
Federal Republic of Somalia
Country strategic opportunities programme
2025–2030

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Action: The Executive Board is invited to review the country strategic opportunities programme 2025 to 2030 for the Federal Republic of Somalia.

Technical questions:

Naoufel Telahigue
Regional Director
Near East, North Africa and Europe Division
e-mail: n.telahigue@ifad.org

Rasha Omar
Country Director
Near East, North Africa and Europe Division
e-mail: r.omar@ifad.org

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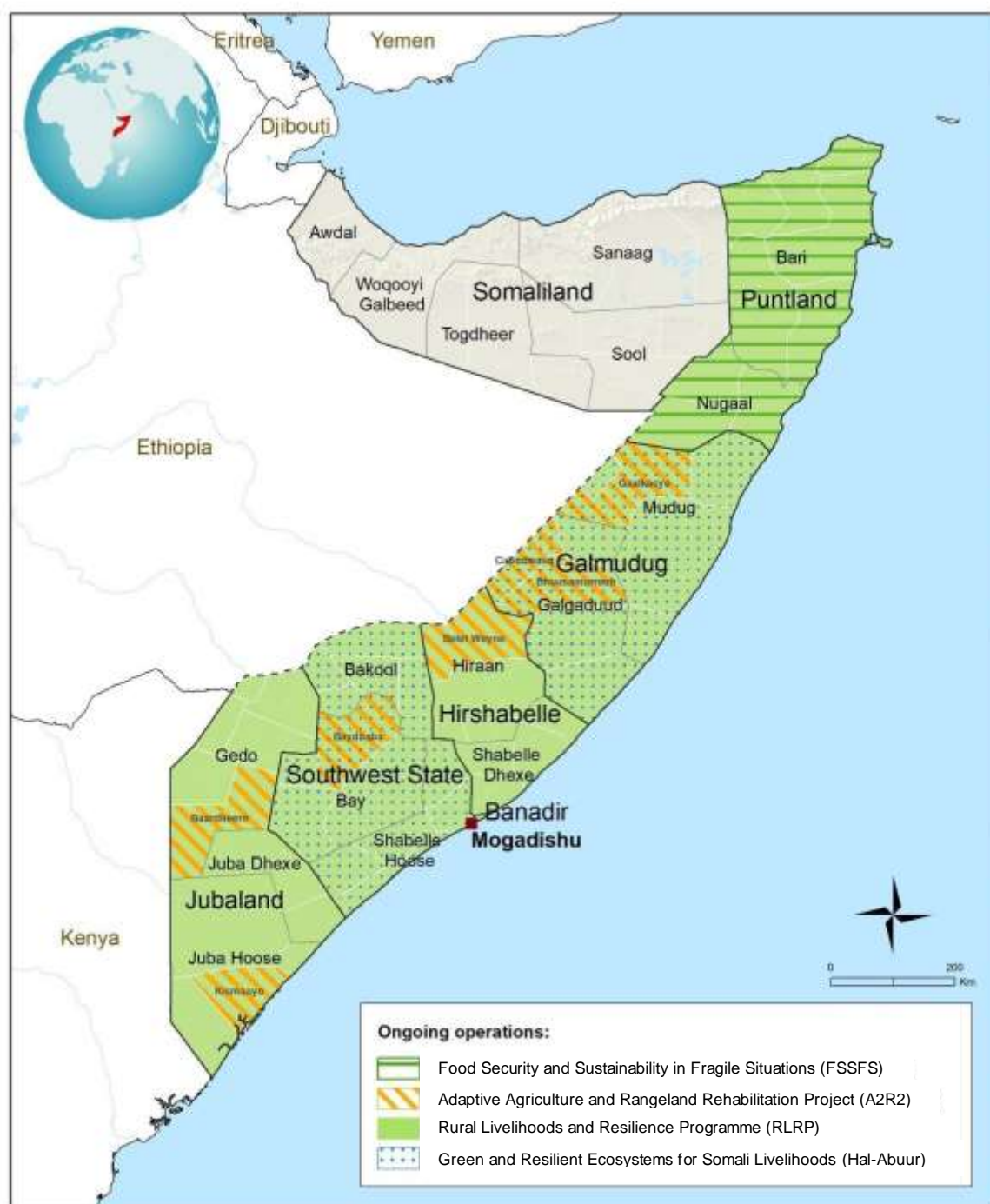
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COSOP delivery team	
Regional Director:	Naoufel Telahigue
Country Director:	Rasha Omar
Regional Economist:	Alessandra Garbero
Technical Specialist:	Putso Nyathi
Climate and Environment Specialist:	Clémence Moinier
Finance Officer:	Federico Rossetti

Map of IFAD-funded operations in the country



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.
Map compiled by IFAD | 24-06-2024

Executive summary

1. The Federal Republic of Somalia, a fragile country strategically located in the Horn of Africa, has six Federal Member States, including Somaliland (autonomous) and Puntland (semi-autonomous). The population is 18.1 million, with 23 per cent settled in rural areas, 26 per cent nomadic, and the rest urban or peri-urban. Somalia's economy relies on agriculture, livestock, fisheries and solid minerals. Challenges include insecurity, potential conflicts over maritime boundaries and political instability.
2. Despite past challenges, Somalia's economy has been showing signs of recovery since 2023. Key opportunities include a dynamic private sector, abundant natural resources and remittances. Reforms by the Central Bank of Somalia have stabilized the financial sector. In December 2023, Somalia was granted full debt relief, reducing its debt to 6.1 per cent of GDP.
3. IFAD's country strategic opportunities programme (COSOP) 2025–2030 aims to improve sustainable food systems, livelihoods and resilience. The strategic objectives (SOs) are aligned fully with the objectives of the Government and IFAD. The SOs are:
 - **SO1: Improved community and household-level resilience to external shocks and enhanced adaptation to climate change;**
 - **SO2: Strengthened remunerative and job-creating agricultural value chains through food system strengthening and inclusive market development; and**
 - **SO3: Strengthened institutional capacities of agricultural and environmental public services.**
4. IFAD financing, climate finance and supplementary funds will be allocated to attain the objectives. Investment priorities include community resilience, natural resources management, remunerative agri-value chains and strengthening local institutions. COSOP policy work prioritizes the strengthening of community-based organizations, agri-value chains and digital solutions. IFAD collaborates with various stakeholders, including other United Nations agencies, donors and the private sector.

I. Country context

A. Socioeconomic setting

1. Strategically located in the Horn of Africa, the Federal Republic of Somalia has six Federal Member States: Puntland, Galmudug, Hirshabelle, South West, Jubaland and Somaliland. Somaliland operates as an autonomous state, while Puntland operates as a semi-autonomous state. Emerging from 30 years of conflict, Somalia remains vulnerable to extremism and widespread criminal violence. The population of 18.1 million in 2023¹ was 23 per cent rural, 26 per cent nomadic, and the rest urban and peri-urban. Around 10 per cent of the population lives outside Somalia.²

Table 1
Country indicators

Indicator	Data	Year of reference
GNI per capita (US\$)	1,610	2023 ^a
GDP growth	3.1%	2023 ^b
Public debt (% of GDP)	6.1%	2023 ^c
Debt service ratio (% of GNI)	0.2%	2022 ^d
Debt-to-GDP ratio	6.6%	2023 ^e
Inflation rate (%)	4.2%	2023 ^f
Population size	18.1 million	2023 ^g
Population, female	49.9%	2020 ^h
Youth population (15-40)	34.9%	2022 ⁱ
Unemployment rate	19.2%	2023 ^j
Under 5 stunting rate	25.3%	2023 ^k
Fragility index	111.3	2024 ^l
INFORM Risk Index	4.7 (very high)	2023 ^m

^{a b c d e g h i j} World Bank. <https://data.worldbank.org/country/somalia>.

^f African Development Bank. *Somalia Economic Outlook*.

^k Global Nutrition Report.

^l Fragile States Index.

^m INFORM annual report of the United Nations Office for the Coordination of Humanitarian Affairs (OCHA). 2023.

2. Somalia's economy is based on agriculture, livestock, fisheries and solid minerals. Oil and gas reserves were discovered recently, with commercial offshore drilling expected to start in six years. In 2023, the economy experienced a moderate recovery due to increased agricultural production.³ The poverty rate was 73 per cent in 2023. Economic opportunities include vast natural resources, a dynamic private sector, technological advances, Somalia's admission to the East African Community and diaspora investments.⁴
3. Somalia ranks fourth last on the Gender Inequality Index of the United Nations Development Programme (UNDP),⁵ with violence against women exacerbated by conflict. Youth unemployment in 2023 was 34.3 per cent.⁶ Youth lack the skills and land to work in agricultural value chains. Persons with disabilities, comprising 11.7 per cent of the adult population,⁷ face barriers that exclude them from humanitarian assistance and decision-making processes. Somalia's society is organized along the clan system, and clans compete over access to resources and

¹ World Bank.

² United Nations Department of Economic and Social Affairs. 2020. *International Migrant Stock*.

³ World Bank. 2023. *Macro Poverty Outlook*.

⁴ IFAD, RemitSCOPE. World Bank, Global Knowledge Partnership on Migration and Development (KNOMAD). *Migration and Development Brief 39*.

⁵ UNDP. 2022. Gender Inequality Index.

⁶ Statista. 2024. Somalia: [Youth unemployment rate from 2004 to 2023](#).

⁷ Somalia National Bureau of Statistics. 2024. *National Disability Report*.

markets. Malnutrition is high, with Somalia rated the hungriest out of 127 countries in 2024.^{8,9}

4. **Fragility status.** Somalia is ranked as the country with the most fragile situation globally.¹⁰ The key drivers of fragility include persistent violence and extremist-related attacks; political volatility arising from some Federal Member States wanting greater autonomy from Somalia; weak institutional capacities; poverty and food insecurity; youth unemployment and frequent extreme droughts and floods. The production base of farmers and herders has been eroded by changing climate patterns and increasing extreme weather events, dwindling water resources and recurring desert locust attacks.
5. **Relevant national strategies, policies and programmes.** The Somalia National Transformation Plan 2025–2029 aims to achieve the country's Vision 2060 by harnessing productive sectors and natural resources to enhance the quality of life through a resilient and diverse economy. The Ministry of Agriculture and Irrigation prioritizes sustainable agricultural development, increased production, investment promotion and policy evaluation. Additionally, the Ministry of Agriculture and Irrigation's national agricultural strategic priorities include the National Irrigation Development Master Plan and Action Plan, the Strategy for Climate Change in Agriculture and the National Food Security Strategy.
6. Somalia also has the Livestock Sector Development Strategy, Rangeland Management Strategy, National Nutrition Strategy (2020), Draft National Gender Policy (2018), National Youth Policy (2017), Women's Charter (2019), National Environmental Policy (2019), National Climate Change Policy (2023), Drought Plan for Somalia (2020), and Emergency Response and Preparedness Plan (2021). Somalia has initiated its **National Adaptation Plan** and submitted a **National Biodiversity Strategy and Action Plan** to the United Nations Convention on Biological Diversity.

B. Transition scenario

7. Central Bank reforms have stabilized the financial sector. The Targeted Financial Sanctions List addresses money-laundering and terrorism financing. Achieving the completion point of the Heavily Indebted Poor Countries Initiative in December 2023 granted Somalia full debt relief, reducing debt to 6.1 per cent of GDP in 2023,¹¹ which is deemed sustainable and at moderate risk of debt distress. This relief will provide critical financial resources to strengthen the economy, reduce poverty and promote job creation.
8. Drawing on a World Bank analysis of three transition scenarios (baseline, downside, upside),¹² the country strategic opportunities programme (COSOP) will follow the baseline scenario, projecting an average GDP growth of 4 per cent between 2025 and 2030. During this period, security-related challenges, supply chain shocks from regional conflicts and extreme weather events are expected. The baseline scenario aligns with the debt sustainability analysis and the low-income country economic indicators of the International Monetary Fund.
9. Somalia's financial inflows in 2022 comprised: official development assistance of US\$2,016 million (48 per cent), foreign direct investment of US\$568 million (14 per cent) and remittances of US\$1,550 million (37 per cent).¹³ The agriculture, forestry and fisheries sector ranked lower in terms of official development assistance inflows, at US\$248 million in the 2020–2023 period, underscoring the

⁸ Global Hunger Index. 2024.

⁹ Integrated Food Security Phase Classification. 2024. *Somalia: Acute Food Insecurity Situation*.

¹⁰ Fragile States Index. 2024.

¹¹ World Bank data.

¹² World Bank. 2023. *Somalia Economic Update: Integrating Climate Change with Somalia's Development – The Case for Water*.

¹³ Organisation for Economic Co-operation and Development. Transition Finance Dashboard.

importance of IFAD's role as an assembler of finance to drive agricultural growth in Somalia.

C. Food system, agricultural and rural sector agenda

10. In 2021, agriculture accounted for 52.9 per cent of GDP,¹⁴ with smallholder farmers managing 75 per cent of the land. Key agricultural outputs include coarse grains, pulses, oilseed and horticulture crops. The livestock subsector accounts for 80 per cent of agricultural GDP.¹⁵ Over a quarter of Somalia's territory is degraded.^{16,17} Climate and infrastructure constraints have considerably reduced Somalia's renewable fresh water per capita.¹⁸
11. Crop productivity is low.¹⁹ The constraints to production include: the reliance of smallholder farmers on rainfed agriculture, scarcity of quality inputs, outdated farming methods and inadequate rural infrastructure for market access, which contributes to high post-harvest losses.²⁰ Only 25 per cent of crop production is irrigated.²¹ Value chain improvements could make primary production better serve national and subregional markets.²²
12. Livestock production is constrained by a lack of dry season fodder, resulting in a reduction in herd sizes, inadequate infrastructure for production and processing, as well as for meeting international export standards,²³ and intermittent livestock import bans.
13. Due to prolonged civil unrest, little agricultural research was conducted. Consequently, the sector lacks the necessary policies, regulations and investments for sustained development.

II. IFAD engagement: lessons learned

A. Results achieved during the previous COSOP

14. The goal of the country strategy note 2022–2023 was to “sustainably enhance the resilience of poor rural households and their communities to external shocks”. The country strategy note had three strategic objectives (SOs): SO1 – improved sustainable and climate-resilient management of water infrastructure; SO2 – building resilience to food insecurity and nutrition, specifically targeting the most vulnerable groups such as women and youth; and SO3 – strengthening the institutional, organizational and technical capacities of actors at all levels.
15. The country strategy note activities were funded through two grant projects: Resilient Livelihood Action to COVID-19 (RLAC-19), for US\$2.73 million, between October 2020 and June 2022; and Food Security and Sustainability in Fragile Situations (FSSFS), for EUR 7.29 million, between June 2019 and June 2024. The two projects designed under the country strategy note – Adaptive Agriculture and Rangeland Rehabilitation Project and the Rural Livelihoods Resilience Programme – came into force in 2023 and 2024 respectively.

¹⁴ Food and Agriculture Organization of the United Nations (FAO). 2023. *Statistical Yearbook – World Food and Agriculture 2023*.

¹⁵ International Livestock Research Institute. 2023. [Exploring investment opportunities for the livestock sector in Somalia](#).

¹⁶ World Bank. 2020. Diagnostic Study on Trends and Threats for Environmental and Natural Resources Challenges.

¹⁷ World Bank. 2022. Somalia needs its trees to restore landscapes and livelihoods.

¹⁸ According to the National Water Resource Strategy 2021–2025 renewable fresh water per capita declined from 2,087m³ in 1962 to 411m³ in 2016.

¹⁹ World Bank and FAO. 2018. Rebuilding Resilient and Sustainable Agriculture in Somalia.

²⁰ World Bank. 2023. Somalia Systematic Country Diagnosis Update, June 2023.

²¹ ReliefWeb. 2022. *Somalia Water Shortage Update*.

²² International Trade Administration of the Department of Commerce, United States of America. 2024. Somalia Country Commercial Guide.

²³ Ministry of Livestock, Forestry and Range. 2022. National Rangeland Management Strategy for Somalia.

16. The country strategy note completion review²⁴ rated the effectiveness of the country strategy note as moderately satisfactory based on the results summarized below:
- **Outreach.** The outreach target was achieved by RLAC-19, but FSSFS reached only 43 per cent of its target, due to the volatile security situation that made field access challenging.
 - **SO1.** The outcome achievement was strong in improving access to water infrastructure, with 81 per cent of beneficiaries reporting reduced water shortages under FSSFS, and improved irrigation efficiency through the use of the climate-smart solar-powered bubbler/drip irrigation systems in place of costly diesel-powered engines. However, training of water users on infrastructure maintenance was weak.
 - **SO2.** The outcome achievement was strong in access to inputs, technologies and markets, and in crop and livestock productivity increases, but was weak in rangeland rehabilitation, with only 42 per cent achieved under FSSFS.
 - **SO3.** The country strategy note strengthened the technical capacity of village organizations to plan and manage community development, and government institutions at the state level to plan and monitor project activities jointly with third-party implementation partners.
 - **Women's empowerment.** Implementation of the country strategy note was gender-sensitive, with 50 per cent and 25 per cent outreach for women and youth respectively under RLAC-19, and 25 per cent outreach for women under FSSFS. FSSFS also focused on internally displaced persons. Country strategy note interventions enhanced women's empowerment in economic terms and women's participation in decision-making processes, but less so in equitable workload distribution.

B. Lessons from the previous COSOP and other sources

17. This COSOP draws on the lessons learned from the previous country strategy note for Somalia and the conclusions of the subregional evaluation by the Independent Office of Evaluation of IFAD of countries with fragile situations.²⁵ Additional lessons are in appendix XII.
- **The primacy of water availability as an entry point and a prerequisite for building resilience and for conflict prevention.** The COSOP will build on the FSSFS experience of implementing efficient, climate-smart, solar-powered drip irrigation systems, with technical capacity for installation and maintenance. IFAD's experience in Sudan indicates that strong linkages are needed between community-based natural resource management organizations and state authorities to ensure coherent governance and the long-term sustainability of project interventions.
 - **Affirmative action for women and youth in project design and implementation contributes to increased resilience.** The country strategy note achieved the outreach targets for women and youth and contributed to enhanced women's economic empowerment and participation in decision-making processes. This COSOP will support the use of appropriate methodologies to strengthen women's empowerment, equitable workload distribution, a collective voice and the resilience of women's and youth livelihoods.

²⁴ IFAD. Somalia country strategy note completion review. 2024. The country strategy note had no results framework.

²⁵ Independent Office of Evaluation of IFAD. 2023. *Subregional evaluation of countries with fragile situations in West and Central Africa*.

- **Capacity-building is critical for effective programme implementation.** Decades of underinvestment in government institutions have led to significant capacity shortages at all levels (national, local and community). This COSOP will provide capacity-building, ranging from the use of strategic partnerships to peer-to-peer training embedded in the community-driven development approach, which has been found effective in many IFAD projects.
- **The use of third-party implementation partners (TPIPs) enabled IFAD to stay engaged in Somalia despite the country's high fragility.** Two grant recipients, the Sadar Development and Resilience Institute (SADAR) and the Comitato Europeo per la Formazione e l'Agricoltura (CEFA), managed an IFAD portfolio of about US\$30 million as TPIPs during the previous country strategy note. The TPIPs have rich experience of the Somali environment and leveraged partnerships and resources from IFAD, other donors and the Government to implement projects that addressed fragility at a time when IFAD could not advance core resources to Somalia due to the country's indebtedness. The selected TPIPs received extensive support from IFAD and successfully complied with IFAD reporting and fiduciary requirements. This COSOP will continue to draw on the capacity built by the TPIPs in the design, implementation and monitoring of its new projects.
- **Beneficiaries are a key element of project success and not mere passive recipients.** The community-driven development approach helped the projects improve targeting, ownership and relevance under context-specific fragility situations. This COSOP will continue to use the community-driven development approach to make the target groups true partners in the development process and will intensify consultations and partnerships with relevant public and private sector stakeholders to enhance effectiveness, efficiency and sustainability.

III. Strategy for transformational country programmes

A. COSOP theory of change

18. The theory of change acknowledges the fragile and complex national context, shaped by weak governance, economic shocks and climate-induced hazards, which undermine rural development, food security and resilience. However, opportunities exist, including a dynamic private sector, mobile money innovations, government prioritization of water access and remittances that can support financial systems and livelihoods. If Somalia's key challenges – climate vulnerability, economic constraints and weak governance – are addressed through targeted interventions, then rural poverty will be reduced, food security and nutrition improved, and sustainable food systems and inclusive economic growth fostered.
19. **SO1: Improved community and household-level resilience to external shocks and strengthened adaptation to climate change.** If investments in climate-resilient water infrastructure, community-based planning and natural resources management are made, **then** communities will adopt climate-smart agricultural practices, leading to improved water access and resource management, resulting in greater resilience to climate shocks and enhanced food security.
20. **SO2: Strengthened remunerative and job-creating agricultural value chains through food system strengthening and inclusive market development.** If agricultural and pastoralist value chains are strengthened through improved market linkages, financial inclusion (integrating remittances) and support for entrepreneurship, **then** more women and youth will engage in sustainable value chains, expand access to markets, adopt improved inputs and technologies, resulting in job creation, inclusive value chains, improved food systems and poverty reduction.

21. **S03: Strengthening the institutional capacities of agricultural and environmental public services.** If public agricultural and environmental services are improved through capacity-building, policy support and participatory governance, **then** federal, state and district institutions will develop technical expertise and policy frameworks, resulting in stronger public institutions capable of driving inclusive and resilient agricultural development.
22. The theory of change addresses cross-cutting themes on social cohesion and the humanitarian-development-peace nexus by responding to the needs of internally displaced persons (IDPs) through adaptive planning and conflict-sensitive interventions. Additionally, it adopts a women- and youth-sensitive lens by promoting women's and youth participation in governance, employment and value chains.
23. There are a number of risks and assumptions underpinning this theory of change. Persistent conflict, weak governance, corruption, economic shocks and climate hazards could disrupt implementation. Equally, the theory of change assumes that community participation, institutional commitment, stable security conditions and the availability of resources (funding, technology, inputs) are crucial for success. By implementing this theory of change, Somalia's rural communities will achieve greater resilience, economic opportunities and institutional stability, ultimately leading to sustainable development.

B. Overall goal and strategic objectives

24. The overall goal of the country strategy is to reduce poverty and enhance resilience for improved nutrition and food security, and sustainable and resilient food systems. The country strategy will have three interlinked SOs:
25. **S01: Improved community and household-level resilience to external shocks and strengthened adaptation to climate change.** This focuses on strengthening natural resources management at community level to address the challenges of water scarcity, outdated infrastructure, major climate events and recurring desert locust attacks on crops, all of which threaten food security. Improved access to water and climate-resilient practices for crop and livestock production (provided there is behavioural change and uptake) is expected to contribute to improved productivity, with positive impacts on household food and nutrition security. Strengthening the capacity of community institutions for natural resources management is expected to reduce tensions around contested resources while simultaneously strengthening rural households' livelihood base and food security.
26. **S02: Strengthened remunerative and job-creating agricultural value chains through food system strengthening and inclusive market development.** Improved access to appropriate financial and business support services for private actors along climate-resilient agricultural and livestock value chains is expected to stimulate inclusive pro-poor growth and entrepreneurship. Value chains will be selected based on gender, youth and nutrition sensitivity. Women and youth will be provided with technical skills in nutrition for improved food and nutrition security outcomes. Support to farmers' organizations will strengthen the social capital of smallholder farmers and improve their engagement with markets to help to achieve economies of scale and increased benefits from market participation.
27. **S03: Strengthening the institutional capacities of agricultural and environmental public services.** This includes support for inclusive pro-poor policy formulation for water and land management, as well as regulatory frameworks for seeds and agri-inputs; upskilling of the public extension services; training on coordination, planning, monitoring and evaluation (M&E), and knowledge management; and the use of digital technologies at federal, state and local levels. As a result, strengthened public agricultural and environmental

services will improve the overall enabling environment for the development of community and producers' organizations under SO1 and SO2.

