions governing business registration that are currently spread over a series of ministerial directives. Agreed actions include passage of a Ministerial Decree on transitional arrangements enabling OSS operations and consolidation/streamlining of business registration process pending passage of the Company Law.

**Component 1c: Developing the Port Sector:** Contract for consultancy services was awarded and signed for a port sector review, master planning and assessment of private sector participation options FGS will seek added technical assistance support of the World Bank on the ports component on



aspects relating to contract management and quality review of outputs facilitation of policy dialogues and technical workshops reviewing outputs, study tours and other learning events.

**Component 2 (Expanding Economic Opportunities - Catalytic Fund & SME Facility):**

The grant approval progress has been substantially delayed due to lack of formation of the SAPS and inability of the SAP members to convene Discussions are underway to support speedier grant processing with the authorities in Garowe and Mogadishu. SBCF and SMEF are effective potential mechanisms for drought-related projects because of their ability to react quickly with funding: a number of projects could be envisaged for support on a pilot basis to test their potential for impact and upscaling. If the SBCF were to support a special window focused on drought mitigation, SMEF could source expertise in this area to provide the needed technical assistance. Discussions are going ahead on how to target round two projects in this area and identify possible pilot interventions areas and approaches that might be useful for supporting recovery efforts, livelihoods and building resilience.

Year one targets for SMEF are expected to be met, though there is a need to accelerate support services focused on skills development/TVET in order to reach 200 individuals before the end of year one of implementation (June 2017).. Discussions are ongoing to address the underrepresentation of women owned enterprises shortlisted for grants by the SBCF and resulting low representation of women receiving linked SMEF services and how to assure on special consideration for SMEs run by women (and youth) and businesses employing a high proportion of women. Possible approaches could include channeling outreach, communication and partnership through women's professional organizations, and leveraging lessons from the STEP pilot in Somaliland on potential for upscaling to other areas in Somalia if additional resources are committed.

**Component 3 (Project Management):**

Delays in procurement processing and payments within FGS continue to be a major implementation bottlenecks- also impacting on the operations in Puntland. Procurement plan related to Puntland is outstanding.

## Risks

### Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	● High	● High	● High
Macroeconomic	● High	● High	● High
Sector Strategies and Policies	● Moderate	● Moderate	● Moderate
Technical Design of Project or Program	● Substantial	● Substantial	● Substantial
Institutional Capacity for Implementation and Sustainability	● High	● High	● High
Fiduciary	● High	● High	● High
Environment and Social	● Moderate	● Moderate	● Moderate
Stakeholders	● Moderate	● Moderate	● Substantial
Other	● High	● High	● High
Overall	● High	● High	● High

## Results

### Project Development Objective Indicators



► Number of recommended laws/regulations/amendments/codes enacted or policies adopted (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	15.00
Date	15-Apr-2016	01-Nov-2016	31-Mar-2017	30-Apr-2019

▲ Number of recommended laws/regulations/amendments/codes enacted in Somaliland (Number, Custom Breakdown)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	9.00
Date	15-Apr-2016	01-Nov-2016	31-Mar-2017	30-Apr-2019

► Private Capital Mobilized (Amount(USD), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	10,000,000.00
Date	15-Apr-2016	01-Nov-2016	31-Mar-2017	30-Apr-2019

► Total number of direct jobs created in enterprises supported by the project (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	2,000.00
Date	15-Apr-2016	01-Nov-2016	31-Mar-2017	30-Apr-2019

▲ Total number of direct jobs for women (Number, Custom Breakdown)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	650.00



Date	15-Apr-2016	01-Nov-2016	31-Mar-2017	30-Apr-2019
------	-------------	-------------	-------------	-------------

► Total number of direct jobs for youth (Number, Custom Breakdown)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	800.00
Date	15-Apr-2016	01-Nov-2016	31-Mar-2017	30-Apr-2019

#### Overall Comments

While SCORE is expected to meet end target indicators, implementation activities continue to lag due to continuing delays in PIU logistics and contracting of firms/consultants as well as weaknesses in SAP functioning. This performance outturn will be factored into a formal review of the results indicators at the early mid-term review (originally planned for December 2017)

#### Intermediate Results Indicators

► Total annual number of actionable on-site and off-site examination reports issued (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	8.00
Date	15-Apr-2016	01-Nov-2016	31-Mar-2017	30-Apr-2019

► Total annual number of actionable on-site and off-site examination reports issued by the Bank of Somaliland (Number - Sub-Type: Breakdown) (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	4.00
Date	15-Apr-2016	01-Nov-2016	31-Mar-2017	30-Apr-2019



▶ Annual number of diagnostic reports on legal, regulatory, institutional and infrastructure setting aimed at supporting orderly financial sector development (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	12.00
Date	15-Apr-2016	01-Nov-2016	31-Mar-2017	30-Apr-2019

▲ Annual number of diagnostic reports on legal, regulatory, institutional and infrastructure setting aimed at supporting orderly financial sector development issued by Bank of Somaliland (Number, Custom Breakdown)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	6.00
Date	15-Apr-2016	01-Nov-2016	31-Mar-2017	30-Apr-2019

▶ Number of new business licenses issued under the Licensing Act during the Project (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	400.00
Date	15-Apr-2016	01-Nov-2016	31-Mar-2017	30-Apr-2019