28. The SOs are aligned with the priorities of the Ministry of Agriculture and Irrigation, the Ministry of Livestock, Forestry and Range, the National Nutrition Strategy and the National Climate Change Policy. They are also well aligned with the SOs of the IFAD Strategic Framework 2016–2025,²⁶ and those of the Twelfth and Thirteenth Replenishment of IFAD's Resources (IFAD12 and IFAD13).²⁷ The outcomes support Somalia in contributing to Sustainable Development Goals (SDGs) 1, 2, 5, 8, 10 and 13.

Sustainability

29. The sustainability of IFAD's investment rests on the following pillars: (i) political stability in Somalia; (ii) continued alignment with national priorities, with projects mainstreamed into government systems; (iii) the capacity of relevant government institutions²⁸ to create an enabling policy environment following IFAD capacity-building interventions in partnership with other stakeholders; (iv) a community-driven development approach; (v) the adoption of climate-adaptive natural resources management practices by local communities to mitigate the effect of extreme climatic events; (vi) the integration of youth, women and vulnerable groups into natural resources management and agricultural value chains; (vii) the facilitation of sustainable provision of quality inputs, finance and services by private service providers; and (viii) participatory planning, implementation, M&E and knowledge-sharing.

Scaling up

30. The fragile context in Somalia necessitates a conservative, phased approach to scaling up, suitably adapted to the rapidly evolving context. The COSOP will expand and deepen its outreach in existing geographic areas and promote the scaling up of successful approaches through the extension to larger areas by IFAD, government and donor projects, based on security advisories and, institutionalization by the various levels of government. Scaling up will be done through: (i) the increased use of information and communications technologies for development for efficient outreach; (ii) enhanced outreach to youth, women, IDPs and persons with disabilities; (iii) regular supervision of IFAD's investments to mitigate emerging risks to investment gains; (iv) specific project targets set based on lessons learned, policy dialogue outcomes and partners identified for scaling up specific opportunities; and (v) increased resource mobilization from domestic and international partners.

Mainstreaming

31. **Environmental and climate change** considerations will be integrated across the portfolio. Target areas and activities will be selected for their capacity to build communities' resilience to external shocks and strengthen adaptive capacity.
32. **Women's economic empowerment.** IFAD projects will ensure women's inclusion in planning and decision-making, with set targets for female participation. The focus will be on strengthening women's access to income-generating activities and achieving gender parity through socio-behavioural change using the Gender Action Learning System methodology.
33. **Youth.** IFAD projects will include youth-specific activities, especially around market access, service provision and information and communications technologies for development.

²⁶ IFAD (2016). IFAD Strategic Framework 2016–2025.

²⁷ IFAD (2023). Consultation on the Thirteenth Replenishment of IFAD's Resources.

²⁸ Ministry of Agriculture and Irrigation, Ministry of Livestock, Forestry and Range, Ministry of Energy and Water Resources, and Ministry of Environment and Climate Change.

34. **Persons with disabilities** will be targeted through interventions appropriate for their specific situations.
35. **Nutrition.** Nutrition will be integrated into all the SOs, aligning with the National Nutrition Strategy. IFAD will focus on nutrition-sensitive water, sanitation and health activities, increasing the production of nutritious food, and enhancing the nutrition-sensitivity of agriculture and food security policies. It will also explore linkages with school feeding initiatives.

Table 2

COSOP strategic objectives

<i>Key development priority (strategic objective)</i>	<i>Key institutions</i>	<i>Policy reform challenges</i>	<i>Proposed interventions (lending, non-lending)</i>
SO1: Improved community and household-level resilience to external shocks and strengthened adaptation to climate change.	Ministry of Agriculture and Irrigation at federal and state level, district councils, community institutions, farmers' organizations, private agencies, United Nations agencies	Institutional weakness and governance gap Climate vulnerability and adaptation limitations Limited access to water	<ul style="list-style-type: none"> – Build capacity in community planning, youth and women's inclusion – Strengthen capacity in disaster and risk response mechanisms – Introduce climate adaptation techniques into communities – Invest in community resilience and infrastructure – Invest in water conservation, collection and storage
SO2: Strengthened remunerative and job-creating agricultural value chains through food system strengthening and inclusive market development.	Ministry of Agriculture and Irrigation at federal and state level, district councils, community institutions, farmers' organizations, private agencies	Agricultural and livestock productivity constraints and losses Gaps in participation, decision-making and workload distribution between women and men High unemployment (especially youth)	<ul style="list-style-type: none"> – Increase availability and access to climate-resilient seeds and inputs – Improve post-harvest management – Support adoption of technologies by agro-pastoralists and pastoralists – Support pastoral livestock systems (animal health and inputs) – Pasture rehabilitation and regeneration – Afforestation, landscape restoration – Policy dialogue, capacity-building and investment for women's economic empowerment, nutrition and community conflict transformation – Apply household methodologies at household and community levels – Build capacity to improve market linkages, entrepreneurship – Increase access to financial services – Support private sector development (agro-vet input suppliers)
SO3: Strengthening the institutional capacities of agricultural and environmental public services.	Ministry of Agriculture and Irrigation at federal and state level, district councils	Technical capacities limitations in federal and local institutions Research and knowledge development weakness	<ul style="list-style-type: none"> – Build capacity of government staff and extension services particularly at the local level – Technical support for planning, monitoring, evaluation and learning – Facilitate strategic partnerships – Support knowledge management – Support policy development

C. Target group and targeting strategy

36. **Target group.** Interventions will target poor agro-pastoralists, pastoralists, IDPs, returnees, farmers and small agribusinesses, focusing on those below or near the

poverty line, food-insecure, vulnerable to climate threats, unemployed, landless and households with persons with disabilities.

37. **Targeting strategy.** The strategy will be national in scope, covering rural and peri-urban areas, aiming to directly reach 125,000 poor rural people, of whom at least 40 per cent will be women and 50 per cent youth. It will adopt a fragility- and conflict-sensitive lens to sequence the geographical coverage of interventions, starting in relatively secure districts.²⁹ The preliminary selection criteria for participating areas are: (i) food and nutrition insecurity; (ii) having both surface and groundwater potential; (iii) irrigated and rainfed areas; (iv) proximity to markets; (v) climate vulnerability measured by the likelihood and intensity of projected climate hazards; (vi) incidence and intensity of poverty; and (vii) presence of IDPs. The current programme covers 11 districts in the four southern states; IFAD and the Federal Government of Somalia will ensure that the programme is not thinly spread and that successful development models are built in targeted districts before expanding to new districts.
38. The geographical information system (GIS) tool developed for the Adaptive Agriculture and Rangeland Rehabilitation Project to measure climate vulnerability will be expanded to include other indicators for project-level geographical targeting. Women and youth will be specially targeted through self-targeting, direct targeting and community targeting. Direct targeting will use locally defined beneficiary selection criteria to minimize elite capture. Empowerment and capacity development for women and youth in decision-making bodies will be prioritized, using measures such as household methodologies. Projects will focus on nutrition outcomes and ensure they do not increase risks of violence against women or community tensions.
39. Project-specific studies will identify constraints, opportunities and entry points for IFAD target groups, including vulnerable groups. Community consultations will determine outreach and beneficiary targeting strategies, considering clan structures and the existing humanitarian-development-peace nexus and other project initiatives. Projects will collaborate with community-based organizations and farmers' organizations and support new community groups.

IV. IFAD interventions

A. Financing instruments

40. IFAD will invest its loan and grants instruments, cofinancing for existing and new investment projects, and non-lending activities to attain the COSOP outcomes. Thanks to debt clearance, additional financing envelopes will be available for Somalia under IFAD13; the proposed IFAD14 financing will be determined subject to internal procedures and subsequent Executive Board approval. Resource mobilization efforts will target domestic public and private sectors, donors, development agencies and international financial institutions (IFIs). Future projects will be designed with a view to developing the agricultural sector using water as an entry point, and focusing on community-driven development, value addition and generating employment opportunities.

B. Country-level policy engagement

41. In line with the goal of improved sustainable rural development and resilience, policy interventions will focus on the policy framework for three areas: water management, land management, and seeds and agri-inputs. Policy engagement around land and water management will be carried out in coordination with other agencies such as the Food and Agriculture Organization of the United Nations (FAO), the World Bank and the European Union, while the policy work on seeds and

²⁹ To be determined based on United Nations Department for Safety and Security assessments and the presence of other international partners and the Government.

agri-inputs will capitalize on regional grants to develop seed systems in the Horn of Africa. Collaboration will be strengthened with the Agriculture Donor Working Group, especially to disseminate results from grants, e.g. the Seeds Systems Group grant, the private sector, research organizations and the media.

C. Institution-building

42. Since re-engaging in Somalia, IFAD has worked with both government institutions and third-party agencies for project implementation. Despite challenges in national systems, assessments show good human capacity and a positive outlook. Investments will build the capacity of farmers' organizations and community development organizations through training in planning, monitoring and policy engagement. The COSOP will draw on the World Bank's capacity assessment of the ministries of the productive sector, as well as the Ministry of Environment and Climate Change, to identify development priorities and training needs for agricultural and environmental public services, and to build the capacity of these services at federal, state and district levels accordingly.

D. Innovation

43. IFAD will draw lessons from previous successful innovations for scaling up. Lessons from the biometric beneficiaries' registration identification and management system, developed under the FSSFS, will be scaled up in country projects to support monitoring and management of project data. Similarly, the work done on a farmer database and biometric registration by FAO and the Ministry of Agriculture and Irrigation will be integrated into projects. The COSOP will also explore the implementation of digital solutions for early warning, extension services and expanding smallholder farmers' access to finance and markets. It will also explore opportunities to support the Centre for Innovation and Agropreneurship Development, which has been recently developed by the Ministry of Agriculture and Irrigation.

E. Knowledge management

44. The knowledge management strategy is aligned with the communication strategy and M&E systems, focusing on investing in the systematization of lessons learned and scaling them up to strengthen feedback on the results achieved. It complements and enhances the management systems of key stakeholders.
45. Knowledge management will contribute to the visibility of the results achieved by IFAD in the country. The project implementation team and key stakeholders will receive training in data management, M&E, lesson systematization and communication to enhance knowledge management and the sustainability of information systems in the country.

F. Information and communications technologies for development

46. With over 45 per cent mobile and internet penetration, IFAD projects can use digital technologies and GIS for planning and mapping in ongoing projects to enhance transparency and natural resources management. IFAD's agile data initiative can support the development of early warning systems and cell broadcast for flood, drought and pest management to farmers' organizations, agro-pastoralists and pastoral communities. IFAD will also explore partnerships on digital extension services for last-mile outreach.

G. Strategic partnerships and South-South and Triangular Cooperation

Government and civil society

47. The main government partners will be the Ministry of Agriculture and Irrigation, the Ministry of Livestock, Forestry and Range and the Ministry of Environment and

Climate Change, at national and state levels. IFAD will continue to utilize third-party implementation partners, such as SADAR, which was designated by the Ministry of Agriculture and Irrigation as the executing agency for previous IFAD investments, and will partner with the Somali Agricultural Regulatory and Inspection Service for seed development.

Development partners (United Nations agencies, IFIs, NGOs, etc.)

48. IFAD will partner with the United Nations Country Team, notably with UNDP, the United Nations Industrial Development Organization (UNIDO), FAO and the World Food Programme, all of which have a strong field presence. The IFAD Somalia country team aims to benefit from practices developed by UNIDO (Integrated Water Resources Management) and others, such as the African Development Bank (Rural Livelihoods' Adaptation to Climate Change) and Save the Children Australia (Addressing Somali Pastoralists' Adaptation Needs for Climate Resilient Livelihoods) in generating employment opportunities for beneficiaries of COSOP investments.
49. IFAD also aims to benefit from the operational good practices of World Bank projects,³⁰ including fiduciary management using country systems, which is the traditional mode of IFAD operations.

Private sector

50. IFAD will leverage: (i) Somalia's Investors and Investments Protection Law, which aims to protect foreign and domestic investments;^{31,32} (ii) rising food imports (US\$1.2 billion in 2021), as an opportunity to invest in agriculture; (iii) Somalia's strategic location in the Horn of Africa, which facilitates marketing operations; (iv) the country's entrepreneurial private sector; (v) significant remittances for livelihood and economic development; and (vi) IFAD's long experience in supporting diaspora remittances and investment for rural development and entrepreneurship in Africa,^{33,34,35} to develop private sector partnerships during implementation. IFAD will carry out due diligence on private sector partners and focus on supporting small and medium-sized enterprises with business development services and access to finance.

South-South and Triangular Cooperation

51. IFAD will establish and strengthen regional knowledge-sharing partnerships with the CGIAR centres, Kenya Agricultural and Livestock Research Organization, Intergovernmental Authority on Development, the African Agricultural Transformation Initiative, agriculture and livestock trade organizations, and other knowledge networks. IFAD will also explore partnerships with the African Risk Capacity, as well as other IFAD portfolios, e.g. Egypt and Yemen, on water management.³⁶ The partnerships will form the foundation of technical capacity and soft skills enhancement (including fiduciary) for the Ministry of Agriculture and Irrigation and the Ministry of Livestock, Forestry and Range at the both the Federal Member State and Federal Government of Somalia levels. Regular South-South and Triangular Cooperation engagement will be organized to ensure a constant feedback loop.

³⁰ For example, the Somalia Water for Rural Resilience Project, and the regional Food Systems Resilience Programme for Eastern and Southern Africa.

³¹ <https://investmentpolicy.unctad.org/investment-policy-monitor/asures/4633/approves-investors-and-investments-protection-law>.

³² DAI. 2022. Priority Sector Investment Study. *Agribusiness Opportunities in Somalia's Food Production Sector*.

³³ IFAD. 2019. Platform for Remittances, Investment and Migrants' Entrepreneurship in Africa (PRIME Africa).

³⁴ IFAD. 2015. Enhancing Food Security in the Horn of Africa through Diaspora Investment in Africa.

³⁵ IFAD. 2020. *Crowdfunding Malian diaspora remittances to finance rural entrepreneurship*.

³⁶ <https://www.arc.int/>.

V. COSOP implementation

A. Investment volume and sources

52. IFAD's current portfolio consists of four projects with financing of approximately US\$100 million, from IFAD core resources and supplementary funds. Following the clearance of its outstanding debts with IFAD in February 2023, Somalia received a US\$11.6 million Debt Sustainability Framework (DSF) grant under IFAD12, which was used to design the Rural Livelihoods Resilience Programme (RLRP). The portfolio also received US\$10 million allocation from the crisis response initiative trust fund, US\$7 million from the enhanced Adaptation for Smallholder Agriculture Programme (ASAP+) and a grant for FSSFS of US\$2.79 million.
53. The portfolio also benefited from climate financing from the Global Environment Facility of US\$17 million and is finalizing an Adaptation Fund project of US\$10 million. Some US\$16 million has been made available from the Global Agriculture and Food Security Program. The proposed IFAD13 financing stands at a US\$15.9 million DSF grant and core additional climate contributions, which will be used to bridge the financing gap of the RLRP.

Table 3

IFAD financing and cofinancing of ongoing and planned projects

(Millions of United States dollars)

Project	IFAD financing	Source (performance-based allocation system)	Cofinancing		Cofinancing ratio
			Domestic	International	
Ongoing (as of June 2024)					
FSSFS in Somalia/Yemen	2.79	Grant		5.13	1/2
Response Initiative for Somalia Emergencies	10	Crisis response initiative			
Adaptive Agriculture and Rangeland Rehabilitation Project	7	ASAP+	1.42	41.02	1/6
Rural Livelihoods Resilience Programme	11.6	DSF grant	5.7	13.9 (funding gap)	1/1.2
Planned					
Green and Resilient Ecosystems for Somali Livelihoods (Hal-Abuur)				10	
Total	31.39		7.17	70.05	1/2.45

B. Resources for additional activities

54. From 2021 to 2023, the IFAD portfolio effectively assembled finance tenfold through climate finance, the Global Agriculture and Food Security Program and IFAD resources. It will continue to leverage financing from bilateral partners, with the assistance of the IFAD Global Engagement, Partnership and Resource Mobilization Division. The administrative budget, from both IFAD and supplementary-funded resources, will finance policy engagement, knowledge-sharing and capacity-building initiatives.

C. Transparency

55. The COSOP will ensure effective feedback from beneficiaries. Feedback mechanisms will include grievance redress mechanisms, participatory approaches and validation workshops. IFAD will maintain its zero-tolerance policy on corruption, and all IFAD-funded projects will be integrated into the national budget. Transparency frameworks will include procurement document disclosure, publication of annual external audit and supervision reports, and the maintenance of websites with GIS data to track geographical implementation.

D. Country programme management

56. Since March 2024, the country programme team has had a proxy field officer presence. The country director and the programme officer are based in Cairo, while the programme liaison associate is in Rome. Given the rapidly growing programme in Somalia, IFAD will expand its team using supervision fees levied on supplementary financing. Given the fragile context, IFAD will develop a strong network with government and local institutions (NGOs, farmers' organizations), as well as local resource persons, to ensure continuity of technical backstopping and supervision. All projects will be equipped with digitalized systems to support IFAD supervision.

E. Monitoring and evaluation

57. The main tools for M&E activities are the project and COSOP results frameworks. IFAD will support the development of M&E systems that allow monitoring and reporting of indicators among key stakeholders and project implementation teams. Thematic studies will be undertaken when necessary. Digital tools will be used to strengthen data collection and reporting. Investments under SO3 will enhance project and government capacities in planning, M&E and learning, and stakeholder feedback. Given the security challenges, remote sensing and GIS will be used for the M&E of natural resources management. Annual COSOP reviews and a midterm review will adjust indicators, while an endline review will capture lessons learned.

VI. Target group engagement

58. The COSOP pursues a participatory approach, with stakeholder engagement plans at state and local levels to involve farmers' organizations, youth and women's groups, IDPs, persons with disabilities and community elders. Civil society organizations will support implementation, with grievance redress mechanisms set up in all projects. Contextual analysis and conflict mapping will be carried out prior to engagement to mitigate project-related conflict resurgence.

VII. Risk management

59. The overall risk related to the COSOP is rated high (see appendix X), with the key high-risk categories including fragility, insecurity, political instability and extreme climate events. The COSOP addresses these through phased geographic expansion, adaptive management and integration with Somalia's early warning system. The high financial management risk – due to fragility, insecurity, high corruption levels, weak institutions and limited IFAD experience with government projects – will be mitigated through robust financial management arrangements and continuous support for ongoing projects.

Results management framework

Country strategy alignment	Related UNSDCF SDG outcomes	IFAD's Strategic Objectives	Key COSOP results			
			Strategic objectives	Investments and non-financial activities for the COSOP period	Outcome indicators	Output indicators
Somalia National Development Plan 2020 to 2024: Pillar 1: Social development Pillar 3: Economic development	Goal: Peace and sustainable inclusive development.	- SO1: Increase poor rural people's productive capacities. - SO2: Increase poor rural people's benefits from market participation. - SO3: Strengthen the environmental sustainability and climate resilience of poor rural people's economic activities	The overall goal is to reduce poverty and enhance resilience, leading to improved nutrition and food security and the development of sustainable and resilient food systems.	Investment activities designed: RLRP A2R2 KM	- 43,000 people with reduction of poverty (with asset based poverty indicators) - 58,000 people with increased resilience - 10,000 people with Improved food security (with FIES) - 24,000 people with improved dietary diversity (with MDDW)	
Somalia National Development Plan 2020 to 2024: Pillar 3: Economic Development Strategy: Increase agric. & livestock sectors' resilience to climate change - Rehabilitate existing and build new rural water reservoirs - Rehabilitate agric. irrigation systems	Somalia UNSDCF 2021-2025: Outcome 3.2: Natural resources are sustainably managed and binding constraints addressed in key productive sector value chains, leading to enduring productivity gains, increased value addition, and enhanced opportunities for decent work.	SO1: Increase poor rural people's productive capacities SO3: Strengthen the environmental sustainability and climate resilience of poor rural people's economic activities	SO1: Increase community resilience to external shocks and climate change adaptation.	Investment activities designed: RLRP A2R2 KM - KM and M&E products developed at COSOP and project levels.	24,000 HHs Improve access to water or water bodies for production and domestic purposes 43,000 HHs reporting climate-resilient technologies and practices adopted.	10,000 HHs have farmland under water-related infrastructure constructed/ rehabilitated. 17 groups supported to sustainably manage natural resources and climate-related risks.

<p>Somalia National Water Resource Strategy 2021-2025:</p> <p>Goal 2: To operationalize integrated water resources management - Sub-strategy 14: Implement water conservation and water demand management</p> <p>Goal 3: To improve the provision of priority water services - Sub-strategy 17: Improve water security for irrigation and agriculture - Sub-strategy 18: Improve water security for livestock - Sub-strategy 19: Improve provision of water & sanitation services.</p> <p>Somalia Livestock Sector Development Strategy 2020-2030:</p> <p>Goal 1: Preserving Animal Resources</p>	<p>- Outcome 4.2: By 2025, the number of people impacted by climate change, natural disasters, and environmental degradation is reduced. - Outcome 4.3: By 2025, the proportion of vulnerable Somalis with scaled-up and sustained resilience against environmental and conflict-related shocks is increased, based on better management of life cycle risk, food security, and better nutrition outcomes. - SDG Outcomes: 1., 2, 5, 10, 13 and 15</p>				<p>58,500 HHs improve community planning and NRM capacities.</p>	<p>Persons provided with climate information services.</p>
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<p>Somalia National Development Plan 2020 to 2024:</p> <p><i>Pillar 3: Economic Development</i> Strategy: Increase agric & livestock sectors' resilience to climate change - Improve farming methods & livestock systems - Rehabilitate agric irrigation systems</p> <p><i>National Employment Policy Framework</i> SO3: Promote the employment-intensity of key sectors.</p> <p>Somalia Livestock Sector Development Strategy 2020-2030:</p> <p>Goal 1: Preserving Animal Resources</p> <p>Goal 2: Improving the management of the livestock industry.</p> <p>Goal 4: Increasing the processing of livestock products</p>	<p>Somalia UNSDCF 2021-2025:</p> <p>Outcome 3.2: Natural resources are sustainably managed and binding constraints addressed in key productive sector value chains, leading to enduring productivity gains, increased value addition, and enhanced opportunities for decent work.</p> <p>Outcome 3.3: An integrated national programme for human capital development is established, increasing access to market-based skills for all - including the most marginalized and vulnerable groups - and safeguarding their rights.</p> <p>Outcome 4.3: By 2025, the proportion of vulnerable Somalis with scaled-up and sustained resilience against environmental and conflict-related shocks is increased, based on better management of life cycle risk, food security, and better nutrition outcomes.</p>	SO1: Increase poor rural people's productive capacities	SO2: Strengthening remunerative and job creating agricultural value chains.	Investment activities designed: RLRP A2R2 KM - KM and M&E products developed at COSOP and project levels.	Improved food supply chains (measured through productivity (target: +20%) and food environments (measured through market access (target: +20%) 18,000 Beneficiaries with new jobs/ employment opportunities. 150 beneficiaries improve financial literacy, access to financial and business report services. 25,000 HHs improve physical access to markets, processing, and storage facilities.	38,500 persons trained in income-generating activities or business management
		SO2: Increase poor rural people's benefits from market participation				5000 Persons in rural areas accessing financial services
		SO3: Strengthen the environmental sustainability and climate resilience of poor rural people's economic activities			Strengthened producers' marketing capacity (target 20%).	25,000 Rural producers accessing production inputs and/or technological packages. 27,000 HHs provided with targeted support to improve their nutrition. 15,000 Persons trained in production practices and/or technologies. 41 Market, processing, or storage facilities constructed or rehabilitated.

	SDG Outcomes: 1. No Poverty, 2. Zero Hunger, 3. Good health and well-being, 4. Quality education, 5. Gender Equality, 8. Decent work and economic growth, 10. Reduced Inequalities				Improved income of women and youth (+20%) through sustainable inclusion in value chains.	10,000 Ha. Land brought under climate-resilient management.
Somalia National Development Plan 2020 to 2024: <i>Pillar 3: Economic Development</i> Strategy: Increase agric. & livestock sectors' resilience to climate change - Improve farming methods & livestock systems - Rehabilitate agric irrigation systems <i>National Employment Policy Framework</i> SO1: Improved governance system for employment Somalia National Water Resource Strategy 2021-2025: Goal 1: To develop a functional water sector governance framework - Sub-strategy 7: Undertake capacity building	Somalia UNSDCF 2021-2025: Outcome 3.1: Economic governance institutions are strengthened and an enabling environment established for inclusive, sustainable, and broad-based economic growth driven by emerging small and medium-sized enterprise sector. Outcome 3.2: Natural resources are sustainably managed and binding constraints addressed in key productive sector value chains, leading to enduring productivity gains, increased value addition, and enhanced opportunities for decent work. Outcome 3.3: An integrated national programme for human capital development is established, increasing access to market-based skills for all - including the most marginalized/ vulnerable groups - and safeguarding their rights.	SO1: Increase poor rural people's productive capacities SO2: Increase poor rural people's benefits from market participation SO3: Strengthen the environmental sustainability and climate resilience of poor rural people's economic activities	SO3: Strengthening local institutions with policy support and capacity building to enhance rural development.	Investment activities designed RLRP A2R2 KM -KM and M&E products developed at COSOP and project levels.	Improved capacity of national and state government. Improved governance of natural resources. Improved policies around water management adopted.	100 Persons in local and federal institutions trained and supported. 2 Policy-relevant knowledge products completed. ICT4D solutions and practices developed.

Theory of change

1. The theory of change (ToC) for Somalia recognizes a fragile and complex national context, characterized by weak governance, economic shocks, climate-induced hazards, and widespread displacement due to conflict and environmental pressures. These challenges severely impact rural development, food security, and resilience. However, the ToC also identifies significant opportunities that can be leveraged to promote sustainable rural development and resilience. The country benefits from a dynamic and innovative private sector, particularly in technological advancements such as mobile money, which offers transformative potential for financial inclusion and rural development. Federal government strategies focusing on water access align well with the country's needs, creating a supportive policy environment for investments in water infrastructure and natural resource management. Additionally, remittances from the Somali diaspora represent a significant economic resource that can be integrated into rural financial systems to support livelihoods, entrepreneurship, and job creation. Together, these opportunities offer a foundation for driving inclusive development and fostering resilience in rural communities.
2. The COSOP responds to these dynamics by addressing three key challenges:
 - Vulnerability to climate change and lack of water access.
 - Economic and productivity constraints, particularly for vulnerable groups.
 - Weak governance and institutional capacity at local and state levels.
3. By addressing these challenges through integrated pathways, the COSOP aims to achieve the following impacts:
 - Reduce rural poverty.
 - Enhance food security and nutrition.
 - Develop sustainable and resilient food systems, fostering inclusive economic growth and strengthened institutions.
4. **Strategic objectives and causal pathways**
5. To tackle the above challenges and leverage opportunities, the COSOP is structured around three integrated causal pathways aligned with national priorities:
6. **SO1: Improve community and household level resilience to external shocks and strengthen adaptation to climate change.**

Activities: Invest in climate-resilient water infrastructure, community-based planning, and NRM. Promote climate-smart agricultural practices such as drought-resistant crop varieties and technologies that mitigate resource degradation.

Outputs: Rehabilitated infrastructure; groups supported to sustainably manage natural resources and climate-related risks. Persons provided with climate information services.

Outcomes: Adoption of climate-smart practices and technologies, and improved community planning and natural resources management capacity. Improved access to water or water bodies for production and domestic purposes.

Impacts: Greater resilience to climate shocks, and improved food security.

7. **SO2: Strengthened remunerative and job-creating agricultural value chains.**

Activities: Strengthen agricultural and pastoralist VCs by improving market linkages, access to financial services (integrating remittances), and supporting entrepreneurship and job creation. Develop safety nets, enhance post-harvest management, and improve rural-urban food systems.

Outputs: People trained in income-generating activities or business management; people in rural areas accessing financial services; Rural producers accessing production inputs and/or technological packages; Households with targeted support to improve nutrition; Land under climate-resilient management; Markets, processing, and/or storage facilities constructed or rehabilitated.

Outcomes: Strengthened participation of women and youth in sustainable and resilient value chains. increased adoption of improved inputs and technologies, Expanded access to markets and financial services, and enhanced storage and processing facilities.

Impacts: greater job creation especially for youth, inclusive value chains, improved food systems and inclusive market system development. Improved food quality and nutrition, and stronger urban-rural linkages. Reduced poverty.

8. **SO3: Strengthened local institutions through policy support and capacity to enhance sustainable rural development.**

Activities: Train of federal and local government staff, support policy development, and improve planning, monitoring, evaluation, and learning (PMEL) systems. Strengthen participatory governance and natural resource management.

Outputs: Persons in local and federal institutions trained and supported; Policy-relevant knowledge products completed; ICT4D solutions and practices developed.

Outcomes: Enhanced governance structures, improved technical capacity, and policies supporting sustainable rural development.

Impacts: Strengthened institutions capable of leading inclusive development and fostering more resilient rural communities.

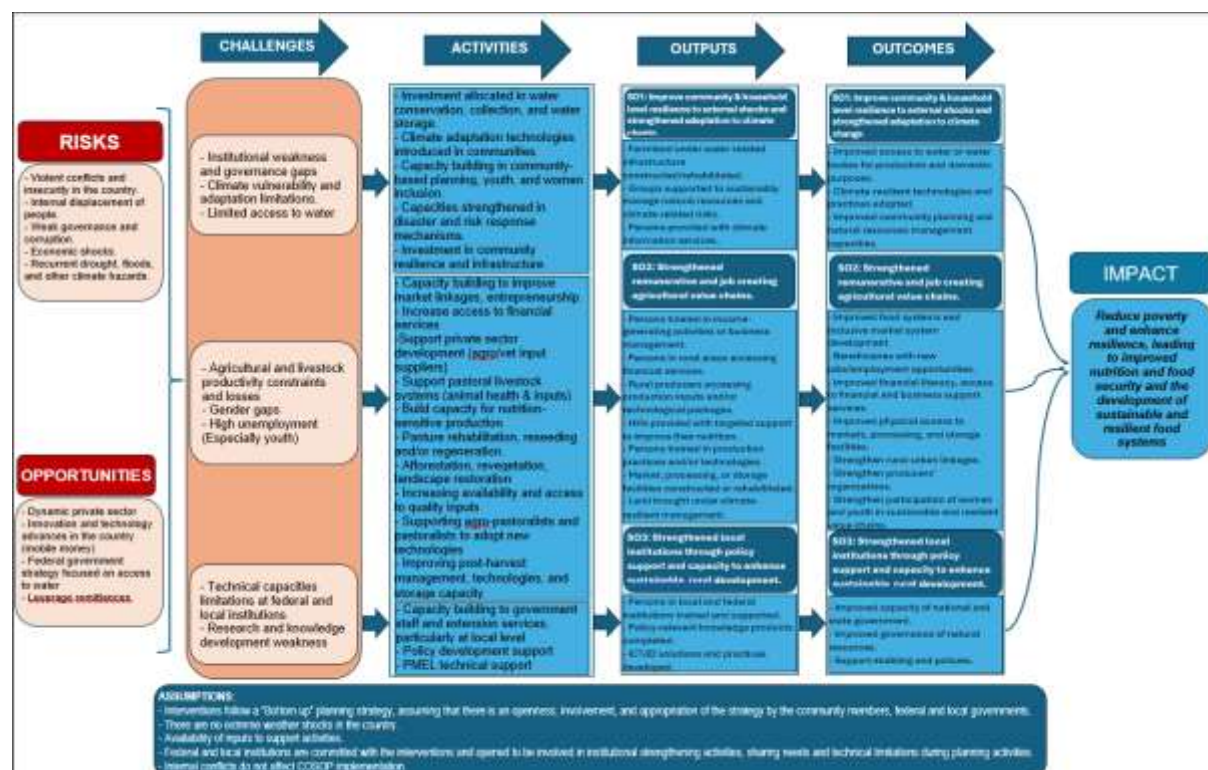
8. **Cross-cutting themes**

9. The COSOP prioritizes social cohesion, particularly in addressing the needs of IDPs affected by conflict and climate-related migration. It adopts:

- **Adaptive planning** to address displacement challenges and coordinate efforts under the Humanitarian Development Peace Nexus (HDPN).
- **IFAD's principles for fragile contexts**, focusing on building resilience, preventing fragility, avoiding harm, and maintaining engagement during crises.

10. **Women and youth:** The COSOP emphasizes the inclusion of women and youth in decision-making, employment, and value chains, supported by gender-sensitive policies and socio-behavioural change initiatives.

11. **Risks:** Somalia faces considerable risks that could hinder the implementation of rural development initiatives. Persistent violent conflict and insecurity remain critical challenges, contributing to the internal displacement of people and disrupting development efforts. Weak governance structures, coupled with corruption and high fiduciary risks, further complicate institutional capacity-building and policy implementation. The country is also highly vulnerable to economic shocks and recurrent climate-induced hazards, such as droughts and floods, which exacerbate food insecurity and strain community resilience. These risks underscore the importance of adopting a fragility lens and implementing conflict-sensitive, adaptive strategies to ensure the success of interventions in such a precarious environment.
12. **Assumptions:** The Theory of Change assumes that interventions will be implemented through a “bottom-up” planning strategy, fostering openness, involvement, and ownership among community members, federal authorities, and local governments. It is anticipated that there will be no extreme weather shocks during the implementation period, allowing activities to proceed without significant disruptions. Additionally, the availability of necessary inputs, such as funding, technology, and resources, is a critical factor for the success of these interventions. Federal and local institutions are expected to demonstrate commitment to the initiatives, engaging actively in institutional strengthening and addressing technical limitations. Finally, it is assumed that internal conflicts will not escalate to levels that would jeopardise the implementation of the COSOP, ensuring stability for the planned activities to achieve their intended impact.



Key files

Table 1: Rural poverty and agricultural sector issues (refers to chapter I-C)

Priority area	Affected groups	Major Issues	Actions needed
Livestock production	<ul style="list-style-type: none"> Nomadic pastoralists and agro-pastoralists Internally displaced people Milk and livestock aggregators. Meat and milk consumers 	<ul style="list-style-type: none"> Absence of extension services leading to poor production practices 	<ul style="list-style-type: none"> Training and capacity building in climate resilient livestock production practices, i.e. good animal husbandry, handling and care of animals, strategic and supplementary feeding.
		<ul style="list-style-type: none"> High livestock mortality due to droughts 	<ul style="list-style-type: none"> Support construction of community-based or own water sources such as sand dams, subsurface dams and infiltration galleries. Strategic destocking of livestock in anticipation of drought. Weather index-based livestock insurance
		<ul style="list-style-type: none"> Poor access to veterinary and animal extension services 	<ul style="list-style-type: none"> Capacity building of state veterinarians, training and equipping of community animal health workers (CAHWs), and establishing an agrovet supply chain.
		<ul style="list-style-type: none"> Inadequate livestock feeds, especially during dry season 	<ul style="list-style-type: none"> Promote harvesting and preserving hay from rangelands during the rainy season, collection and storage of crop residues for dry season feeding, fodder banks, and cultivation of adapted forages under conservation agriculture (CA) and climate smart agricultural practices.
		<ul style="list-style-type: none"> Low meat and milk yields 	<ul style="list-style-type: none"> Improve feeding practices to include minerals+vitamins, good quality forages and hay. Support simple diet formulation by extension agents. Improve availability of supplementary feeds.
		<ul style="list-style-type: none"> Unhygienic livestock product (meat and milk) handling and processing 	<ul style="list-style-type: none"> Train and equip producers, collectors and processors in hygienic handling and processing of animal products. Rehabilitate and establish milk and meat processing facilities.
		<ul style="list-style-type: none"> No livestock especially for IDPs and other poor HHs. 	<ul style="list-style-type: none"> Train disadvantaged households (HHs) in livestock production. Distribute appropriate livestock packages (sheep and poultry) to IDPs and poor HHs.
		<ul style="list-style-type: none"> Poor pastures and rangeland productivity 	<ul style="list-style-type: none"> Introduction of sustainable rotational grazing practices Temporary set-asides for rangeland restoration Clearing invasive plant species which inhibit pasture/rangeland regeneration (e.g. Prosopis)
Climate change impacts and	<ul style="list-style-type: none"> Vulnerable population including smallholder 	<ul style="list-style-type: none"> Water scarcity 	<ul style="list-style-type: none"> Improved water management and infrastructure development and maintenance (boreholes, rainwater harvesting systems, irrigation)
		<ul style="list-style-type: none"> Deforestation and land degradation 	<ul style="list-style-type: none"> Community-led interventions on pasture/ rangeland restoration Afforestation and silvo-pastures

Priority area	Affected groups	Major Issues	Actions needed
environmental degradation	farmers and pastoralists, women, children, IDPs	<ul style="list-style-type: none"> • Extreme weather events such as droughts, floods etc 	<ul style="list-style-type: none"> • Climate proofed infrastructure development and mainstreaming climate and environment across project interventions • Early warning systems and climate information • Flood plain mapping and emergency plans • Water collection/drainage infrastructure • Awareness raising on health/hygiene measures to prevent spread of water-borne diseases • Development and distribution of drought resistant seed varieties and breeds
		<ul style="list-style-type: none"> • Pest and diseases 	<ul style="list-style-type: none"> • Promote integrated pest management
		<ul style="list-style-type: none"> • Displacement & conflicts - food insecurity 	<ul style="list-style-type: none"> • Targeted interventions for vulnerable communities such as IDPs
		<ul style="list-style-type: none"> • Economic consequences & loss of livelihoods 	<ul style="list-style-type: none"> • Supporting resilient crop and livestock value chains
		<ul style="list-style-type: none"> • Social inequalities 	<ul style="list-style-type: none"> • Adopting a women and youth sensitive implementation approach across intervention areas
Agricultural production	<ul style="list-style-type: none"> • Smallholder producers • Women, youth and IDPs are most affected 	<ul style="list-style-type: none"> • Hot/dry climate, unpredictable rainfall resulting in severely degraded natural environment, desertification, increasingly affected by more frequent droughts/floods and highly seasonal and variable agricultural production 	<ul style="list-style-type: none"> • Identify and promote innovations and CSA feasible and more efficient in target areas; identify and support the rehabilitation of existing key irrigation systems (as needed), and upscale in appropriate target areas to improve access to smallholder producers, as well as adequate water and soil management systems in rainfed agriculture areas
		<ul style="list-style-type: none"> • Absence of extension services leading to poor agricultural practices 	<ul style="list-style-type: none"> • Promotion of pluralistic approach of extension services, capacity building of MoAI extension services, and private and village extension service providers to support smallholders and producers' organisations
		<ul style="list-style-type: none"> • Low yield due to lack of quality resistant high yielding seeds • High post-harvest losses of about 15-30% 	<ul style="list-style-type: none"> • Promotion of improved climate and pest resistant varieties, and development of a seed system for improved and resistant varieties of key crops. This will also be done with support of the Seed Systems Group grant. • Simple post-harvest facilities - threshers, storage, coolers and preliminary processing facilities
Youth	<ul style="list-style-type: none"> • All youth (some 75% of the population is young). • Youth from minority clans. 	<ul style="list-style-type: none"> • Lack of income generating activities and meaningful employment. 	<ul style="list-style-type: none"> • Active inclusion in CBOs through holistic sensitization as well as inclusion in CBO leadership.
		<ul style="list-style-type: none"> • Inadequate access to technical and business training. 	<ul style="list-style-type: none"> • Increased access to technical and business skills training around livestock and agricultural production.
		<ul style="list-style-type: none"> • Limited voice in community. 	<ul style="list-style-type: none"> • Increasing access to and disposition over productive assets.
Gender inequality	<ul style="list-style-type: none"> • Women and men. • Women headed households 	<ul style="list-style-type: none"> • Limited access to productive assets. • Limited voice in the wider community. 	<ul style="list-style-type: none"> • Active inclusion in CBOs through holistic sensitization as well as inclusion in CBO leadership through project quota. • Specify quota for women in allocation of newly developed land.
		<ul style="list-style-type: none"> • Limited access to technical and business training. 	<ul style="list-style-type: none"> • Increased access to technical skills training around livestock and agricultural production - female only training to increase access.

Priority area	Affected groups	Major Issues	Actions needed
	<ul style="list-style-type: none"> Women from minority clans. Young women. Children. 	<ul style="list-style-type: none"> Distribution of workloads based on sex. Food insecurity. 	<ul style="list-style-type: none"> Increasing access to and disposition over productive assets - sex will be taken into consideration when selecting final crops.
Market linkages, access to markets	<ul style="list-style-type: none"> Smallholder producers and other value chain actors Women and youth most affected 	<ul style="list-style-type: none"> Weak market linkages 	<ul style="list-style-type: none"> Support mapping of existing and potential market opportunities, and key bottlenecks. For domestic markets, focus on demand-driven production and niche markets, including through schemes such as institutional markets/contract farming, and local SMEs. For international markets, strengthen existing linkages between farmer groups and exporters, while also supporting development of an export strategy and trade-related agreements with potential markets.
		<ul style="list-style-type: none"> Low quantity and quality of local production, competition of imported food products 	<ul style="list-style-type: none"> Support to producers' knowledge and marketing skills, quality issues, access to finance; and strengthening of quality control, and institutions to improve food safety and quality standards
		<ul style="list-style-type: none"> Poor access to infrastructure (road/market), equipment, facilities, market information systems; cost of transportation due to lack of government investment in infrastructure and poor feeder and main roads, illegal roadblocks and taxation 	<ul style="list-style-type: none"> Investments in road and market infrastructures, market information, and road security by strengthening of appropriate implementation of government policies and regulations Build capacity for operation and maintenance wherever community infrastructure is provided.
		<ul style="list-style-type: none"> Access to markets is challenging for rural women also due to time poverty that affects many female vendors 	<ul style="list-style-type: none"> Identify and support solutions to address women's constraints for accessing markets, including collective buying and selling by women groups
Nutrition	<ul style="list-style-type: none"> Women and men. Women headed households Minority clans. Youth Children. IDPs 	<ul style="list-style-type: none"> Inadequate access to food caused by a variety of underlying issues such as conflict, climate change, access to agri/livestock assets and knowledge. 	<ul style="list-style-type: none"> Increasing access to food at community level by adapting to the negative effects of climate change and increasing access to productive assets and knowledge.
		<ul style="list-style-type: none"> Limited knowledge on nutrition practices and inadequate application of nutrition practices. 	<ul style="list-style-type: none"> Training on nutrition sensitive post-harvest practices. Training on nutrition sensitive cooking techniques.
		<ul style="list-style-type: none"> Eroded government services hindering access to nutrition training. 	<ul style="list-style-type: none"> Applying nutrition lens in the selection of crops.
Post-harvest and processing	<ul style="list-style-type: none"> Smallholder producers and other VC actors Women and youth most affected 	<ul style="list-style-type: none"> Limited knowledge and access to financial resources to invest in PHM and processing equipment and facilities, and availability of PHM equipment 	<ul style="list-style-type: none"> Identify and assess social and economic feasibility of key infrastructure, equipment, facilities needed to improve PHM and processing for the target crops; strengthen existing PH systems, and technical, managerial and organizational capacities for PHM and processing units
		<ul style="list-style-type: none"> Cost and limited access to energy and water High post-harvest losses 	<ul style="list-style-type: none"> Support access to electricity (including solar energy) and water for PHM and processing as needed

Priority area	Affected groups	Major Issues	Actions needed
Access to finance	<ul style="list-style-type: none"> Smallholder producers and other value chain actors 	<ul style="list-style-type: none"> Limited access to rural finance and insufficient availability of/access to credit 	<ul style="list-style-type: none"> Support the development of adequate rural finance solutions in collaboration with UN organizations involved in this area (such as UNIDO) and other financing agencies and their partners in country (Commercial banks, Micro-finance institutions (MFIs- operated through the commercial banks or NGOs, Mobile Network Operators (Mobile Money) and Money Transfer Operators (MTOs)) Support to the creation and strengthening of community savings and lending

Table 2: Target group identification. Priority issues and potential response (refers to chapter I-C, III-C)

Typology	Poverty level and causes	Coping actions	Priority needs	COSOP response
Smallholder producers (agro-pastoralists) involved in rainfed agriculture , in small plots of land (up to 5 Ha) producing mostly cereals (sorghum and maize [1]), subsistence farmers have an average of only 0.2–3 hectares of land [2]	<ul style="list-style-type: none"> ● Conflicts ● Limited productive resources ● Drought and erratic rainfalls, CC and impact on access to water and soil fertility ● Low yields (sorghum 0.3–0.5 T/Ha, cowpea 0.3–0.5 T/Ha, mung beans: 0.2–0.4 T/Ha) due to poor production practices, lack of improved varieties (resistant, early maturing), high costs of inputs, lack of extension services, pests stem borers and fall army worms (FAW), bird damage; high postharvest losses (According to MoAI for rainfed sorghum, cowpea and mung bean estimated 15–20% of PHL) 	<ul style="list-style-type: none"> ● Migration ● Labourer for landowners in communities or non-agricultural sectors 	<ul style="list-style-type: none"> ● Safe access to fields ● Training and capacity building on CSA, IPM, postharvest management, processing, business and marketing skills ● Access to adequate production resources and finance ● Access to markets 	<ul style="list-style-type: none"> ● Support to establish efficient, improved seed systems, pluralistic extension services to train producers on ICSA, IPM, access to production resources, particularly equipment, water management practices, inputs, to sustainably improve productivity, and to increase yields to attain the following targets set by the MoAI in 5 years : sorghum 0.1–1.5 T/Ha, cowpea 0.8–1.0 T/Ha, mung beans: 0.6–0.8 T/Ha; ● Support to development and distribution of drought-resistant seed varieties and breeds ● Ecosystem restoration to increase coping capacity of the soil ● Identification of major causes of PHL losses and training and capacity building in postharvest management to reduce PHL (including hermetic storage options such as silos and hermetic bags), and in processing activities where needed and feasible ● Support in training and capacity building in marketing skills and access to rural finance
Smallholder producers involved in irrigated agriculture (producing commercial crops)	<ul style="list-style-type: none"> ● Conflicts ● Erratic rainfall, recurrent drought, drying rivers, reduced groundwater, CC and impact on access to water and soil fertility ● Irrigation infrastructures needing rehabilitation ● Low yield (maize: 1–1.5 T/Ha, sesame: 0.4–0.6 T/Ha) ● high postharvest losses (According to MOAI for irrigated maize: 20–30% of PHL) 	<ul style="list-style-type: none"> ● Labour migration ● Off farm income generation ● Agricultural labour ● Use of boreholes and supplementary irrigation when rivers are drying 	<ul style="list-style-type: none"> ● Safe access to fields ● Rehabilitation of existing irrigation systems. Investment in new climate smart irrigation systems ● Training and capacity building on CSA, IPM, post harvest management, processing, business and marketing skills ● Access to production resources and finance 	<ul style="list-style-type: none"> ● Support to improve, scale and maintain adequate irrigation systems and soil moisture management solutions (e.g. drip irrigation, sprinkler, greenhouses) to sustainably increase yields to attain the following targets set by the MoAI in 5 years: maize: 2.0–3.5 T/Ha, sesame: 0.8–1.0 T/Ha ● Support to development and distribution of drought-resistant seed varieties and breeds ● Ecosystem restoration to increase coping capacity of the soil ● Training and capacity building to address the priority needs

Typology	Poverty level and causes	Coping actions	Priority needs	COSOP response
Producer groups, associations, cooperatives (including FFSs, VSLAs)	<ul style="list-style-type: none"> ● As for smallholder producers. ● Access to group may be restricted due to joining fee (particular constraints for women) 	<ul style="list-style-type: none"> ● Ability to draw funds from group to cover emergency needs ● Ability to obtain support from external humanitarian and development interventions 	<ul style="list-style-type: none"> ● Access to markets ● Managerial and organizational training and capacity building to enable groups to effectively respond to members' needs. ● Technical training and capacity building for crop and livestock production ● Access to finance ● Access to markets ● As for small holder producers (above) 	<ul style="list-style-type: none"> ● Mapping of existing farmers groups, associations, cooperatives in target areas of implementation ● Capacity assessment ● Capacity building and linkage with value chain core and supporting actors (input and output markets, MFIs, research centers).
Internally displaced people	Conflict Climate change	<ul style="list-style-type: none"> ● Displacement/ transfer to IDP camps. ● Access humanitarian interventions ● Split households - rural-urban mobility ● Maintenance of linkages (and land holdings) with place of origin 	<ul style="list-style-type: none"> ● Sustainable access to income generating activities. ● Access to food or food producing assets. ● Better bargaining power vis-a-vis host communities. 	<ul style="list-style-type: none"> ● Support the development of the food system. ● Capacity building activities. ● Harmonize with support by a variety of humanitarian activities on a constant basis (almost to the point that IDPs lose the incentive to search for IGA or food producing assets).