▲ Number of new business licenses issued under the Licensing Act during the Project in Somaliland (Number, Custom Breakdown)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	200.00
Date	15-Apr-2016	01-Nov-2016	31-Mar-2017	30-Apr-2019



► Implementation of a Management Information System in Mogadishu Port (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	N	N	Y
Date	15-Apr-2016	01-Nov-2016	31-Mar-2017	30-Apr-2019

► Total annual increase in revenue of firms supported by SBCF and SMEF that received training and advisory services (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	25.00
Date	15-Apr-2016	01-Nov-2016	31-Mar-2017	30-Apr-2019

► Number of individuals receiving subsidized BDS or advice financed by the SMEF (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	339.00	1,000.00
Date	15-Apr-2016	01-Nov-2016	31-Mar-2017	30-Apr-2019

► Number of individuals receiving subsidized TVET or other forms of training financed by the SMEF (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	56.00	1,500.00
Date	15-Apr-2016	01-Nov-2016	31-Mar-2017	30-Apr-2019



► Citizen engagement: Proportion of STEP beneficiaries who consider that design and/or implementation of project subjected to consultation is responsive to their view (Percentage, Custom)


	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	60.00
Date	15-Apr-2016	01-Nov-2016	31-Mar-2017	30-Apr-2019

#### Overall Comments

While SCORE is expected to meet end target indicators, implementation activities continue to lag due to continuing delays in PIU logistics and contracting of firms/consultants as well as weaknesses in SAP functioning. Delays in SAP functioning has also impacted the setting of baselines for firms supported by SBCF and SMEF as the process of identifying grantees is not yet completed. This performance outturn will be factored into a formal review of the results indicators at the early mid-term review (originally planned for December 2017)

## Data on Financial Performance

### Disbursements (by loan)

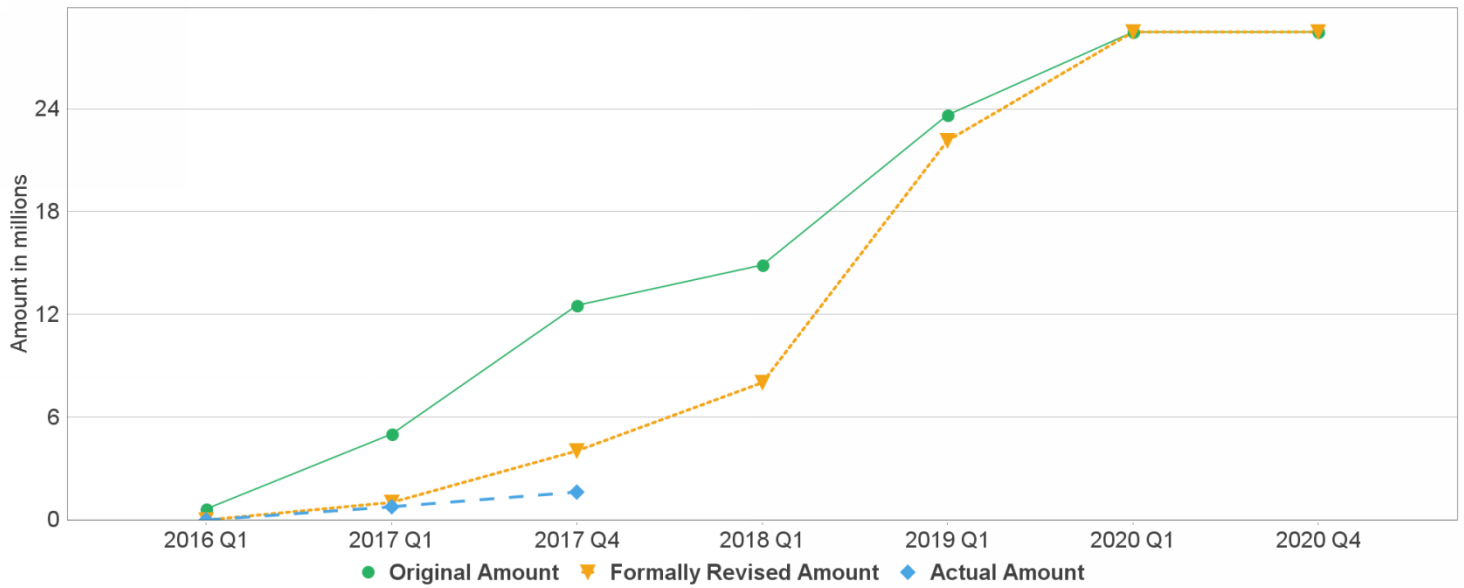
Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P152241	TF-A1688	Effective	USD	3.30	3.30	0.00	1.20	2.10	 36%
P152241	TF-A1698	Effective	USD	1.50	1.50	0.00	0.41	1.09	 27%

### Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P152241	TF-A1688	Effective	20-Jan-2016	15-Feb-2016	16-May-2016	30-Apr-2019	30-Apr-2019
P152241	TF-A1698	Effective	20-Jan-2016	15-Feb-2016	27-May-2016	30-Apr-2019	30-Apr-2019

## Cumulative Disbursements





## Restructuring History

There has been no restructuring to date.

## Related Project(s)

There are no related projects.