Table 3: Organization matrix (refers to chapter I-C, III-B, IV-B, C, G)

Organisation	Strengths	Weaknesses	Opportunities	Threats
Ministry of Agriculture and Irrigation Activities addressing the interlinked causes of nutrition and food insecurity and poverty: policies and regulations, seed systems, irrigation infrastructure rehabilitation, agriculture research and extension services, business linkages, etc.	<ul style="list-style-type: none"> Human capacity to undertake activities throughout the country Excellent working relationship with all actors in the productive sector Geographic coverage: South West, Jubaland, Hirshabelle, Galmudug, Puntland and Somaliland (?) Strong political collaboration between the national and state MoAI 	<ul style="list-style-type: none"> Financial resources depend on funding agencies The MoAI apparently does not have a coordination system that maps all projects and programmes implemented by technical and funding partners (incl. from the public and the private sectors, donors, etc.) with information on their areas of work, geographic coverage, sources of funding, target populations, period (years) of implementation, etc. which is key for ensuring synergies, optimization of use of resources, and for informing and guiding new investments and interventions. No clear structure at district level? 	<ul style="list-style-type: none"> Ongoing policy formulation which is an opportunity to review priorities and better allocation of resources Ongoing restructuring which is an opportunity to nominate high level and technical staff with the adequate expertise to address the current challenges Availability of vast agriculture land Ongoing operations at restoration of peace and stability Strong engagement of the private sector Collaboration with the UN agencies and financing institutions involved in the country, and with agricultural research centers (incl. ICRISAT, CYMMIT and the Seeds Systems Group) including on the establishment of an improved seed system 	<ul style="list-style-type: none"> Coverage affected by conflicts Risk of financial resources from donors for agricultural development being redirected to response to emergency and shocks. The ongoing policy formulation and restructuring may result in changes in priorities that previously guided partners' interventions and still needing support to provide long lasting positive impacts Lack of interest in agriculture by IDPs?
Ministry of Finance	<ul style="list-style-type: none"> Lead agency for management of national finances and budgets including loans portfolio Borrower and signatory of loans on behalf of FMS Important role in provision of counterpart funding 	<ul style="list-style-type: none"> Little direct control over states in use and management of decentralized budgets Limited capacities for loan portfolio oversight and accountability 	<ul style="list-style-type: none"> Capacity support in improved oversight of loan portfolio utilization Deeper engagement for making states fulfil their commitments for counterpart funding 	<ul style="list-style-type: none"> Economy and revenue generation remains under stress limiting MoF room for manoeuvre

Organisation	Strengths	Weaknesses	Opportunities	Threats
Ministry of Livestock, Forestry & Range	<ul style="list-style-type: none"> ● Sector specific expertise ● Existing sector policies and strategies ● Good collaboration and partnership with various partners ● Good working relationship with FMSs 	<ul style="list-style-type: none"> ● -Financial resources depend on funding agencies ● Limited technical capacities especially on? ● Weak institutional framework ● Security challenges limiting extension and services reach ● Insufficient data and information management 	<ul style="list-style-type: none"> ● Partnerships and collaborations ● Capacity building and trainings ● Integrating climate and production 	<ul style="list-style-type: none"> ● Security issues ● Climate impacts on the sector ● Resistance from local communities
Ministry of Environment and Climate Change	<ul style="list-style-type: none"> ● Dedicated focus and high-level political will in addressing environment and climate ● Existing policies and strategies ● International engagements 	<ul style="list-style-type: none"> ● Limited financial resources ● Weak institutional framework, especially being a new ministry ● Fragmented ● Insufficient public awareness ● Lack of information management systems 	<ul style="list-style-type: none"> ● International partnerships and support from various partners ● Growing interests in private sector and NGOs in environment and climate adaptation ● Serve as designated entities for various multilateral funds ● Environment and climate change mainstreamed into NDP and thus prioritised by various sectors 	<ul style="list-style-type: none"> ● Poor coordination ● Security concerns ● Weak technical capacities ● Low levels of awareness among communities
SATG (Somali Agriculture Technical Group) Activities covering seed system using out-growers management scheme, hybrid seed production, grain production, value chain analysis and market linkages, soil analysis, banana, tissue culture	High level of technical skills (national and international), local presence, resource mobilization, networking Good working relationship with Federal and state MoAI Excellent working relationship with CGIAR centers Geographic coverage:	Security challenges for seed outgrowers	Most of the agriculture land is being liberated from Al-Shabab Network with Diaspora engagement Using off-the shelf technologies Build on the successes on ongoing projects	Over- exploitation of natural resources Inadequate soil and water conservation

Organisation	Strengths	Weaknesses	Opportunities	Threats
<u>Sadar Development and Resilience Institute (SADAR)</u>	<p>Involved in IFAD projects (RISE, A2R2 plus SIRAP) in Somalia</p> <p>Experience of the Somali context</p> <p>Enough technical expertise and coordination with other stakeholders</p>	<p>Depends on donor funding</p> <p>Financial management capacity for diverse clients</p>	<p>Possibilities of synergies with other partner organisations collaborating with SADAR on areas relevant to rural livelihoods and resilience including USAID, the UK Foreign, Commonwealth & Development Office (FCDO), FAO, UN Office for Disaster Risk Reduction, World Vision International. CARE International, GAFSP, MasterCard Foundation.</p>	<p>Insecurity</p> <p>Possible competition for third party implementation partner business as Somalia stabilizes and public agencies take over implementation responsibility for donor projects</p>
European Committee for Training and Agriculture (CEFA)	<p>Implemented IFAD project FSSFS in Somalia and Yemen</p>	<p>Dependent on donor funding</p> <p>Remote monitoring due to insecure location of project implementation sites</p>	<p>Possibility of learning from and upscaling proven approaches and solutions from FSSFS, e.g. use of the e-FoP platform, and building on partnerships established with value chain core and supporting actors as relevant.</p>	<ul style="list-style-type: none"> ● Insecurity ● Crowding out of bilateral donors with Somalia's access to core development resources may reduce CEFA's business prospects
Community based organizations (CBOs) and Non-governmental organizations	<p>Lead dialogue and communication in the community</p> <p>Good advocates and negotiators</p> <p>Mission directly related to the programme's purpose related to livelihood improvement, social inclusion, and environmental and climate management</p> <p>Influence in selecting appropriate beneficiaries and sites</p>	<p>Dependent on donor funding</p> <p>Access to field locations for monitoring purposes may be limited in insecure areas</p>	<p>Instrumental in project implementation and policy dialogue at the community level.</p> <p>Possible partnership built with MFIs and NGOs to support capacity building</p> <p>Support during the implementation of the proposed activities based on their experience and reach in the target locations/ sites</p>	<p>Pressure from community elders and elites for capture of project benefits</p>

Organisation	Strengths	Weaknesses	Opportunities	Threats
Microfinance Institutions	<p>Operating in Somalia either as affiliated subsidiaries of commercial banks or registered as non-NGOs.</p> <p>Interested in helping beneficiaries of the Fund to develop their income-generating activities related to their agricultural production and pastoral activities;</p>	<p>High transaction costs</p> <p>Limited coverage of rural areas</p> <p>Lack of suitable financial packages for the poor</p>	<p>Influence in designing financial products adapted to the needs of the poor stakeholders and the objectives of the IFAD strategy</p> <p>Capacity building and access to credit of poorest households</p>	<p>Insecurity</p> <p>Limited capital mobilization for lending</p>
Farmer organizations	<ul style="list-style-type: none"> ● Collective access to production and NRM inputs and technology 	<ul style="list-style-type: none"> ● Lack formalization and scale 	<ul style="list-style-type: none"> ● Federate at district and State level, could have multiplier effect. ● Wider replication by government 	<p>Lack of government ownership</p> <ul style="list-style-type: none"> ● Capacity of smallholder farmers to meet demand from off-takers

Table 4: Strategic partnerships potential (refers to chapter IV-B, G, V-A)

Partnering objective	Partner	Nature of project or justification for partnering	Project/ Programme Coverage	Status	Expected results from the partnership
Information management - water and land resources	FAO	Somalia Water and Land Information Management (SWALIM) project, is an	National	Started 2021 and ongoing	Crucial information for early warning systems, rehabilitation of water infrastructure and rangeland, and other development initiatives.
	NORCAP Ruden AS (Norway)	Comprehensive assessment of deep groundwater resources in Somalia	Nationwide	2019-2023	Share information on the potential of deep groundwater and shallow aquifers to support sustainable long-term development
Access to water	World Bank	Water for agro pastoral productivity and resilience	Puntland Somaliland Galmudug South West	2019-2023	Lessons learned from developing water and agricultural services among agro-pastoralist populations in dryland area
Boosting resilience of rural agro-pastoralists and pastoralists	FAO	Boosting Resilience and Adaptation to Climate Change (EC)	National	2023-2026	Lessons learned in adaptive programming, adaptation to climate and other shocks while building resilience in agricultural livelihoods
	FAO	Somalia Information and Resilience Building Action (SIRA) Phase II	South West Somaliland	2023-2025	
	FAO	Saving lives and livelihoods while promoting recovery of households from drought in Somalia	National	2023-2024	
	FAO	Reducing Communities Vulnerability to Drought and External Shocks	National	2022-2024	
	FAO and WFP	Supporting Resilient Smallholder Farming systems in Somalia	Hirshabelle South West	2019-2023	Lessons learned in: (i) working with federal and state authorities; (ii) improving food security and nutrition; (iii) strengthening resilience of communities to shocks and crises; (iv) building capacity of SHFs across the entire value chain - production, post-harvest loss reduction and market linkages; (v) training and support to formation of village savings and loan associations (VSLAs) or community support plans (to Somalis Ayuuto)
	NORAD	Building local resilience and adaptation to climate change (BRAC)	Somaliland Puntland	2021-2025	Experience sharing in increasing climate resilience and wellbeing of rural communities.
	USAID	Stabilisation and recovery in Somalia	Galmudug Hirshabelle	2023-2025	Experience sharing in contributing to peace and stability as a bridge to longer term development interventions.

Partnering objective	Partner	Nature of project or justification for partnering	Project/ Programme Coverage	Status	Expected results from the partnership
Response to drought	FAO	Anticipatory Action and Early Response Support to Drought-Affected Communities	Somaliland, Puntland, Galmudug, South West	2022-2024	Lessons on early warning and response to drought
Response to Desert Locust attack	FAO	Provision Of Desert Locust Control, Emergency Response Support to Affected Communities, and Re-establish the Desert Locust Surveillance And Control System	National	2022-2024	Lessons on emergency response to Desert Locust attack
Value chain development and job creation	FAO	Resilient Fisheries and Livestock Value Chain for Inclusive and Sustainable growth in Somalia (RAAISE) (EC)	Focus on corridors in Somaliland, Central North, Shabelle and Juba River	2020-2024	Lessons learned in creating new jobs, increasing and diversifying livelihoods, fostering inclusive economic opportunities, and rehabilitating primary infrastructures within the fisheries and livestock sectors
	FAO	Resilient, Inclusive and Competitive Agriculture Value Chain Development in Southern and Central Regions	Southern and Central Regions of Somalia	2019-2023	Lessons learned in creating new jobs, increasing and diversifying livelihoods, fostering inclusive economic opportunities,
	UNIDO, FAO, ILO	Somalia Productive Sectors Development Programme (UNJ)	National	2020-2023	Lessons learned in: (i) Agrotechnology Development for Economic Growth in South and Central Somalia (UNIDO); (ii) Business incubators to support entrepreneurship and MSME creation (UNIDO); (iii) Inclusive Local Economic Development of the fishery and livestock sectors (FAO); (iv) Somali productive cooperatives and SME having access to skill development initiatives, production facilities, technologies, and financing solutions; (v) Capacity building to women groups in prioritized agriculture and fishery value chains.
	FGS (multi donor)	Somalia Capacity Advancement, Livelihoods and Entrepreneurship through Digital Uplift Program (SCALED UP)	National	2019-2020	Lessons learned in increasing access to basic digital financial and government services supporting entrepreneurship and employment, particularly for women

Partnering objective	Partner	Nature of project or justification for partnering	Project/ Programme Coverage	Status	Expected results from the partnership
Nutrition strengthening and mainstreaming	FAO	Support to the Food Security and Nutrition Analysis Unit (FSNAU)	National	Started 2022 and ongoing	Relevant information and analysis for better decision-making relating to short-term food insecurity and malnutrition, and informing development planning to address underlying causes of food and livelihood insecurity, and malnutrition.
	WFP	Strengthening food supply chains to create more resilient, inclusive and nutritious food systems	National	2022-2025	Share experience in provision of services, skills, assets, and infrastructure for rehabilitation and strengthening of food supply chains, including port infrastructure upgrades, enhancement of fresh and dry foods value chains, and improved access to markets through WFP's e-Shop.
	WFP	Strengthen capacity of local institutions to support food insecure and nutritionally vulnerable populations	National	2022 - 2025	Provision of technical support for strengthening national policies, capacities and systems

Transition projections

Recent economic developments

1. In the past 11 years, the Federal Republic of Somalia (FRS) has gone through challenging growth paths. The purpose of this Appendix is to offer an understanding of the likely and possible country trajectories and to identify the possible implications for IFAD's country programme over the COSOP period, starting from the following recent economic developments in the Somali economy[1].
2. **Recurrent shocks dampened economic activity.** The World Bank estimated that GDP growth fell to 1.7 percent in 2022, from 2.9 percent in 2021 (Figure 1), pausing 2021's modest economic recovery from the COVID-19 pandemic. The slowdown in economic activity in 2022 was a result of a devastating drought that persisted for five consecutive seasons, and higher commodity prices, including from the effect of the War in Ukraine. Up to 90 percent of Somalia's wheat imports come from Russia and Ukraine. Livestock exports on which Somalia depends for a large proportion of her foreign exchange earnings declined by 3.1 percent in 2022. Additionally, severe flooding due to significantly above-average rainfall during the October-December 2023 deyr season destroyed crops and assets, and caused population displacement, especially in the riverine and lowland agropastoral areas, similar to what happened during the drought. The economy continues to be weakened by other shocks, including decades of conflict and desert locust infestation (with an upsurge in 2020-2021). However, increases in private sector credit, a rise in construction activity, and an increase in intermediate imports helped support economic activity and prevented the economy from contracting further. Notably, livestock exports in 2023 reached over 5 million live animals, the highest since 2016. GDP growth is projected at 3.1 percent in 2023[2] and to gradually reach 3.8 percent by 2025.
3. **Food insecurity increased.** By the end of December 2022, 7.1 million people, nearly half of the population, were food insecure, and 1.3 million people were displaced. Over 1.3 million children had received treatment for malnutrition between January and November 2022. The recent main-season deyr harvests and marginal seasonal improvements in livestock production have improved food consumption levels in many rural areas during the first quarter of 2024.
4. **Growth driven by private consumption, worsened current account deficit.** Somalia's growth in 2022 was driven by private consumption, which was supported by remittances and official grants estimated at 63 percent of GDP, helped to finance the trade deficit. The increase in private consumption was driven by pent-up demand associated with the lifting of the COVID-19 pandemic restrictions. The increase in imports to 96 percent of GDP along with contraction of exports to 17 percent of GDP in 2022 worsened the current account deficit to 17 percent in 2022, from 12 percent in 2021 (see Table 1). Government consumption slowed in 2022. The prolonged electoral stalemate led to a withholding of budget support by donors, leading to increased fiscal pressures. Similarly, the political impasse affected the business environment, slowing investment.

Table 1: Imports increased as COVID-19 restrictions eased

Variables (as a percentage of GDP)	2020	2021	2022
Current account balance	-14.9	-16.8	-16.8
Trade balance	-67.4	-71.7	-79.1
Exports of goods and services	17.1	17.2	17.0
Imports of goods and services	84.5	88.9	96.2
Remittances	23.2	27.8	26.3
Official grants	30.6	27.8	36.6
Foreign direct investment	7.8	8.0	7.8

Source: Somalia Authorities and IMF (2023)

5. **Insecurity remains high.** The FGS is undertaking a military offensive against Al-Shabaab to weed out the militants from many areas of southern and central Somalia, in line with the UN Security Council Resolution which reconfigured the African Union Mission in Somalia (AMISOM) into the African Union Transition Mission in Somalia to support the FGS in its efforts to continue countering Al-Shabaab. This military offensive, which began in 2022, has resulted in widespread insecurity mostly in the rural areas. According to the UN, up to 621,000 civilians were displaced due to conflict in 2022. However, the operations provided increased economic opportunity for expanded access into areas previously under Al-Shabaab control. Despite the operation, the risk of insecurity through constant threats from militant attacks, abductions, landmines, and violent crime remained.
6. **Reforms have stabilized the financial sector** through improved regulatory frameworks by the Central Bank of Somalia (CBS) which have increased the public's confidence in the financial system, while also supporting growth in credit to the private sector. As of the end of April 2023, there were 13 licensed commercial banks, 10 licensed Money Transfer Businesses (MTBs), and four licensed Mobile Money Operators (MMOs) in the country. In addition, the CBS approved licenses for two international banks in 2022 to further enhance opportunities for investment. The CBS remains committed to fostering inclusive economic growth and building a robust, stable, and sound financial system. In addition, the country's enactment of the Targeted Financial Sanctions Law will enable mutual assessment by the Middle East and North Africa Financial Action Task Force (MENA-FATF) of progress in addressing money laundering and terrorism financing concerns.
7. **Public finances have improved markedly.** Domestic revenue mobilization by the FGS recovered in 2022 to 3.2 percent of GDP. The several revenue measures to improve tax collection and administration in 2023 include: (i) increasing sales tax collection through the installation of electronic point of sale (POS) machines at major business premises; (ii) introducing tax clearance certificates to increase corporate income tax collection, mainly from large businesses; (iii) enforcing revenue collection from highly profitable firms, particularly in the telecommunications industry; (iv) pursuing on a pilot basis, a withholding tax arrangement that will enable its suppliers and contractors to pay their corporate income tax in advance; (v) introducing excise taxes on various items related to the information and communication technologies (ICT) sector, including internet data and outbound cross-border money transfers; and (vi) streamlining the issuance of exemptions to eliminate discretionary exemptions. Domestic revenue generation showed more improvement in 2023. Total donor grants more than tripled as compared to 2021, owing to the resumption of budget support and increased project grants in response to the severe drought, to 5.6 percent of GDP. However, FGS capital expenditures remained small (only 2 percent of the total spending in 2022, equivalent to 0.2 percent of GDP) while social spending increased to 27 percent percent, and intergovernmental grants more than doubled in response

to the drought conditions. Overall, with a tax-to-GDP ratio averaging only 2 percent of GDP in the last 5 years, the total FGS domestic revenues could only finance one-third of the total expenditures. Importantly, the government is constrained in financing its wage bill. Similarly, there are significant variances between actual outturns and original budgets, with an increasing percentage of adjustments to the original budget in the last five years. Each year the FGS Parliament has had to pass a supplementary Appropriation Act following difficulties in forecasting for donor grants, which constitute a large share of the budget. The realization of donor commitments ranged from 75 percent in 2018 to 66 percent in 2022. As a result, total revenue outturn deviations from the original budgets have ranged from 7 percent in 2018 to 24 percent in 2022 (Table 2).

Table 2: FGS fiscal operations, 2019–2023 (US\$ millions)

	2019	2020	2021	2022		2023	2022	2022
	Actual	Actual	Actual	Budget	Actual	Approved Budget	vs 2021	Actual vs Budgeted
Revenue and grants	337.8	506.8	376.5	944.9	721.9	950.7	92%	-24%
Domestic revenues	229.7	211.2	229.6	250.1	262.7	283.3	14%	5%
Tax revenues	154.7	139.5	162.8	173.7	181.7	189.9	12%	5%
Non-tax revenues	74.9	71.7	66.8	76.4	81.0	93.4	21%	6%
Grants	108.1	295.6	147.0	694.8	459.2	667.4	212%	-34%
Budget support	65.5	123.1	2.5	174.6	145.5	170.6	5722%	-17%
Budget support	42.6	172.5	144.5	520.2	313.7	496.8	117%	-40%
Expenditure	315.7	482.2	460.1	919.5	719.5	977.2	56%	-22%
Compensation of employees	162.8	227.0	250.1	266.0	259.6	287.5	4%	-2%
Grants (intergovernmental)	45.0	90.2	45.9	132.4	111.2	190.5	143%	-16%
Social benefits	-	62.1	39.9	247.3	188.9	201.3	374%	-24%
Capital	14.8	18.6	16.1	33.5	13.2	54.2	-18%	-61%
Budget balance	22.1	24.6	-83.6	25.4	2.4	-26.6		
Amortization	0.0	12.7	13.7	10.4	11.9	14.2		
Nominal GDP (US\$ millions)	6,485	6,883	7,628	8,158	8,158	8,738		

Source: FGS Ministry of Finance (2019–2023)

8. **HIPC Completion Point achieved in December 2023**, granting the country full and irrevocable debt relief, amounting to US\$ 4.5 billion. Somalia's debt stock is estimated to fall to 6.6 percent of GDP at the end of 2023 from 40 percent of GDP in 2022. This debt relief will facilitate access to critical additional financial resources that will help Somalia strengthen its economy, reduce poverty, and promote job creation. The World Bank and IMF will continue working together to provide the technical assistance and policy guidance the authorities need to achieve these goals. The IMF will continue its engagement with Somalia in the context of the new three-year IMF financial arrangement as well as capacity development support sponsored by the Somalia Country Fund. The World Bank has agreed on a new five-year Country Partnership Framework with Somalia focused on continuing to support state and institution building, infrastructure and jobs, human capital, and resilience, for a current portfolio of US\$ 2.3 billion.

Emerging threats

9. **Political tension between FGS and FMS and between the FGS and Kenya and Ethiopia.** Somaliland's operation as an autonomous state (declared itself independent from the FRS in May 1991) is already a challenge for designing the Somalia COSOP as diplomatic measures need to be taken to ensure an IFAD strategy that is inclusive of Somalia and Somaliland. Puntland is operating as a semi-autonomous state and it is uncertain what its status would be before the end of the COSOP period. Political instability may also arise from other FMS that may want to exercise greater autonomy

from the FRS or renege on the oil production sharing agreement. The potential conflict with Kenya is over the disputed maritime boundary with Somalia measuring 100,000 km². Early in 2024, a political conflict arose between Somalia and Ethiopia over the lease of the Red Sea port of Berbera to Ethiopia by Somaliland, which could endanger stability in the wider Horn of Africa.

10. **Fiscal deficits are expected to increase considerably.** The fiscal deficit is projected to reach 0.3 percent of GDP in 2023 and 1.9 percent in 2024, calling for stronger public revenue mobilization[3]. The current account deficit is projected to remain high, at 15.8 percent of GDP in 2023 and 14.1 percent in 2024, reflecting the high import bill due to elevated energy and food prices. Headwinds include vulnerability to changing weather patterns and extreme weather events (notably persistent droughts), insecurity, and weaker remittance inflows. A prolongment of the War in Ukraine could further aggravate global energy and food prices, causing additional headwinds given Somalia's heavy reliance on imported food and oil for energy generation. With a tax-to-GDP ratio averaging only 2 percent of GDP in the last 5 years, the total FGS domestic revenues could only finance one-third of the total expenditures.
11. **Falling back into debt distress in the future.** The Somali authorities will need to continue strengthening macroeconomic institutions and the public debt management framework to keep budget deficits manageable. Measures recommended by the World Bank include: (i) reduce compensation of employees to a level where it can be financed by tax revenues. In 2018–2019, the wage bill averaged 104 percent of tax revenues. This has since increased to 140–160 percent in the period 2020–2022; (ii) increase inland tax revenues by 25 percent per year on average by 2029, that is, by the end of the NDP-10. Although inland taxes have almost doubled in the last five years, they are just a small share, averaging only US\$ 51 million in 2018–2022. An annual increase of 25 percent will double the collection in just three years, reaching US\$130 million in 2026; (iii) institutionalize debt and fiscal risk management by bringing the Debt Management Unit into the civil service, incorporating debt into the regular cash management systems of the Ministry of Finance, and assessing and limiting fiscal risks from all private-public-partnerships, while continuing to expand debt transparency.

Implications for IFAD's Country Programme

12. In light of the above developments, three scenarios are considered for the Somalia COSOP, based on an analysis by the World Bank[4].
13. **Baseline scenario.** The economy picks up over the medium-term, with growth rate of 3.7 percent and 3.9 percent in 2024 and 2025, respectively. This scenario assumes: declining global commodity prices will reduce the import bill and boost economic activity; average rains (Gu and Dyer) will lead to gradual recovery of agricultural production, including a modest recovery of exports; continued humanitarian and social protection support will cushion households against the lingering drought effects; investor confidence will be buoyed by the ongoing government's efforts to stabilize public finances, and Somalia having achieved the HIPC Completion Point, there is an increase in the risk appetite for investors; the economic reforms and increased public investment will attract foreign direct investment (FDI) and encourage increased private sector activity, to gradually boost the low domestic productive capacity; and higher growth in remittances will improve household incomes and investments. As a result, the current account deficit will improve over the medium term, at 14.4 percent and 14.6 percent in 2024 and 2025, respectively. Over the medium term, peace dividends and unlocked concessional borrowing after debt relief will boost output growth.

14. **Downside scenario.** This scenario projects the economy to grow at 2.9 percent and 3.5 percent in 2024 and 2025, respectively. The economy will continue to be subject to risks from global developments, climate-related shocks, and security threats, which will impede economic activity. Two aspects of global macroeconomic developments threaten Somalia's growth prospects. Somalia's dependence on imports, especially of consumption goods, implies that escalation of the War in Ukraine and a higher global inflation and could lead to higher prices by Somalia's trading partners, leading to slow global demand or a recession. The resulting higher domestic prices will add to the inflationary pressure. Further tightening of global financial conditions will reduce remittances to and FDI in Somalia. Economic pressures or changing political priorities in donor countries could reduce the supply of official development assistance to Somalia. Continued climatic shocks would have devastating consequences for communities and the economy, and more internal displacement. The increased insecurity and ongoing offensive to eliminate Al-Shabaab may affect economic activities in central and southern Somalia, and erode business confidence for potential domestic and foreign investors, while also putting more pressure on the government to spend on security.
15. **Upside scenario.** This scenario projects a robust economic growth for 2024 and 2025 of 4.2 percent and 4.7 percent, respectively, assuming: (i) improved weather conditions leading to a recovery in agricultural production and continued reversal of the drought effects; (ii) the conflict in Ukraine will be resolved swiftly; and (iii) the global financial tightening does not lead to global recession. In such a scenario: exports increase as livestock is restocked and regain body quality; imports increase due to a continued pick-up of economic activities; and continued humanitarian and social protection support cushions vulnerable households. Growth will be driven by higher private and public consumption, higher domestic and foreign investment post-HIPC Completion Point, increased net exports, and improved current account.
16. In light of the above analyses, the most likely scenario during the COSOP is the baseline scenario, that the real GDP growth over the 2030 horizon will be an average of 4.0 percent, which is in line with the IMF debt sustainability analysis (DSA) projection[5]. Currently, the DSA indicates that Somalia's external public debt, post-HIPC Completion Point, which stands at US\$ 637.8 million (5.5 percent of GDP), is sustainable and at moderate risk of debt distress for both external public debt and total public debts. During the COSOP period, it is expected that: the War in Ukraine will gradually wear out to put less pressure on global commodity prices, which will reduce the import bill and boost economic activity; that average rainfall will lead to gradual recovery of agricultural production, including a modest recovery of livestock exports as was seen in 2023; humanitarian and government social protection support will continue to cushion households against the lingering drought effects and sustain effective private consumption demand; the achievement of the HIPC Completion Point by Somalia, along with government reforms on public finances will raise domestic and foreign investor confidence, attract FDI, and grant the country access to concessional financing; increased private sector activity will gradually boost the low domestic productive capacity; remittances will grow to support household incomes and investments in an improved business environment. As a result, the current account deficit will fall to about 2 percent of GDP. The above scenario for Somalia is in line with the economic indicators for the Low-Income Country (LIC) group[6].
17. **Lending terms and conditions.** Somalia is a LIC with about 55 percent of the population living below the national poverty line[7], and an economy dominated by agriculture (including livestock and fishery), extraction of minerals, and reliance on remittances from citizens working abroad. The country qualified in February 2023 to access DSF grant resources under IFAD13, following the clearance of its debt areas. Having achieved the HIPC Completion Point, the IMF has advised the country to seek concessional financing at this stage. With consistent improved growth rate, Somalia

may aim at transiting to the lower middle-income country (LMIC) group at the end of the COSOP period.

18. **COSOP priorities and products.** It is expected that the proposed COSOP priorities and associated products will remain highly relevant irrespective of transition scenarios. However, a higher emphasis on managing fragility of the Somalia context, and non-lending engagement would be needed over the course of the COSOP implementation. IFAD will need to be more proactive in policy engagement (ways for government, stakeholders, civil society organizations, citizens working together to address common issues and priorities) and developing new partnerships to better accompany the country's efforts towards improved sustainable rural development and resilience in a challenging context.
19. **Co-financing opportunities and partnerships.** The Somalia country programme is expecting to be able to attract international co-financing from the bilateral partners that had financed grant projects in the agricultural sector even when the country could not access IFAD PBAS resources and had helped the country to clear her debt arrears to qualify for core IFAD resources. It will also continue partnerships with the Global Environmental Facility (GEF), Adaptation Fund (AF), and Green Climate Fund (GCF), partly through the projects that have already been financed and which will be incorporated into the COSOP. Partnerships with Government Ministries, non-governmental organisations (NGOs) reflecting the interests of the rural producer organisations, women, youth and vulnerable groups such as IDPs and PWDs, to improve the portfolio implementation performance over the COSOP period. IFAD's partnership with private sector stakeholders will continue to feature strongly in the country. The thrust for agricultural digitalization under the COSOP will certainly raise the interest of youth to embark on agriculture as a business and for job creation, revolutionize sustainable farming and make the food systems operationally more efficient through climate resilient technologies and waste reduction. Expanded collaborations with private sector players to invest in these thematic areas as co-financiers will be crucial.

[1] World Bank. Somalia Economic Update. Integrating Climate Change with Somalia's Development: The Case for Water. November 2023.

<https://documents1.worldbank.org/curated/en/099112923061015154/pdf/P1797020c6401a00b0b2cd084f0d0a483a2.pdf>

[2] World Bank Macro-Poverty Outlook 2023

[3] AfDB. Somalia Economic Outlook 2023. <https://www.afdb.org/en/countries-east-africa-somalia/somalia-economic-outlook>

[4] World Bank. Somalia Economic Update. Integrating Climate Change with Somalia's Development: The Case for Water. November 2023

[5] IMF. Somalia: Sixth Review Under the Extended Credit Facility, Arrangement and Request for a Three-Year Arrangement Under the Extended Credit Facility— Debt Sustainability Analysis. December 2023.

<https://www.elibrary.imf.org/view/journals/002/2023/438/article-A002-en.xml>

[6] OECD. Transition Finance Toolkit. <https://www.oecd.org/dac/transition-finance-toolkit/>

[7] National Bureau of Statistics (2023). 2022 Somalia Integrated Household Budget Survey (SIHBS). <https://nbs.gov.so/wp-content/uploads/2023/07/SOMALIA-INTEGRATED-HOUSEHOLD-BUDGET-SURVEY.pdf>

SECAP background study

Introduction

1. The overall COSOP goal is "Improve sustainable rural development and resilience in a challenging context". The COSOP has three specific objectives; namely: SO1: Increased community resilience to external shocks and strengthened adaptation to climate change. SO2: Strengthened remunerative and job creating agricultural value chains through food system strengthening and inclusive market development, and SO3: Strengthened local institutions through policy support and capacity building to enhance sustainable development.
2. IFAD's SECAP and Objective. The Social, Environmental and Climate Assessment Procedures (SECAP) provides IFAD's guiding values and principles in order to define its strategy for assessing social, environmental and climate risks to enhance the sustainability of results-based country strategic opportunities programmes (RB-COSOPs), country strategy notes (CSNs), programmes and projects. SECAP 2021 applies to all new IFAD-supported programmes and projects entering the pipeline after 1 August 2021. Nine environmental, social and climate standards guide the assessment and management of investment risks: (i) 1: Biodiversity conservation, (ii) 2: Resource efficiency and pollution prevention, (iii) 3: Cultural heritage, (iv) 4: Indigenous peoples, (v) Labour and working conditions, (vi) 6: Community health and safety, (vii) 7: Physical and economic resettlement, (viii) 8: Financial intermediaries and direct investments, and (ix) 9: Climate change. An environmental and social exclusion list is provided in the SECAP Manual³⁷.
3. The SECAP Background Study is primarily based on a comprehensive desk review and consultations held during the mission with COSOP implementation partners and other stakeholders representing government, civil society, and donors. .

1. Situational analysis and main challenges

1.1. Socio-economic situation and underlying causes

4. **Population.** Somalia's population is estimated at over 18.1 million of which 60% live in rural areas. Annual population growth rate is some 2.9% and the average life expectancy at birth is 55.3 years.³⁸ Some 3.8 million people in Somalia were internally displaced in 2023.³⁹ Somali diaspora forms as important part of the population and can be found all around the world.
5. **Poverty.** According to the 2023 UNDP Human Development Index (HDI) poverty affects 88.9 percent of the population. The Gini index is 36.8. About 69 per cent of Somalis live under the international poverty line of US\$ 1.90 per day.⁴⁰ With an additional 10 per cent living within 20 per cent of the poverty line, almost 80 per cent of the population is vulnerable to even very small external shocks. The fragility and high conflict situations in Somalia have led to forced displacements, unemployment, and staggering poverty rates.
6. Poverty is widespread and deep in Somalia, particularly in rural households and IDP settlements. 90 percent live in multidimensional poverty (in addition to factoring in monetary deprivation, the multidimensional poverty index takes into account education of children and adults, access to improved water, improved sanitation and electricity). Somalia has the third-highest poverty rate in the region and almost three-fourths of the population among nomads, people in rural areas, IDP settlements, and Mogadishu are poor. Drivers of poverty are largely attributed to a 30-year-long state collapse, conflict, political instability, climate change,

³⁷ <https://www.ifad.org/en/-/social-environmental-and-climate-assessment-procedures>

³⁸ <https://www.unfpa.org/data/world-population/SO>

³⁹ <https://www.iom.int/news/displacement-somalia-reaches-record-high-38-million-iom-deputy-director-general-calls-sustainable-solutions>

⁴⁰ FGS 2020, Somalia National Development Plan 2020-2024

- environmental degradation, a lack of investment in critical basic social services, and weak economic performance.
7. **Remittances.** One in five Somali households receive remittances and most recipients rely heavily on them. But the lack of alternative means of income generation also puts them at risk of falling into poverty if remittance income is lost. The World Bank study on Poverty states that cash transfers provide an effective means of resilience to adverse shocks, but remain largely unavailable to the most vulnerable populations. IDP households are among the poorest households, and only around 7 percent receive remittances.
 8. **Food insecurity.** Climate change and conflict are often mentioned as the underlying issues in relation to food insecurity.⁴¹ Recurrent drought reduces food availability, including milk from livestock, and increase reliance on imports (even in the best agricultural season, domestic cereal production meets less than 40 percent of per capita needs). The crisis in Ukraine increased wheat prices by up to 300 percent in Somalia, putting additional pressure on households' resilience capacities which had already been severely eroded following years of recurrent droughts, floods and conflict. In December 2023, despite a large-scale humanitarian response, 3.7 million people (22 percent of the population) were experiencing high levels of acute food insecurity (crisis or emergency situation).⁴² Between January and March 2024, the situation deteriorated further when more than 4 million people faced high levels of acute food insecurity (IPC Phase 3 or above); this equates to almost 1 in 5 Somalis. In addition, 1.7 million children were likely to suffer from acute malnutrition.⁴³ IPC predicts that 3.4 million people are expected to face acute food insecurity (IPC Phase 3 or above) between April and June 2024.⁴⁴ This slight reduction reflects the anticipated normal to above-normal Gu rains that are expected to enhance pasture and water for livestock and increase agricultural activities in crop dependent rural areas.
 9. **Sustainable food systems:** The agriculture sector and food systems in general are hampered by low levels of productivity, a low degree of industrialization, limited processing facilities, high post-harvest losses, low product quality and a shrinking labour force due to urban migration. Somalia lacks robust food safety and quality controls, market information systems and a public food reserve to mitigate shocks. Many people, particularly women, have little access to credit, insurance or other financial services.
 10. **Decent work and child labour:** Workers in Somalia face deficits in decent work, marked by inadequate wages, unsafe working conditions, and a lack of social protection measures. This is particularly pronounced for the informal sector, which employs 572,818 persons (83.1 per cent of total employment).⁴⁵ 9.5 percent of children aged 5-14 are working, with 4.7 combining work and school.⁴⁶ Children in Somalia are subjected to the worst forms of child labour, including in armed conflict. In agriculture, the most common activities children are engaged in include: farming, including arranging harvested seeds and light cleaning; herding livestock, including goats, sheep, and camels; and fishing, including cleaning fish.

Women

12. Somalia's patriarchal society is organised and managed along the clan system, with among others, entrenched discriminatory social structures that perpetuate inequality. The Gender in Somalia report by UNDP indicates that Somalia's Gender

⁴¹ FGS 2020, Somalia National Development Plan 2020-2024

⁴² ReliefWeb (2023). [Somalia: IPC Food Security & Nutrition Snapshot | August - December 2023](#)

⁴³ [IPC-Somalia-Acute-Food-Insecurity-Malnutrition-Jan-Jun-2024-Report](#)

⁴⁴ Integrated Food Security Phase Classification (IPC). Somalia: Acute Food Insecurity Situation January-June 2024. https://www.ipcinfo.org/fileadmin/user_upload/ipcinfo/docs/IPC_Somalia_Acute_Food_Insecurity_Malnutrition_Jan_Jun2024_Report.pdf

⁴⁵ Labour Force Survey, Somalia National Bureau of Statistics, 2019

⁴⁶ Findings on the Worst Forms of Child Labor: Somali, 2020 (https://www.dol.gov/sites/dolgov/files/ILAB/child_labor_reports/tda2020/somalia.pdf)

Index is 0.776⁴⁷, which ranks it fourth globally. Women with multiple vulnerabilities – IDPs, youth, widowed and WHH – face particular vulnerabilities. Women’s participation in leadership and decision-making roles, in public and political spheres at all levels— national, state, local, remains low. Over the past decade, both attitudes and narratives regarding equality, women’s representation and participation have been improving in the public sphere in Somalia, with the development of several key frameworks including the National Gender Policy and the Somalia Women’s Charter.

13. **Labour.** The labor force participation rate in Somalia is 25.9 percent, indicating that just over a quarter of the working age population (aged 15 onwards) was either working or seeking employment. Men have a higher labour force participation rate of 39.4 percent, compared to women at 15.8 percent.⁴⁸ Household enterprises account for more than half of all steady jobs and women’s ownership of household enterprises contributes to one in four jobs for women.⁴⁹ Women have important and diverse roles in agriculture and are key players in rural households in terms of adaptation to climate change. More females are employed in the agricultural sector than men - at 67.8 percent compared to males at 60.1 percent.⁵⁰ When considering the distribution of the population engaged in agriculture across different areas of residence and by sex, in rural areas, men have a higher engagement at 51.0 percent, compared to 42.4 percent for women. However, in nomadic areas, women engagement is higher at 22.7 percent, compared to men at 14.4 percent.⁵¹ Women’s continued marginalisation in access to agricultural extension services, knowledge, resources and credit results in less food production and contributes to continued heightened food insecurity in the country.⁵²
14. **Agriculture.** Women are very active in value chains that require less land and capital, with short production cycles (for example, quickly maturing crops) and low but recurring profits. In particular, women are involved in milk value chains across the country, fodder and grass selling, and participate in some parts of the meat value chain. Many women are also engaged in fisheries, however mainly at the processing end of the production chain. Despite their active participation in agricultural value chains, few women own land and men remain the primary decision makers. Women and men play key roles in terms of crop production. However, time-consuming and labour-intensive tasks such as sowing, weeding, harvesting, threshing and husking are mainly women’s responsibility, while men are more involved in land preparation and ploughing. Women are under-represented in the formal labour force but they actively engage in the shadow economy through informal employment opportunities.
15. **Access to land.** 36.7 percent of total agricultural land is owned or held by women, while 63.3 percent is owned or held by men.⁵³ This trend is consistent across urban, rural and nomadic communities. The position of women with regards to land and property ownership has been weakened by conflict and subsequent breakdowns in law and order which have compromised traditional and customary laws for women, their social support systems and their access to land and property.
16. **Sexual Gender Based Violence (SGBV).** SGBV is widespread in Somalia, mostly perpetrated by men against women. Women, adolescents, girls and children represent 95 per cent of the survivors that reported incidents of violence against

⁴⁷ United Nations Development Programme (2012). Somalia Human Development Report 2012: Empowering Youth for Peace and Development, p.xviii.

⁴⁸ Women and Men in Somalia, Somalia National Bureau of Statistics, 2023. P.22 (<https://nbs.gov.so/wp-content/uploads/2024/03/Gender-Statistics-Booklet.pdf>)

⁴⁹ Breaking the cycle – Supporting inclusive access to more and better jobs in Somalia. World Bank, 2022

⁵⁰ Gender Equality: Hit or miss in the Somalia population, UNFPA, 2019

⁵¹ Women and Men in Somalia, Somalia National Bureau of Statistics, 2023. P.30

⁵² FAO. 2021. National gender profile of agriculture and rural livelihoods – Somalia. Mogadishu.

<https://doi.org/10.4060/cb6316en>

⁵³ *op cit* footnote 112 pp.32

women in 2020.⁵⁴ 75 per cent were from displaced communities.⁵⁵ However, due to stigma, SGBV and violence against women are often under-reported in Somalia. Women and girls in Somalia are exposed to SGBV resulting from protracted conflict, inequalities, climate change impacts and induced displacement and the humanitarian crises that the country experiences. Rape, gang rapes, sexual assault, physical assault, forced marriage, denial of resources, opportunities or services, and psychological and emotional abuse are most frequently reported.

17. SGBV is fuelled by perennial clashes among clans related to disputes over land as well as the fragile security situation in IDP sites. In south and central Somalia, widespread conflict, violence and exploitation are perpetrated by non state armed groups. Reports from those displaced by drought in Somalia indicate a 200 percent rise in GBV cases, particularly intimate partner violence and rape, compared to the same period in 2021.⁵⁶
18. **Early marriage and forced marriage.** Early and forced marriage continues to be pervasive in Somalia, particularly within the context of prevailing poverty and bias which perpetuates favouritism of boys over girls. Girls are usually married at an early age due to family's needs to ensure social and economic security, women are traditionally valued by their ability to procreate. There are twice as many females of aged 15-19 who are married compared to males.⁵⁷ Marriage is perceived as a means for women and girls to demonstrate their value in society, gaining privilege, respect and recognition as a mother of a clans' children. Early marriage is perceived to be both a cultural and a religious requirement in Somalia since there is a lack of consensus among key stakeholders (i.e. religious and civil society actors) on the age of marriage or maturity.
19. **Women in leadership and decision-making roles.** Somalia's provisional Constitution includes a number of passages which underline the involvement of women in leadership and decision-making. 24 percent, almost a quarter, of lower house parliamentary seats are secured by women. Somalia's achievement of equal and meaningful participation of women is inhibited by a lack of access to financial support, promotion of male candidates by clan elders and political elites and a lack of connections compared to male peers.
20. **Female headed households.** The civil war, drought, and male migration have dramatically increased the number of female-headed households. Female headed households have a higher prevalence of poverty in urban and nomadic settings. In nomadic areas, 81.5 percent of households headed by females are poor compared to male-headed households at 77.0 percent.⁵⁸ In contrast, in rural areas female-headed households have lower poverty rates than those headed by males, at 62.4 percent and 68.6 percent. Somalia's society is patriarchally organised and a family headed by the men represents 'the fundamental social unit' within the society. Women are treated as and cared for as members of their own paternal family, even after marriage.

Youth.

21. The National Youth Policy focuses on the Somali youth between 15 and 40 years old. According to the Population Estimation Survey for Somalia (PESS) carried out between October 2013 to March 2014, out of the total population of 12.3 percent, 45.6 percent of the Somali population was below the age of 15 and 81 percent was below the age of 35.⁵⁹ The youth experience is largely driven by poverty, food insecurity, lack of access to education and healthcare, early marriage,

⁵⁴ Overview of Violence against women in Somalia, UNFPA, 2021

⁵⁵ *op cit* footnote 114

⁵⁶ CARE: Women and girls left vulnerable to worsening drought (Oct 2022)

⁵⁷ Gender Equality: Hit or miss in the Somalia population, UNFPA, 2019

⁵⁸ Somalia Poverty Report, Federal Republic of Somalia - Somalia National Bureau of Statistics, 2023. P.31 (<https://nbs.gov.so/wp-content/uploads/2023/12/Somalia-Poverty-Report-2023.pdf>)

⁵⁹ Somalia National Youth Policy, Population Estimation Survey for Somalia. United Nations Population Fund, 2014. (<https://somalia.unfpa.org/sites/default/files/pub-pdf/UNFPA%20Somalia%20National%20Youth%20Policy%20Eng%20fa.pdf>)

unemployment and under-employment, lack of political participation, radicalisation and consumption of drugs (especially khat). Two out of three youths live in poverty-affected families facing food insecurity. More than half of Somali youth are illiterate; two out of three have no formal education.⁶⁰

22. Young people in Somalia are not a homogenous group. Youth living in rural areas, IDP camps, nomads account for over half of total youth. 22 per cent live in rural areas; 26 percent are nomads and 7 percent are IDPs.⁶¹ These youth suffer from low access to services, including education, health, water, and sanitation. Youth in IDP camps, especially girls, suffer more from insecurity than host communities. Young girls face additional vulnerability due to forced early marriage and violence against women. Young males are most in danger of being recruited into terrorist or crime groups.
23. With Somalia's high fertility rate, the youth population is projected to reach 4 million by 2030, and the youth are at risk of being left behind with too few jobs. The challenge of creating more and better jobs for Somalia's women and men is urgent. Youth aged 15 to 24 made up 17.8 per cent of the labour force participation rate share.⁶² Overall, male youth have a higher labour force participation rate of 16.4 percent, compared to 8.1 percent for female youth.⁶³ Unemployment among youth is 33 percent for the age group of 15-24 years, 30.4 percent among the population aged 15-29 and 27.6 percent for the population 15—35 year⁶⁴. There is a wide gap among the proportion of youth aged 15-24 who are not in education or employment, or training (NEET). Overall, NEET rate is higher among young females at 51.5 percent than among young males at 30.6 percent.⁶⁵
24. Major barriers to employment are lack of skills and experience; corruption; insecurity (lack of freedom of movement and access to land and businesses); and discrimination based on sex. Insufficient support and guidance in career development, limited access to vocational training and a lack of targeted initiatives for entrepreneurship and self-employment further impede youth employment prospects.

⁶⁰ USAID/Somalia Youth Assessment, January 2020

⁶¹ USAID/Somalia Youth Assessment, January 2020

⁶² Voluntary National Review Report 2022, Agenda for Sustainable Development, 2022, The Federal Republic of Somalia

⁶³ Women and Men in Somalia, Somalia National Bureau of Statistics, 2023. P.23

⁶⁴ Somali Adolescents and Youth: Boom or Gloom?, UNFPA Somalia, 2019. (<https://somalia.unfpa.org/sites/default/files/pub-pdf/Youth%20Report.pdf>)

⁶⁵ Women and Men in Somalia, Somalia National Bureau of Statistics, 2023. P.24

Nutrition

25. Malnutrition in Somalia varies seasonally and regionally, as a result of inadequate quality and quantity of food, but also as a combination of factors such as child illnesses, high morbidity, micronutrient deficiencies, low immunization levels, gender inequality and discriminatory sociocultural attitudes leading to poor care practices. Malnutrition levels in children are very high. According to the last DHS, 27 percent of children under the age of five are stunted or too short for their age, and 16 percent are severely stunted, while 12 percent are wasted and 6 percent severely wasted. Twenty One percent of children under the age of five are underweight, with 11 percent severely underweight (SDHS)⁶⁶. Nutrition indicators tend to suggest that outcomes are worse for women and children. Iron-deficiency or anaemia in women is at 40 percent. Anaemia affects an alarming 38.5 percent of school-aged children (6–11 years) and 46.6 percent of non-pregnant women (15–49 years). Moreover, 34 percent of children and 11 percent of women have vitamin A deficiency⁶⁷.
26. Only 52 percent of the population in Somalia have access to a basic water supply. Limited regulation of private water suppliers often leads to expensive prices, forcing families to fetch water from far and from unsafe open wells. Open defecation is common practice and 28 percent of the population defecate in the open⁶⁸. Without access to clean water, toilets and good hygiene practices, the risk of contracting easily preventable diseases, such as diarrhoea, acute watery diarrhoea, cholera, and respiratory infections, is high. According to the SDHS survey, just over half (57 percent) of rural households and 35 percent of nomadic households have access to improved water sources. Forty-three percent of household members have access to piped water coming into their dwelling, yard or plot. Twelve percent of the households travel for at least 30 minutes or longer to get water. Nomadic household members travel the longest distances to get water. Forty-six percent of nomadic households, 14 percent of rural and 5 percent of urban households travel longer than 30 minutes, to access improved water sources⁶⁹. As collecting water is often the responsibility of girls and women – and it can be very dangerous. Many women and girls face conflict at water points and the risk of physical or sexual assault. Spending time collecting water also limits their time and possibility to go to school and work. This has an impact on not only the girls and women but also their communities and the economy at large.
27. As a consequence of perpetual food insecurity and malnutrition infant mortality is high and life expectancy is low (57 years). Women are also systematically more malnourished than men and also less food secure. Households dependent on women for food or income to buy food are over represented in the category of households with poor food consumption, few income sources and limited assets. These households eat less than four food crops and are forced to use extreme coping strategies such as skipping meals for an entire day or sending children away to eat elsewhere. The consumption patterns do not vary substantial across the different livelihood systems (rural, pastoral, urban and IDP). ⁷⁰Cereals (mostly consisting of maize, sorghum, and imported rice and wheat) dominate consumption as they represent the cheapest food category and over 40 percent of households

⁶⁶ Somalia National Bureau of Statistics, The Somali Health and Demographic Survey, 2020.

⁶⁷ Ministry of Health FGS, FMS, Somaliland, UNICEF, Brandpro, GroundWork. Somalia Micronutrient Survey 2019. Mogadishu, Somalia; 2020.

⁶⁸ UNICEF/WHO 2019 JMP Updates

⁶⁹ See note 46

⁷⁰ Office of the Prime Minister, Scaling Up Nutrition Movement and WFP. 2019. Somali Fill the Nutrient Gap and Cost of the Diet Assessment.

do not meet energy requirements. A 2019 study indicated that only two households in ten could afford a nutritious diet⁷¹.

28. **Marginalised Groups People with disabilities.** The overall prevalence of disability in the population aged 18 years and above is 11.7 percent. Women have a slightly higher prevalence of disability at 12.6 percent compared to men at 10.5 percent.⁷² Persons with disabilities of all age groups are marginalized and at risk in Somalia with their number likely to be higher than the global estimate of 15 percent given the humanitarian and fragile context and limited access to healthcare. The Common Country Assessment finds that people with disabilities are at heightened risk of violence and abuse, a situation that is worsened by social stigma associated with intellectual and psychosocial disabilities. People with disabilities face physical, communication, attitudinal and policy barriers which mean they can be inadvertently excluded from receiving appropriate humanitarian assistance or being able to engage in decision-making or accountability processes. Despite the low progress in the reestablishment of rule of law Somalia became the 180th State Party to the Convention on the Rights of Persons with Disabilities (CPRD). People with disabilities are often denied access to water, food and sanitation through lack of inclusion in humanitarian responses (UNOCHA, 2020).
29. **Minorities and non-minority clans.** Clans and groups in Somalia define the relationship between people and all actors. There are several clans and sub-clans in Somalia contributing to cultural and social diversity, and often fuelling conflict between different groups. In most areas the dominant clans exclude members of other groups from effective participation in governing institutions and subject them to discrimination in employment, judicial proceedings, and access to public services. Minority groups, often lacking armed militias, are disproportionately targeted by faction militias and majority clan members, facing numerous forms of discrimination.⁷³ In addition to the differences in origin, many members of minority groups speak a language or dialect different from 'standard' Somali, providing additional barriers in accessing information, aid, and basic services.⁷⁴ Importantly, the status of the minority clans is relative and depends on the local context.
30. The Dirr, Hawiye, Darood are considered dominant clans, alongside the Rahanweyn/Digil-Mirifle. Nationally the Rahanweyn/Digil-Mirifle are sometimes referred to as marginalised clans, and seen as a 'low status clan'.⁷⁵ However, in terms of vulnerability to shocks, there is huge diversity within the sub-clans of this group – and even within the less vulnerable clans, ranging between very resilient and very vulnerable.⁷⁶ Minority clans include: a) agricultural ethnic minorities known as Wagosha, Jareer or Bantus; b) low status occupational minorities including the Gabooye (and their subgroups Madhibaan and Muse Diriye), the Yibir, the Galgale, the Tumul, the Gahayle, the Yahar and the Ugaadhyahan/Ugaaryahan, Eyle, Hawle and Hawrasame; c) non-minority clans, i.e. the Rahanweyn/Digil-Mirifle (Saab) and the Tunni, Begedi and Geledi; d) dgroups that were traditionally specialised in religious services, namely the Ashraf and the Sheikha.⁷⁷

⁷¹ Office of the Prime Minister, Scaling Up Nutrition Movement and WFP. 2019. [Somali Fill the Nutrient Gap and Cost of the Diet Assessment](#).

⁷² National Disability Report, Somalia National Bureau of Statistics, 2024. (<https://nbs.gov.so/wp-content/uploads/2024/03/National-disability-report.pdf>)

⁷³ Somalia 2020 Human Rights Report, United States Department of State, Bureau of Democracy, Human Rights and Labor. P.36 <https://www.state.gov/wp-content/uploads/2021/03/SOMALIA-2020-HUMAN-RIGHTS-REPORT.pdf>

⁷⁴ Clear Global (2022). Language use in Somalia: Quantitative research findings. An analysis of language data collected in REACH's assessment of hard-to-reach areas. <https://reliefweb.int/report/somalia/language-use-somalia-quantitativereasearch-findings-analysis-language-data-collected-reachs-assessment-hard-reach-areas-march-2023>

⁷⁵ Somalia Targeted profiles Country of Origin Information Report. European Asylum Support Office, September 2021

⁷⁶ Somali capacities to respond to crisis are changing; how are humanitarian actors responding?, Humanitarian Outcomes under the Humanitarian Rapid Research Initiative (HRRI), 2023.

⁷⁷ Somalia Targeted profiles Country of Origin Information Report. European Asylum Support Office, September 2021

31. **Internally Displaced People.** Approximately 3.8 million people were considered internally displaced in 2023.⁷⁸ The number of IDPs are rapidly increasing and stood at only 1.1 million people some 5 years ago.⁷⁹ IDPs currently account for about 18 percent of the country's population – between 2.6 and 2.9 million people. Geographically, although concentrated around Mogadishu, IDPs are located in every region of the country and are made up predominantly of women and children. They tend to be poor, the most reliant on food aid and have the poorest nutritional status in the country. The largest concentration of IDPs, around half a million, are in the Somali capital, Mogadishu. Some were displaced nearly 30 years ago, whereas others continue to arrive in the city on a daily basis due to conflict and climate factors.
32. According to the UNHCR-led Protection and Return Monitoring Network (PRMN, 234,000 displacements within Somalia were recorded in February 2023. Out of the total displacements in February 2023, the vast majority, 62 percent were attributed to conflict/insecurity, 34 percent because of the drought, and 4 percent due to other reasons. The top five humanitarian needs of the displaced families were food (53 percent), followed by shelter (18 percent), and livelihood activities (12 percent).⁸⁰

Target group profiles

1.2. Environment and climate context, trends, and implications

33. **Geography.** Somalia is situated on the Horn of Africa and covers an area of 637,660 km². It has the longest coastline in Africa, with shores on the Gulf of Aden to the north and the Indian Ocean to the east. The country is bordered by Kenya to the south, Ethiopia to the west and by Djibouti to the north-west. Its land area is 98.4% (627,337 Km²) and its water area 1.6% (10,320 Km²). The country comprises of highlands in the north with the rest of the country mainly plateaus, plains and coastal plains. About 80% of Somalia consists of arid and semi-arid lands. These lands are subject to extreme climatic conditions, including high average surface temperatures, prolonged periods of drought, very erratic rainfall and high winds. Indeed, much of the country is arid and semi-desert making it relatively unproductive for agriculture, with nomadic pastoralism a prevailing livelihood among rural communities. Approximately 50% of Somalia's land area can be considered permanent pasture while 13% is suitable for cultivation.
34. **Land.** Pastoralism is the main land use in Somalia with the sector employing over 60% of the population and generating 80% of foreign exchange.⁸¹ Other land uses include rain-fed agriculture, irrigated agriculture and forestry. Assessments by UNCCD have revealed that for the period of 2000 to 2015, 26.7% of the total land area of Somalia was degraded (147'704 sqm). The causes identified include: overgrazing, non-sustainable agriculture, over-exploitation of forests and woodlands for charcoal production, resettlement and urbanisation, which are driving water, wind and chemical erosion as well as a decline in surface water quality and loss of biomass.⁸² The central and northeast areas of Somalia are most affected by the loss of vegetation cover (approximately 1.4% per year). There are direct and indirect causes of land degradation. Direct causes include human activity (overgrazing, tree cutting for fuel wood and charcoal production, and poor agronomic practices such as down-slope tillage and burning of animal manure (instead of incorporating it into the soil), and limited use of soil and water conservation practices in crop-production areas.

⁷⁸ The Operational Data Portal, [Horn of Africa Somalia Situation](https://data.unhcr.org/en/situations/horn/location/192), 2024 (<https://data.unhcr.org/en/situations/horn/location/192>)

⁷⁹ Somali Poverty and Vulnerability Assessment, World Bank, 2019. (<https://documents1.worldbank.org/curated/ar/929151578943308865/pdf/Somali-Poverty-and-Vulnerability-Assessment-Executive-Summary.pdf>)

⁸⁰ Somalia Operational Update, UNHCR, 2023. <https://data.unhcr.org/en/documents/details/102168>

⁸¹ <https://www.faoswalim.org/land/land-use>

⁸² UNCCD (2020). Land Degradation Neutrality Target Setting Process in Somalia. Available [here](#)

Free/over-grazing has led to habitat degradation in multiple ways such as leading to stunted growth of vegetation due to browsing pressure, overgrazing, on the other hand, has marred the natural regeneration of the woody vegetation.⁸³ The indirect causes include land tenure, illiteracy, poverty, war and conflict, weak governance, and high population density.⁸⁴

35. **Biodiversity.** Somalia has one of the richest bio diversities in the Horn of Africa with a high level of endemic species. The country is home to some 3,028 species of higher plants, of which 17 are known to be threatened. Somalia is considered a center of floral endemism and of the known species, 700 (17 percent) are endemic. Somalia has a coastline of 3,333 km², presenting challenges and opportunities for sustainable product use and biodiversity conservation. About 6'747'000 ha are forested (10.8% of the country's area). However, between 2001 and 2021, tree cover decreased by 4.9%, and the annual rate of deforestation is estimated at 1.03% (twice the average of Africa as a whole)⁸⁵. Main drivers include overgrazing and charcoal production (second most exported commodity after livestock), which have had a profound impact on species composition, ground cover and the structure of vegetation.⁸⁶ Other challenges include: habitat losses and degradation, climate change effects, overexploitation, pollution, invasive alien species, civil war, and Tsunami.
36. Ecosystem Goods and Services (EGS) have traditionally been vital for the populations in Somalia. As an example, bearing in mind the predominant pastoral and agri-based economy of Somalia, EGS significantly provides regulating services such as flood, drought, pest, and disease control. The money-based economy was choked for nearly two decades, the Ecosystem Goods and Services (EGS) still provided the essential provisions for the population's survival.
37. **Water resources.** Somalia is an arid and dry country receiving annual rainfall below 500mm; with the northeast receiving about 100mm. The southern part of the country hosts the only two permanent rivers (Juba and Shabelle) which support the country's agricultural area; and supply water to the largest city, Mogadishu, in addition to approximately 40% of the total population. Renewable internal freshwater resources in the country are on the decline (589 m3 in 2005- 2009 to 572 m3 in 2010-2014; World Bank, 2014), with skewed distribution regionally – most availability of water stands in the Juba and Shebelle basins. Ground Water is the main source in Somalia with the exception of the people living along the Juba and Shabelle Rivers. Water is the critical resource that ultimately determines livelihoods. Historically water management was integrated with livestock management, however currently irrigation for agricultural use accounts for over 90% of water use. In addition, much unplanned water is supplied for construction (berked, balley, wells).
38. **Climate trends and impacts.** Somalia is generally arid and semi-arid with two seasonal rainfall seasons. The National Adaptation Programme of Action (NAPA) 2013 delineates four climatic zones in Somalia: the desert zone in the northeast; the arid zone in the central area of the country; and the semi-arid and humid zones in the south and parts of the northwest. The climate in Somalia is influenced by a number of factors, including the Inter-Tropical Convergence Zone (ITCZ), monsoonal winds and ocean currents, jet streams including the Somali Jetstream or Somalia Current, tropical cyclones, and neighbouring Indian Ocean and Red Sea conditions.⁸⁷
 - a. **Temperature.** The annual mean temperature is close to 30°C throughout the country.⁸⁸ Average monthly temperatures reach their maximum during the

⁸³ Federal Government of Somalia, 2015, National Biodiversity Strategy and Action Plan (NBSAP) for 2015-2020

⁸⁴ FAO SWALIM Website <https://www.faoswalim.org/land/land-use>

⁸⁵ <https://blogs.worldbank.org/en/african/somalia-needs-its-trees-restore-landscapes-and-livelihoods>

⁸⁶ <https://documents1.worldbank.org/curated/en/742491594100313982/text/Somalia-Country-Environmental-Analysis-Diagnostic-Study-on-Trends-and-Threats-for-Environmental-and-Natural-Resources-Challenges.txt>

⁸⁷ <https://climateknowledgeportal.worldbank.org/country/somalia/climate-data-historical#:~:text=Climate%20in%20Somalia%20is%20influenced,Ocean%20and%20Red%20Sea%20conditions.>

⁸⁸ <https://climateknowledgeportal.worldbank.org/country/somalia/climate-data-historical>

months of April through June. June to September are the hottest months in the north, while December to March marks the hottest weather for the south. Since the 1960s, a warming trend has been observed in Sub-Saharan Africa. The mean annual temperature is 26.91°C (1901-2016)

- b. **Precipitation.** Precipitation is generally low across the country with high spatial and temporal variability. The average annual rainfall is about 200 mm in most parts of the country. The northern maritime plains are extremely hot and arid with an average annual rainfall of less than 200 mm. Rainfall in the south is higher at approximately 400 mm and highest in the southwest with around 700 mm rainfall on an annual average.⁸⁹ The mean annual precipitation is 265.44mm (1901-2016).⁹⁰

Below is a graph Monthly Climatology of Average Minimum Surface Air Temperature Average Mean Surface Air Temperature, Average Maximum Surface Air Temperature & Precipitation 1991-2020; Somalia

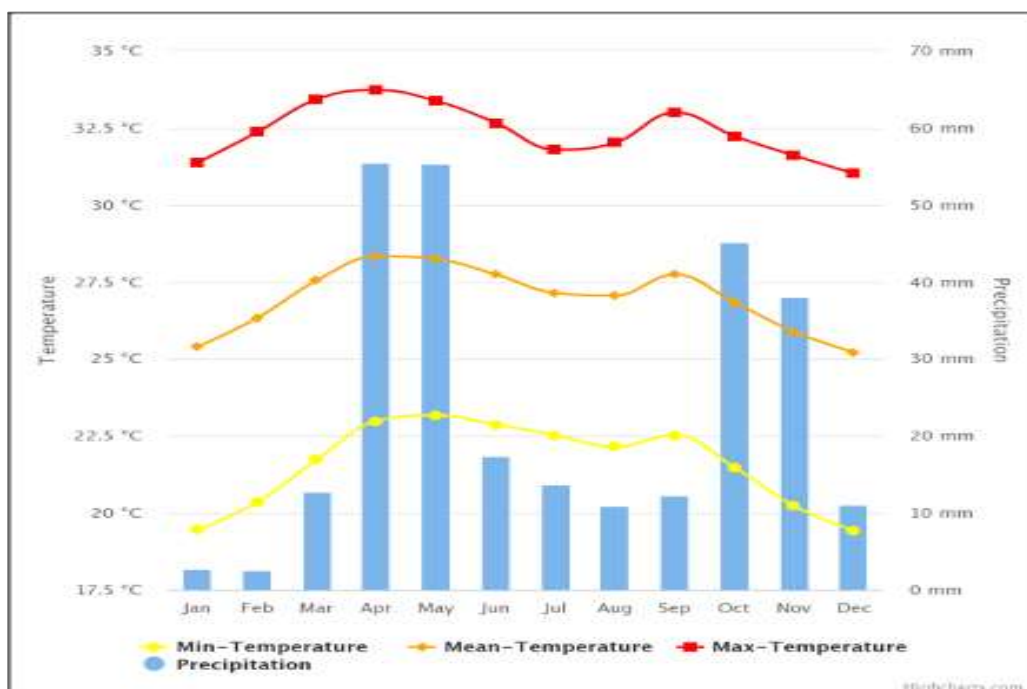


Fig. 1: Monthly temp & precipitation trends(1991-2020) Source: World Bank Climate Knowledge Portal Somalia

39. **Seasons.** Somalia is generally arid and semi-arid with bi-modal rainfall. The rainfall is influenced by the Inter-Tropical Convergence Zone (ITCZ), the north-south movement, monsoonal winds and ocean currents, and tropical cyclones, which results in two rainy seasons and two dry seasons in a year:
- The “**Gu**” rain season starts as early as the second half of March. Precipitation intensifies in April across the country, except for the north-eastern coastline which receives the least amount of rainfall during this season. Relatively wet and hot conditions prevail, Gu being considered the major rainy season in the country. Occasionally the Gu season extends into June or July because of the Haggai rains, which are produced by the onset of moist onshore winds.
 - The dry “**Hagaa**” dry season runs from July to September and is associated with cool sea breezes from the Indian Ocean that results in light coastal rains

⁸⁹ <https://climateknowledgeportal.worldbank.org/country/somalia/climate-data-historical>

⁹⁰ <https://climateknowledgeportal.worldbank.org/country/somalia/climate-data-historical>

in July and August. The South-west monsoon dominates, bringing relatively cool conditions, with showers along the coast but dry inland.

- The **"Deyr"** light rainy season is characterized by a shorter duration and fewer amounts of precipitation in the months of October to the end of November.
- January to March is the longest dry season known as **"Jilaal"**. This season results from ITCZ emerging from the dry Arabian Peninsula.

40. **Climate Hazards:** The country is vulnerable to several natural hazards, including drought, floods, cyclones, and climate-related diseases and epidemics. Below is a description of various hazards that affect Somalia⁹¹:

- a) **Droughts:** More frequent and intense droughts are already having devastating impacts on the lives and livelihoods of Somalis. For example, impacts of the prolonged drought in 2023 as a result of five consecutive failed rainy seasons (from 2020-2022) was catastrophic food insecurity and famine, diseases, deaths and displacements, with over 8.3million people requiring humanitarian assistance.⁹² The drought in 2022 has been particularly harsh in Jubaland, Southwest and Galmudug states (central regions) and parts of Puntland. Severe water shortages and drought conditions have also been reported in parts of Jubaland, South West (Bakool, Bay), and Banadir regions.⁹³ The El Niño Southern Oscillation (ENSO) influences Somalia's climate variability in several ways, bringing more rainfall and flooding during El Niño and droughts in La Niña years.
- b) **Flash Floods:** In addition, Somalia also faces the paradoxical challenge of flash floods, especially during the two main rainy seasons - the Gu (April to June) and the Deyr (October to December). These floods are often sudden and intense, exacerbated by localized heavy rainfall. For example, the May 2023 flooding of the Shabelle River caused 22 deaths and substantial displacement in the Hiran region, specifically in the districts of Beledweyne, Buloburte and Jowhar District of the Middle Shabelle Region. Beledweyne, the district most severely affected, saw over 219,000 people displaced.⁹⁴ These floods devastated critical water, sanitation, and hygiene (WASH) infrastructure, inundated crops and farmlands, and resulted in the loss of thousands of livestock thus exacerbated food security challenges and threatened the livelihoods of populations already grappling with severe drought conditions.⁹⁵
- c) **Cyclones and Storm Surges:** Somalia's coastline along the Indian Ocean is periodically threatened by tropical cyclones. These cyclonic events, though less frequent than droughts and floods, can be severely destructive when they occur. Cyclones can result in extensive damage to infrastructure, loss of life, displacement, and saline intrusion into freshwater resources. The storm surges associated with these cyclones can inundate coastal regions, affecting both human settlements and coastal ecosystems.
- d) **Rising Sea Levels:** With global warming, sea levels are rising, posing a long-term threat to Somalia's extensive coastline. A rise in sea levels can lead to coastal erosion, saline water intrusion into freshwater sources, and the potential loss of habitat. The livelihoods of communities dependent on coastal resources, including fisheries, are at risk.

41. The figures below show that droughts and flooding have been the dominant natural hazards in Somalia alongside epidemics since the start of the 20th Century. However,

⁹¹ <https://climateknowledgeportal.worldbank.org/country/somalia>

⁹² <https://reliefweb.int/disaster/dr-2015-000134-som>

⁹³ Somalia Drought response plan 2022

⁹⁴ Ocha, 2023. Flashfloods and Riverine Floods.

⁹⁵ Ibid

between 1985 and 2018, floods and droughts have become by far the leading risks in terms of the number of people affected.

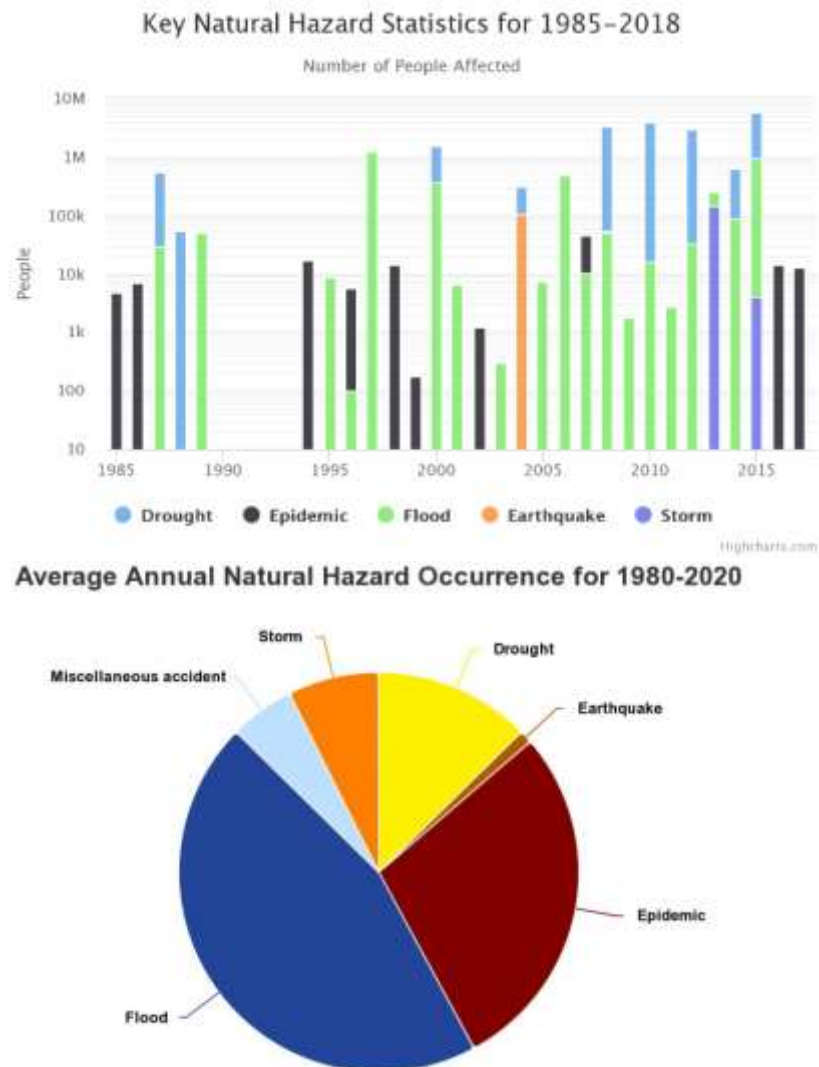


Fig 2: Natural Hazards Statistics in Somalia

Source: World Bank Climate Knowledge Portal

42. Climate projections. Climate change is projected to cause increasing temperatures and inter annual variability of variability according to global and regional models.

- c. Mean temperatures are expected to increase across all areas of Somalia between 3.2°C and 4.3°C. In the shorter term, all regions in Somalia will experience an increase in annual temperature of 1°C to 2.5°C for the period 2036-2065 compared to the 1971-2000 period.
- d. Annual rainfall, especially in the North-East, will increase under scenarios RCP 4.5 and RCP 8.5. However, monthly precipitation shows different patterns and indicates an increase in rainfall intensity and frequency. Summer months (June, July, August and September) show decreasing trends in rainfall under all scenarios in almost all areas while October, November and December show significant increases all over Somalia. Days with very low precipitation are projected to increasingly occur for the same time period. On the other hand,

there is a projected increase of 24.17% in number of very wet days for the period 2040-2059 under RCP 4.5 compared to 14.11% under RCP 8.5.

- e. Increases in rainfall intensity and temperature may in turn increase the risks of both prolonged flooding and drought respectively. The Severe Drought Likelihood is likely to reach its highest towards the end of the century with a steady increase under RCP 8.5. Somalia is also considered under high risk of coastal flooding due to projected increase in sea level rise⁹⁶.

21. Below is a graphic presentation of changes in mean temperatures and rainfall for Somalia during different months of the year under scenarios RCP 4.5 and RCP 8.5.

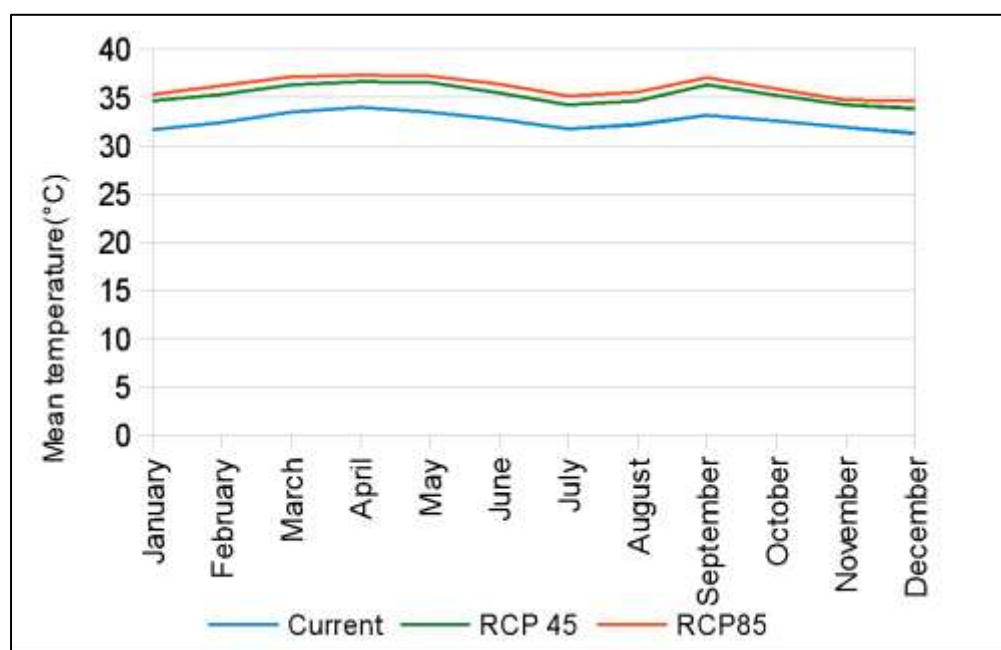


Figure 3: relative monthly trends of Mean temperature currently and into the future scenarios of RCP 4.5 and RCP8.5. Source: Food Security and Nutrition Analysis Unit (FSNAU)

⁹⁶ GFDRR and World Bank (2021). ThinkHazard – Somalia [Last Accessed = 03/03/2021: <https://thinkhazard.org/en/report/226-somalia>]

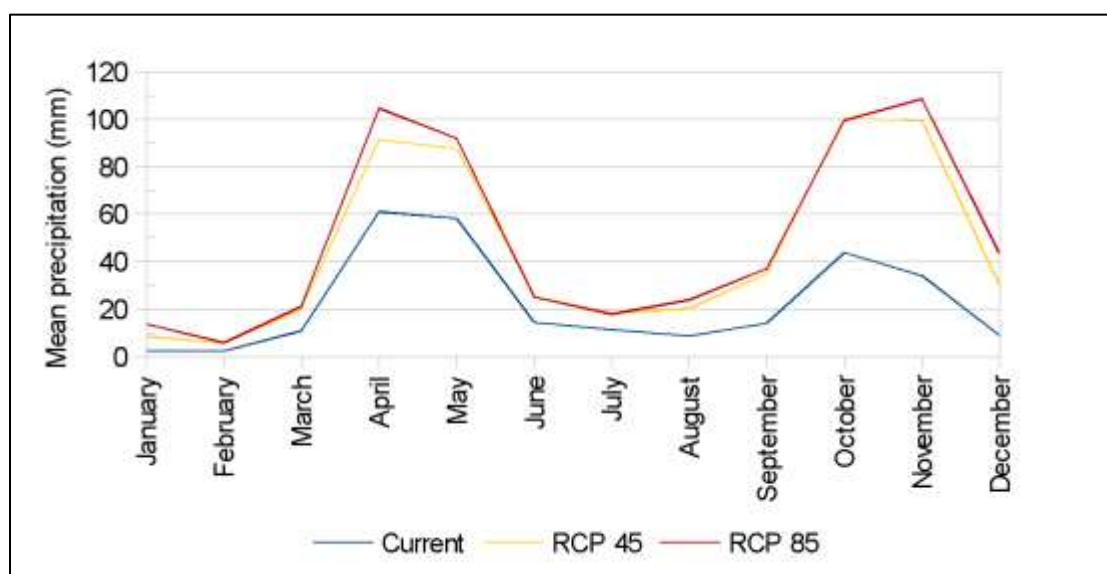


Figure 4: relative monthly trends of rainfall currently and into the future scenarios of RCP 4.5 and RCP8.5. Source: Food Security and Nutrition Analysis Unit (FSNAU)

43. **Vulnerability.** Somalia is one of the most climate vulnerable countries. The high vulnerability score and low readiness score of Somalia places it in the bottom-left quadrant of the ND-GAIN Matrix, ranking Somalia of 178/185 countries. Low readiness is driven by low scores in the following indices: doing business, political stability, rule of law, corruption, ICT infrastructure, social inequality, education and innovation. High vulnerability is driven by low scores in adaptive capacity factors such as food, habitat, water, ecosystem services, infrastructure, etc, where the lowest scores are in protection of the biome, presence of medical staff, age dependency ratio, roads/trade and transport infrastructure, dam capacity, vector borne diseases, malnutrition and agricultural capacity.
44. **Impact.** The projected changes in temperatures and rainfall in both scenarios will have serious implications for the agriculture and livestock sector, affecting countless livelihoods and foreign exchange earnings. Also, affecting other critical sectors including water, health, disaster risk management, and environment. Vulnerable populations such as women, children, and internally displaced persons, risk experiencing extended droughts, intermittent floods, storms, and diseases among other climate shocks, further increasing vulnerability in the country.⁹⁷
45. Somalia has a great need for investment and innovations to improve readiness to future climate hazards, and reduce its vulnerability urgently. The country's largely pastoral and agro-pastoral communities face escalating threats from recurrent droughts and flash floods, both of which imperil their traditional livelihoods. These climatic adversities have intensified food and water insecurities, often leading to large-scale internal displacements. The existing political and institutional challenges only exacerbate these impacts, limiting effective climate-responsive interventions and long-term adaptation strategies. Without significant mitigation and adaptation efforts, the climatic threats could further destabilise an already vulnerable nation.

2. Institutions and legal framework

2.1. Institutions

⁹⁷ Ogallo, L. A., Omondi, P., Ouma, G., & Wayumba, G. (2018). Climate change projections and the associated potential impacts for Somalia.

The following institutions will play an important role in the implementation of environment, climate change and social safeguards measures of the COSOP:

- 1) The **Ministry of Environment and Climate Change (MoECC)** is responsible for creating and implementing environmental policies and strategies in Somalia. Its aim is to promote sustainable management and standards for protecting critical habitats, combating desertification, and restoring natural resources. The MoECC works in collaboration with relevant government structures at the federal and state levels. The Ministry has developed a strategic plan for the period 2023-2028 whose theme is resilience in environmental management and climate adaptation for sustainable development.
- 2) **National Climate Change Committee (NCCC)** - NCCC is a multi-stakeholder, high level policy coordination committee and is responsible for supervising the overall implementation of climate change activities in Somalia. It comprises the Prime Minister (or his designate), Director General (DG) of the Ministry of Environment and Climate Change, Sectorial Ministries, Directors of Governmental Agencies, Member States' Ministers for Environment, the private sector and civil society organizations. The primary roles of the NCCC is to supervise and provide overall coordination, at policy level, to accelerate the implementation of the policy
- 3) The **Ministry of Agriculture and Irrigation** creates an enabling environment for agricultural development, food security while sustaining the natural environment and promoting inclusion
- 4) The **Ministry of Livestock, Forests and Range** is responsible for conserving national forests, managing ranges and grazing systems and contributing to drought and desertification combatting efforts
- 5) The **Ministry of Planning, Investment and Economic Development** coordinates all government and non-government agencies, develops medium and long-term strategies for sustainable economic development and seeks donor support.
- 6) The **Ministry of Women and Human Rights Development** of Somalia is mandated to advance the promotion and protection of gender equality and human rights, including the rights of women, children and other vulnerable groups.
- 7) The **Ministry of Youth and Sport** is the ministry responsible for youth issues and implementation of the general youth policy.
- 8) **Federal Member States** oversee policy development and implementation in their respective regions.
- 9) UN agencies and international NGOs can provide expertise in natural resource management, while community groups, religious leaders, women, youth, and the private sector can also support mainstreaming efforts of the project.

Somalia faces challenges in the effectiveness of institutions in addressing and mainstreaming the environment, climate change and women's issues. These challenges include inadequate staffing and skills, limited access to information and technology, inadequate physical assets, and weak operational coordination mechanisms for environment, climate change and women's issues.

2.2. Policy and regulatory frameworks

46. **Environment and climate change:** Somalia's Ninth National Development Plan (2020-2024) is a national development blueprint which integrates environmental protection and recognizes the threats posed by climate change, promoting the mainstreaming of environment and climate change into development objectives. The plan prioritises strategic interventions with multiple benefits, including economic benefits, environmental sustainability, conflict reduction, strengthened governance, and reduced exclusion. Further, the National Environment Policy 2019 aims to manage natural resources sustainably in Somalia and adopt conservation, mitigation, and

adaptation approaches to address climate change. Somalia's National Climate Change Policy (2020) offers a strategic direction on climate change for the government, particularly on adaptation measures, social development, and the mitigation of climate change impacts. The policy enables better coordination of climate change work in the country and promotes opportunities for cooperation and collaboration between the national and sub-national levels of government as well as with development partners, international and regional institutions. The country is developing National Adaptation Plan (NAP) with support from GCF. To guide and advance *Somalia's NAP* process, Somalia NAP framework 2022 has been developed by Somalia. The Updated Nationally Determined Contribution (NDC) of Somalia (2021) is a commitment made by the country in the context of the Paris Agreement, to achieve low emissions and climate-resilient sustainable development. The updated NDC focuses on building resilience and adaptation to climate change, recognizing the vulnerability of Somalia's economy and population to climate and weather-related shocks. In this NDC, Somalia has committed to take action in agriculture, forestry, energy, transport and waste sectors and reduce its projected emissions of 107.40 MtCO₂eq in 2030 by 30%.⁹⁸ The NDC also identifies priority areas for climate change adaptation based on Somalia's national and sub-national development objectives and plans for the period from 2021 to 2030. In addition, Somalia Adaptation Communication (AdCom) 2023 elaborates priority adaptation measures in different economic sectors including agriculture and water.

47. The Government of the Republic of Somalia also ratified various Multilateral Environmental Agreements (MEAs) in order to join international communities' efforts to address key global environmental issues. These form part of Somalia laws for implementation. These include: The Convention on Biological Diversity ratified in 2009, The United Nations Convention to Combat Desertification ratified in 2002, The United Nations Framework Convention on Climate Change (UNFCCC), ratified in 2009, Nagoya Protocol ratified in 2012, The Montreal Protocol on Substances that deplete the Ozone Layer ratified in 2001, Cartagena Protocol on Biosafety ratified in 2010, Paris Agreement on climate change ratified in 2016, Convention for the protection, Management and Development of the Marine and Coastal Environment of the Eastern Africa Region (Nairobi Convention) ratified in 1996, The Kigali Amendment to the Montreal Protocol ratified in 2019 among others. Following these ratifications, Somalia submitted the following strategies to UN bodies: Somalia's National Biodiversity Strategy and Action Plan (NBSAP) submitted to UNCBD; Somalia's National Drought Plan and Resilience Framework (2020), National Voluntary Land Degradation Neutrality 2030 Targets (2020) and Somalia's National Action Programme (2016) submitted to UNCCD. In addition to its NDC, Somalia also submitted an updated Adaptation Communication to the UNFCCC in 2022. A National Adaptation Plan (NAP) was not yet developed but the country initiated its process and has started implementing a Green Climate Fund -funded NAP readiness project to enhance its capacity, establish legal and institutional frameworks and further to define its medium-term and long-term adaptation actions in priority sectors, including agriculture and food security. The UN Sustainable Development Cooperation Framework (2021-2025) is a commitment between the Federal Government of Somalia and the United Nations to work together towards peace, stability, and prosperity.
48. Other relevant national policies include: National Durable Solutions Strategy (NDSS) 2020–2024, Somali National Disaster Management Policy (2018), National Voluntary Land Degradation Neutrality Targets 2020, the National Capacity Self-Assessment, National Adaptation Plan of Actions (2013), National Food Security and the National Livestock development Strategy.
49. To support these strategies, Somalia is developing some environmental regulations, bylaws and other regulatory instruments to protect the environment. They include an Environmental Management Bill 2020 and Environmental Social Impact

⁹⁸ <https://unfccc.int/sites/default/files/NDC/2022-06/Final%20Updated%20NDC%20for%20Somalia%202021.pdf>

- Assessment (ESIA) regulations which aim to promote a clean and healthy environment for all Somalis, prevent pollution, protect natural resources and promote sustainable development. These regulations have been approved by cabinet but yet to be approved by Parliament.
50. At the regional level, key applicable policies include African Union's Agenda 2063, the Africa Climate Change Strategy 2020-2030, IGAD's Environment and Natural Resources Strategy, and the East Africa Community's Climate Change Strategy.
 51. **Women:** In ensuring the human rights of Somali women and girls, the Federal Ministry of Women and Human held consultations over many years with civil society, religious leaders, women and youth. This resulted in a comprehensive Bill which aims to ensure stronger protection of women and girl victims of sexual and violence against women. In May 2018, the Sexual Offences Bill submitted by the Federal Ministry of Women and Human Rights Development, was passed by the Cabinet of Ministers. However, since then the Bill has yet to be tabled in for reading and passage into Law. In August 2020, an alternative 'Sexual Intercourse Bill' was presented to Parliament for deliberation that threatened to further weaken protections for women and survivors of sexual violence. Somalia signed and ratified the African (Banjul) Charter on Human and Peoples' Rights, in 1985. Somalia also signed but has not ratified the Protocol to the African Charter on Human and People's Rights on the Rights of Women in Africa (the Maputo Protocol) in 2006. Somalia has not signed CEDAW.
 52. The UN gender equality strategy 2018-2020 provides a framework for the promotion and institutionalisation of gender mainstreaming in the implementation of UN assistance and cooperation frameworks in Somalia. The strategy responds to inequalities based on sex and related developmental challenges in Somalia and offers practical tools and guidance on how to achieve results with greater accountability. In 2019 the Somali Women's Convention was convened under the leadership of the Ministry of Women and Human Rights Development (MoWHD). The Convention confirmed women's equality in the Somali constitution. September 2022 the Federal Government of Somalia launched the Somali National Action Plan (NAP) for the implementation of the Somali Women's Charter and United Nations Security Council Resolution 1325 (UNSCR 1325). In 2022 the Federal Government of Somalia (FGS) first Gender-inclusive National Voluntary Review (NVR).
 53. **Youth:** The Ministry of Youth and Sport is the ministry responsible for youth issues and implementation of the general youth policy. Federal Member States oversee policy development and implementation in their respective regions. The government developed a National Youth Policy (2017-2021) to strengthen education and skills development and reduce youth unemployment. Many of these approaches were included in the National Employment Policy (2021), which additionally sees youth skilling as a key means for making the private sector more competitive. In May 2023 a new National Youth Policy (2023 - 2030) was approved. The pillars of the policy include youth employment, education, skills advancement, active participation in societal matters and leadership roles, participation in reconciliation and cooperation, and drug abuse prevention and treatment.
 54. **Decent work and child labour:** Decent work - productive work for women and men in conditions of freedom, equity, security and human dignity as defined by the ILO - is a key topic of attention for Somalia. The Ministry of Labour and Social Affairs (MoLSA), is responsible for advancing decent employment issues and investigates and enforces laws related to the worst forms of child labour. Somalia's National Employment Policy (2019) provides the Somali National Tripartite Labor Committee with a roadmap for improving labour conditions, including stipulations related to child labour. In 2020, The Ministry of Labor and Social Affairs established a Labor Inspectorate and hired and trained labour inspectors. The government also created an Office for the Senior Advisor on Child Labor to lead the drafting and

implementation of a National Action Plan to address the worst forms of child labour. The National Development Plan (2020–2024) further stipulated provisions for ending all forms of violence against children, including child labour, and developing and implementing a National Child Labor Policy.

55. The Somalia Social Protection Policy develops and strengthens components of a national social protection system, including safety net programmes. The time frame is 20 years, including strategies for the five years beginning in 2019, followed by a second phase from 2023 to 2040. In 2021, Somalia became the second country in Africa to ratify international labour standards seeking to end violence and harassment in the world of work. In 2023, the ILO and its tripartite constituents signed the first Decent Work country programme for Somalia with a focus on decent jobs and skills, and promoting social dialogue and social protection.
56. **Nutrition:** The Somalia Food Security & Nutrition Strategy 2020-2025 aims to address the triple burden of malnutrition and ensure stability of food supply, access, and usage through various sectors, including agriculture, livestock, fisheries, trade, health, infrastructure, social protection, and natural resource management. It also provides a roadmap for the way forward. It is underpinned by five core principles including improving links between humanitarian and development programming, reinforcing governance and institutions, strengthening gender and social equality and partnering with the private sector to accelerate results. The Somalia Multisectoral Nutrition (MSN) Strategy 2019-2024 extends beyond the health sector by consolidating and integrating various policy instruments of the Somalia government that seek to tackle under nutrition. The goal of MSN Strategy is to reduce malnutrition through direct Mother and Child Health and Nutrition (MCHN) interventions and indirectly through nutrition-sensitive interventions that reduce poverty and food insecurity. Somalia also joined the Scaling Up Nutrition movement in 2014.
57. **People with disabilities (PWD).** In 2018, Somalia became a signatory to the UN convention on the Rights of Persons Disabilities (CRPD) with an established National Disability Agency to develop livelihoods and vocational skill training for economic empowerment of PWDs.
58. Somalia faces challenges that hinder the effective implementation of existing policy and regulatory frameworks as well as the effectiveness of institutions in addressing environment, climate change and challenges for women. These challenges include inadequate staffing and skills, limited access to information and technology, inadequate physical assets, and weak operational coordination mechanisms for environment, climate change and women's issues.

2.3. Programmes and partnerships

59. Several projects aimed at environmental sustainability and climate resilience are ongoing in Somalia, presenting key opportunities to work with experienced partners and scale up successful practices. Key international funds such as the Global Environmental Facility (GEF), Green Climate Fund (GCF), and Adaptation Fund have offered substantial financial resources to support Somalia in its efforts to mitigate and adapt to climate change, and represent an important resource to achieve the objective of the COSOP alongside IFAD. The following projects from financing partners represent opportunities to work with and scale up successful interventions.
60. **The Global Environment Facility (GEF)** funds a variety of projects in Somalia that aim to address environmental challenges while promoting sustainable development. These projects focus on areas such as biodiversity conservation, climate change and land degradation.
 - **National child project under the GEF Africa Mini-grids Program Somalia-** Supporting access to clean energy by increasing the financial

viability, and promoting scaled-up commercial investment, in low carbon mini grids in Somalia, with a focus on cost reduction levers and innovative business models. The project is funded by GEF through and other partners such as SIDA and world Bank. The project is implemented from 2022-2026 by UNDP.

- **Support for Integrated Water Resources Management to Ensure Water Access and Disaster Reduction for Somalia's Pastoralists** for the period 2019-2023 through UNDP. The project aims to build the climate resilience of pastoralists in Somalia by reinforcing technical and operational capacities to manage water resources sustainably.

61. **Green Climate Fund (GCF) Funded Programmes** include:

- Sustainable Renewables Risk Mitigation Initiative (SRMI) Facility (Phase 2 Resilience focus) (2023-2035) by the World Bank
- Cooling Facility Project (2023-2033) by the World Bank

The country has other projects at different stages of approval in GCF process, but no country specific investment projects approved by GCF yet. However, during a recent visit by GCF Executive Director in March 2024, the ED promised to commit to a strategy of investments and readiness support of over USD 100 million to Somalia by mid-2025, as well as a long-term commitment to empower Somalia to develop country-priority projects and subsequent investments.

62. **The World Bank** is one of the biggest funders of climate resilience projects in Somalia. Some of the ongoing projects where partnerships can be leveraged include:

- First Somalia Economic Resilience Development Policy Financing Bulsho: Strengthening Community Institutions for Social Cohesion, Inclusion and Resilience
- Barwaaqo - Somalia Water for Rural Resilience Project (2023-2028)
- Biyoole Project - Water for Agro-pastoral Productivity and Resilience 2019-2023

63. **African Development Bank programmes** is also implementing a number of climate resilient projects in Somalia. This includes the Road Infrastructure Programme Somalia (2019-2026), Nagad - Loyada/ Lowyaddo-Borama Road Phase 1 Upgrading Project(2023-2027) and Institutional Support for Economic Governance Project(2023-2026)

3. Strategic recommendations

3.1. Lessons learnt

64. Drawing from key lessons learned in previous IFAD projects and consultations, the following are vital for Somalia with respect to mainstreaming themes. Overall, IFAD programme should focus on investments with multi-benefit actions that address several mainstreaming themes simultaneously (nutrition, biodiversity, women's issues and youth, minority clans, climate, and environment), like agroecology, home vegetable/fruit gardens, watershed restoration, and promoting sustainable land use.

- **Policy strengthening and institutional Capacity Building:** Decades of underinvestment have left governmental institutions at all levels—from Federal Government to Federal member states—severely incapacitated. Prioritising capacity and policy strengthening within these institutions is critical for effective management and mainstreaming of gender, environment and climate change. Eroded public services have also led to poor outreach of extension activities which should be reinforced.

- **Community-Driven Development:** Empowering local communities through a bottom-up approach has proven effective. This method not only ensures better targeting and ownership but also enhances the sustainability of project gains. Leveraging local knowledge and fostering community participation are essential components of this approach. Ensuring that local communities' traditional knowledge and practices are recognized and integrated into community plans and the promotion of climate-resilient and environmentally sustainable technologies and practices will be crucial.
- **Water Resource Management:** Addressing water scarcity is fundamental for supporting agriculture and livestock production, key pillars of Somalia's economy. Successful water infrastructure projects suggest the importance of community management and equitable access to water resources. Developing robust community management systems and providing them with ongoing support will be crucial for sustainable water use and conflict prevention.
- **Sustainable Rangeland and Pasture Management:** Given the challenges associated with managing extensive rangelands, focusing on pasture rehabilitation closer to urban centres could provide more controlled and accessible resources for agro-pastoral communities, thereby indirectly benefiting pastoral groups as well.
- **Enhanced Market Access and Economic Opportunities:** Strengthening the entire agricultural value chain, from production to market, is essential. Emphasising market development, enhancing linkages among market actors, and fostering public-private partnerships can drive economic growth and job creation, crucial for reducing poverty and enhancing social stability. IFAD should engage with the private sector to improve access to better inputs, financing, mechanisation, and markets. This will enhance productivity, raise farm-gate prices, reduce input costs, and reduce the workload burden of women while providing upskilling opportunities for women, minority clans and youth.
- **Women-sensitive programming:** Women play a critical role in household food and nutrition security, economic stability, and community peace and thus integrating women's considerations and developing specific women targeted interventions into project designs and implementation can significantly enhance project outcomes and resilience. Agricultural and livestock activities are still very much divided by traditional roles based on sex and dependent on geographical locations. Cultural norms restrict women's free movement, making it difficult for them to take up new roles as income earners. To effectively mainstream women sensitive programming, implementing partners need to (i) identify women's sensitive activities and (ii) ensure women's sensitive implementation.
- **Conflict-lens must:** be applied to all aspects of the project by considering the main drivers of fragility in all steps of the project cycle.

3.2. Strategic orientation

65. Somalia's COSOP 2024-2030 is strategically positioned to contribute effectively to both national and international development goals, providing a unified approach to address the distinct challenges Somalia faces. This strategy is aligned with key national policies that underline the government's priorities, including: the National Development Plan (NDP 9) 2020, National Food Security and Nutrition Policy 2020, National Livestock development strategy 2020-2030, the National Climate Change Policy, the NAP Framework, the NAPA 2013, Somalia's first Adaptation Communication (2022), and the Updated NDC 2021, National Voluntary Land Degradation Neutrality Targets in 2020 and the National Biodiversity Strategy and Action Plan 2015.
66. COSOP supports implementation of SDGs including SDG 13 by fostering resilience and adaptive capacity to climate-related hazards, SDG 2 (Zero Hunger) by improving food systems and SDG 8 (Decent Work and Economic Growth) through creating jobs in agriculture and SDG 16 (Peace, Justice, and Strong Institutions) by enhancing the capacity of local institutions.

67. Moreover, the COSOP aligns with the United Nations Strategic Framework for Somalia 2020, which emphasizes sustainable economic development and governance enhancement. This is accomplished through the strategic focus on strengthening agricultural value chains and local institutional capacities, thereby fostering community resilience and adapting to climate change.

Sustainable Development Goals (SDGs)

With respect to commitments to Global Sustainable Development Goals (SDG), the scorecard for the Somalia can be summarized as below. Effort has been exerted by Government to realize its SDG commitments, but to date, only two SDG commitments are considered reached: 1) SDG 13, 2) SDG 12 Responsible consumption and production. The interventions laid out in the COSOP strategy contribute to addressing the remaining gaps.

SDG Commitment	Status
Eradicate extreme poverty and hunger	Major challenges remain and the score is overall decreasing. The estimated percentage of the population that is living under the poverty threshold of US\$2.15 a day is increasing. Poverty increased from 43 per cent in 2002 to 68 per cent in 2017. The increase can be attributed to recurrent external shocks and natural disasters, which have created widespread displacement and considerable demographical shifts.
Zero hunger	Major challenges remain. The score stagnating or increasing at less than 50% of required rate. The majority of Somalia's adult population, 79 per cent, is experiencing moderate or severe food insecurity. In 2022, food security in Somalia worsened with an estimated 4.8 million people (or 31% of the total population) already experiencing Crisis or worse (IPC Phase 3 or higher) outcomes. Humanitarian assistance to affected populations reached 1.3 million in January 2022 and 2 million in February 2022. Throughout the years, there has been a decrease in the proportion of children who are severely malnourished, from an average of about 17% to an average of about 10%, which is a testament to the increasing capacity of the Government as well as the FMS efforts to provide nutrition to young children
Good health and wellbeing	Major challenges remain. The score stagnating or increasing at less than 50% of required rate. Somalia has reduced maternal mortality from 732 in 2015 to 692 per 100,000 live births ⁸ in 2020. Health worker density remains very low at 1.12 per 10,000 in 2014. Additionally, 78.4% of healthcare workers are male, while 21.5% are female. Somalia has a total of 26,439 confirmed cases and 1,361 deaths from Covid19 although this figure is likely be significantly higher due to the lack of recorded data. The Ministry of Health and Social Services delivered a vaccination campaign which led to the administering of 2.6million doses, reaching 1.3million people (approximately 17 per cent of the population)
Women's equality	Major challenges remain. The score stagnating or increasing at less than 50% of required rate. Major challenges remain in demands for family planning satisfied by modern methods and the ratio of female to male labour force participation rate. Sexual and violence against women (SGBV) and violence against women is most often under-reported in Somalia due to stigmatization. Female Genital Mutilation (FGM) remains prevalent in Somalia, with 99% of Somali women aged 15-49 having undergone female circumcision. Somalia is making slow progress in improving gender balance in parliament. In the 2022 elections, a total of 54 women, 20 per cent, were elected out of the 275 House of the Peoples seats, falling short of the 30 per cent goal and attaining fewer than the 24% achieved in the 2016 elections.
Decent Work and economic growth	Major challenges remain. The score stagnating or increasing at less than 50% of required rate.

	Major challenges remain for adjusted GDP growth, victims of modern slavery, adults with a bank account, employment. There is a downward trend in employment.
Responsible consumption and production	SDG achieved. Somalia is on track or maintaining SDG achievements on municipal solid waste, production-based SO ₂ emissions, production-based nitrogen emissions and nitrogen emissions embodied in imports. Information is not available on electronic waste and exports of plastic waste.
Life below water	Major challenges remain. The score stagnating or increasing at less than 50% of required rate. Fish caught from overexploited or collapsed stocks and caught by trawling or dredging shows a positive trend. However, Somalia's Ocean Health Index, Clean Water Score
Life on land	Major challenges remain and the score is overall decreasing. Major challenges remain in relation to areas protected in terrestrial and freshwater sites important to biodiversity. Challenges remain to the protection of Red List Index of species survival and permeant deforestation.
Climate Action	SDG achieved. Somalia is one of the most vulnerable countries to the impacts of climate change. In 2016, The Federal Republic of Somalia became a signatory of the United Nations Framework Convention on Climate Change's (UNFCCC) Paris Agreement, which has helped nations with setting long-term goals to substantially reduce global greenhouse gas emissions; and to limit the global temperature increase to 2 degrees Celsius

a. **Strategic actions and targeting**

Strategic actions

Using the lessons learnt and informed by extensive consultations, the following strategic actions were identified as having the highest potential in reducing poverty and ensuring rural transformation, and should be promoted through the COSOP:

- a) Women:** Rural women in Somalia face constraints that hamper their productive capacity. They have fewer opportunities than men to access education, training, and productive agricultural employment due to traditional patterns in allocation of household labour, early marriages, and movement restrictions. This has seen women constrained in terms of employment opportunities; their involvement in on-farm activities is less skilled and less financially rewarding. Projects will take steps to ensure women are included in key planning and decision making bodies (e.g. community development committees, water user/management committees, grazing management committees) with specific targets set for female inclusion. In addition the COSOP will ensure investment in value chains in which women and youth play a lead role e.g small ruminants. Possible activities that specifically benefit women could include extension training, input support and labour saving technologies (for example water harvesting technologies or herbicides) to increase their productivity, particularly with quickly maturing crops; and access to inputs and training on the production of higher-value products, including dairy, fruit and tomato processing, as well as beekeeping and fodder.
- b) Youth:** Youth employment is an important element in achieving stability. While agriculture offers opportunity to create employment, young women and men face constraints to participate and thrive in the sector (access to land, extension services and linkage to markets). Potential investments that could specifically benefit youth

include: support to youth entrepreneurship, strengthening financial literacy and access to financial services; improving market linkages and access to e-markets. Specific opportunities for youth exist in the feed and fodder sector and training and skills development in animal health and veterinary services. Where possible, efforts will be made to promote digital approaches to agriculture which will naturally attract youthful participants.

- c) **Nutrition:** IFAD has identified a number of entry points to mainstream nutrition in the country portfolio. First, integrating nutrition-sensitive WASH activities, which promote access to and utilisation of appropriate WASH practices. Second, by increasing the production and availability of diversified nutritious food, through the introduction of drought resistant varieties, fortified crops, climate smart labour saving technologies, promotion of production of adaptable small livestock breeds with high turnover, etc. Third, by increasing the nutrition-sensitivity of key line services/ministries' agriculture and food security policies, strategies, action plans and practices with a focus on improving women's physical and mental health, nutrition, time allocation, and empowerment.

- d) **Environment and climate:** To increase the adaptive capacity of communities and support productivity, it will be crucial to contribute to the restoration and maintenance of ecosystem services provided by healthy soils and rangelands, forests, etc. This will require strengthening the information base to support landscape planning and governance, and strong community engagement to increase awareness on the long-term benefits of natural resource conservation and adjust practices accordingly. It also requires integrating natural resource management with value chain development to promote sustainability and long-term economic growth. This dual approach will consider conservation alongside use throughout the entire value chain, reducing environmental impacts and promoting responsible production practices. This integration aims to increase productivity, decrease resource depletion, and enhance livelihoods, contributing to a resilient and sustainable economy.

Targeted interventions on pasture management such as introducing sustainable grazing practices and restoring vegetation are important to mitigate land degradation and enhance soil fertility. Implementing such measures will not only support the livelihoods of local communities but also contribute to broader environmental goals by promoting ecosystem resilience and biodiversity conservation.

In addition, community-based forest management focusing on tree plantations for the purpose of using and selling the raw materials would support land degradation and restore some ecosystem services by reducing forest clearing while continuing to cater for the needs of the communities. These can be integrated with pastures as silvopastoral systems.

Promoting sustainable agricultural practices that are resistant to climatic stresses will also support food security and livelihood sustainability. Practices such as crop rotation, the use of drought-resistant varieties, and efficient water use must be encouraged. Efforts should also focus on reducing post-harvest losses while improving incomes and creating rural jobs.

Support the construction and rehabilitation of critical infrastructure such as water, energy (renewable energy), roads, markets, and storage facilities to improve access to local and national markets. Enhancing infrastructure will facilitate smoother supply chains, reduce post-harvest losses, and increase the profitability of farming and pastoralism.

- e) **Climate:** In particular, water infrastructure rehabilitation should be prioritised, with an attention to drainage and rainwater collection (instead of borehole drilling) to make-up for longer periods of droughts, as overall rainfall is expected to increase. Developing early warning systems and community disaster management approaches that integrate indigenous knowledge and disseminate information effectively will also help communities adopt timely adaptive measures, enhancing resilience against climate shocks. Adaptive management and budgeting will also be

key to enable the quick re-allocation of resources to emerging priorities in times of crisis.

Additional financing can be leveraged to implement these strategic interventions as part of the COSOP. An overview of climate funds active in the country is provided in section 2.3. IFAD has already accessed funds from GEF through its biodiversity and land degradation windows and Least Developed Countries Fund (LDCF) to support the climate change component of the Adaptive Agriculture and Rangeland Rehabilitation Project (A2R2). The project aims to enhance climate resilience of poor rural households in Somalia through sustainable natural resources management on multiple levels: improved water resources and rangelands management; eco-agriculture and climate-proof livelihoods; forest/habitat rehabilitation; improved governance and information systems for land degradation and biodiversity. The government also endorsed IFAD's proposal to the Adaptation Fund for the "Green and Resilient Ecosystems for Somali Livelihoods" (Hal-abuur) project.

Targeting recommendations

68. The following are key environment, climate change, social and women related recommendations:
- a) In order to target the most vulnerable areas and population, it is important to undertake climate vulnerability analysis. Analysis should consider the exposure, sensitivity and adaptive capacity of the system (i.e. environment and population). Targeted adaptation assessments for all projects should be carried out to identify project-specific climate risks and integrate corresponding adaptation interventions.
 - b) Target groups should not be assumed to have homogeneous needs and inclusion barriers, or livelihood strategies and interests. This applies to youth and women as well as farmers and agribusiness enterprises who may face different challenges and require different entry points. Value chain analysis should apply these inclusion lenses.
 - c) Tailored interventions may be required for vulnerable groups facing multiple barriers. This includes women, youth, and minorities who require support in accessing finance, knowledge, and technical capacity-building to meet market requirements. Strategies to include such groups and individuals should be developed and tailored based on their specific inclusion barriers. Communities that use minority languages face higher barriers to accessing information, aid, and basic services. Projects should consider incorporating questions about languages into analysis, targeting and monitoring systems as a proxy indicator of access and marginalisation. Community engagement and consultations, along with considerations of the country's poverty, demographic, and economic contexts, can help identify unique challenges faced by these groups and inform the design of appropriate interventions.
 - d) Development partners in Somalia have reported that community-based targeting methods can increase exclusion if not carefully managed. Recommendations to ensure inclusion of minorities include vulnerability-based approaches which use minority or marginalised status as a component of vulnerability score-based targeting systems or area-based targeting approaches, such as selecting an area with a high density of minority and marginalised groups, and then targeting household vulnerabilities within those areas could also be considered.
 - e) Learning from past experiences relating to women and youth in Somalia, women-youth specific value-chain assessments, which apply a nutrition-lens, should be conducted to identify barriers hindering women and youth from accessing markets and opportunities along proposed value chains.

Targeting Mechanism:

69. As part of the targeting strategy, women, youth, nutrition and climate vulnerability will be considered in the selection of beneficiaries. Targeting criteria for most vulnerable groups should be done through a PRA exercise and include poverty (asset ownership), livelihood type, marital status, sex, age, marginalisation status (PwD) etc. Adopting participatory methodologies and facilitating access to the trainings for target groups are crucial to ensure inclusive capacity development initiatives. Additionally, peer-to-peer support, women-groups and mentoring with champions can be leveraged to lead dialogues in the EIGs and the community regarding roles, nutrition and climate adaptation. Communities that use minority languages face higher barriers to accessing information, aid, and basic services. Projects should consider incorporating questions about languages into analysis, targeting and monitoring systems as a proxy indicator of access and marginalisation. Designing or targeting particular interventions also need to account for the usage of the term “female-headed household” within traditional family units and understand how to target appropriately. With increasing male unemployment, male-headed households are poorer than female-headed ones.⁹⁹

70. Specific considerations for each group include:

- Agro-pastoralists who lack access to markets, opportunities, technical knowledge, technologies, and finance are the primary beneficiaries. Low-income groups with multiple vulnerabilities and households with larger families in rural areas should also be included. The selection of beneficiaries should be transparent and based on realistic limiting criteria, such as land size and livestock number.
- There is no one-size-fits-all approach to identifying pastoralists, however targeting should consider size of herds, the primacy of animal husbandry and livestock production as livelihood activities, and the use of transhumance.
- The level of vulnerability among internally displaced persons (IDPs) varies, with many employing mobility as a strategy for resilience. Targeting should consider a nuanced approach to IDPs to understand their unique needs and vulnerabilities.
- Targeting criteria for farmers and agribusiness enterprises need to be clearly defined at the project stage, with special attention given to prioritising and emphasising the selection criteria of small-scale farmers and farmers organisations with the ability to scale.
- Agricultural and livestock activities are still very much divided by sex and dependent on geographical area. Execution of a thorough analysis at the design stage in order to select gender-sensitive value chains and activities is key. Cultural norms restrict women's free movement, making it difficult for them to take up new roles as income earners. To effectively mainstream gender implementing partners need to (i) identify gender-sensitive activities and (ii) ensure gender-sensitive implementation.
- FHH in Somalia are not always a determinant of vulnerability. Designing or targeting particular interventions need to account for the usage of this term in Somalia within traditional family units, alongside the comparative vulnerability of MHH. Male-headed households are poorer than female-headed households in both displaced and non-displaced populations. Overall, the incidence of poverty is higher for male-headed households than female-headed ones (73 versus 67 percent).¹⁰⁰ Married women make up 60 percent of all female household heads in

⁹⁹ Differences in Household Composition: Hidden Dimensions of Poverty and Displacement in Somalia, Joint Data Centre on Forced Displacement, 2021. https://www.jointdatacenter.org/literature_review/differences-in-household-composition-hidden-dimensions-of-poverty-and-displacement-in-somalia/#:~:text=Poverty%20rates%20are%20high%20in%20Somalia%2C%20and%20highest%20among%20IDPs.&text=IDP%20households%20living%20in%20and,77%20compared%20to%2067%20percent.

¹⁰⁰ Lucia C. Hanmer, Eliana Rubiano-Matulevich, Julieth Santamaria, Differences in Household Composition: Hidden Dimensions of Poverty and Displacement in Somalia, Phase World Bank Policy Research Working Paper Series, W9818 (2021). https://research.steinhardt.nyu.edu/scmsAdmin/media/users/ds5910/ALSE_PHASE_II_ENDLINE_REPORT_06.07.pdf

Somalia.¹⁰¹ Male-headed households are often poorer than female-headed ones. Importantly, among non-IDPs, widow-headed households emerge as a group with high risk of poverty. It is important to go beyond HH headship to understand differences between male and female in the poverty risk.

a. **Monitoring**

71. The COSOP and proposed IFAD projects will be monitored based on mandatory screening and categorisation of risks using the nine SECAP standards, to ensure that projects are designed, developed and implemented in line with IFAD requirements, local regulations and industry best practices, as well as seeking innovative ways to implement and monitor good practices that extend beyond basic input-output monitoring and safeguards compliance.
72. Grievance redress mechanism (GRM). IFAD requires its partners to adopt an easily accessible grievance mechanism in order to receive and resolve concerns and complaints of people who may be adversely affected or potentially harmed by IFAD-supported projects that fail to meet the SECAP Standards and related policies. For ICCs, GRM will be culturally appropriate that is easily accessible and in the local languages.
73. Stakeholder Engagement Plan (SEP). A SEP is prepared describing how stakeholders are engaged with IFAD initiatives, especially in mobilizing their feedback. Consultations with target groups, communities and other stakeholders likely to engage with IFAD's operations are sought throughout the project life cycle, to start as early as possible to feed into design and implementation considerations.
74. The following indicators could be considered across the mainstreaming priorities:

Mainstreaming priorities	Indicators
Women	CI 1: Number of people receiving services promoted or supported by the project, disaggregated by gender.
Youth	CI 1: Number of people receiving services promoted or supported by the project, disaggregated by age. CI 2.2.1: Number of persons with new jobs/employment opportunities
Nutrition	C.I. 1.1.8: Households provided with targeted support to improve their nutrition CI 1.2.8: Minimum Diet Diversity for Women (MDD-W)
Environment and Climate Change	3.1.1: Number of groups supported to sustainably manage natural resources and climate-related risks 3.1.4: Number of hectares of land brought under climate-resilient management 3.2.3:(Number) Percentage of persons/households reporting a significant reduction in the time spent for collecting water 3.2.1 Number of tons of greenhouse gas emissions (CO ₂ e) avoided and/or sequestered
Stakeholder and beneficiary engagement	# of GRM models put in place.

¹⁰¹ Levine, S. and Mosel, I. (2021) 'Economics, social status and gender relations: what makes households "female-headed" in Somalia? Lessons from a rapid learning exercise'. HPG briefing note. London: ODI (www.odi.org/publications/17962-economics-social-status-andgender-relations-what-makes-households-female-headed-somalia-lessons).

Fragility assessment note

Introduction

1. **Poverty:** With an estimated population of 19 million in 2020 and an income per capita estimated in 2017 to be US\$ 499, Somalia is one of the poorest countries in the world. It is estimated that over 40% of the population lives on less than US\$ 1.25 per day, and amongst the rural population, it is over 50%; almost 20% of children do not survive to 5 years. Somalia's poverty is not inherent, but rather a result of prolonged conflicts and the collapse of the state. However, if these conflicts and extremism can be resolved, and if Somalia's untapped natural resource endowments and strategic location are effectively managed, it has the potential to flourish and achieve prosperity.
2. **Food insecurity:** In March 2023, nearly 5 million people across Somalia are experiencing high levels of acute food insecurity. In the classification of the integrated Food Security Phase Classification¹⁰², this means that nearly 5 million people find themselves in "Crisis" (IPC phase 3 or above). Among these 5 million, 1.4 million people are classified in "Emergency" (IPC Phase 4) and 96,000 in Catastrophe (IPC Phase 5). Between April and June 2023, about 6.5 million people across Somalia are expected to face Crisis or worse (IPC Phase 3 or above), of which 1.9 million people in IPC Phase 4 (Emergency). A highly concerning number of people (223,000), more than double that of the current period, is expected to be in Catastrophe (IPC Phase 5) in the most affected areas across Somalia through mid-2023.
3. **Nutrition:** Based on the results from 11 integrated food security, nutrition and mortality surveys conducted between late April and early May 2022, an estimated 1.5 million children under the age of five years (total acute malnutrition burden), face acute malnutrition. This represents 45 percent of the total population of children including 386,400 who are likely to be severely malnourished. These figures are likely to increase as the nutrition situation deteriorates further all across the country. Acute malnutrition case admissions among children under age five rose by over 40 percent in January-April 2022 compared to the same period in 2020¹⁰³.
4. **Governance challenges:** include infrastructure constraints, weak state institutions and capacity, weak public financial management systems, continued insecurity, limited resilience to environmental extremes, and large arrears to IFIs. Somalia lacks the infrastructure to provide basic services, including security, health, water, education, energy, and transport because so much infrastructure has been damaged and destroyed by conflict. The civil war also had a devastating effect on institutions and governance capacity. The public financial management system still faces challenges of transparency, ability, and legitimacy, which has delayed the start-up and implementation of projects. Somalia remains insecure due to lack of effective law enforcement mechanisms; high unemployment, especially among young people; and incursions by country's main Islamist insurgency group, al-Shabaab, and ISIS insurgents, among others. The country's weak institutional and human capacities pose a challenge to speedy access to debt relief from IFIs. There also remains a high level of corruption problem in Somalia. In 2022 the country was ranked 180th out of 180 by the Corruption Perception Index of Transparency International and it has been at this place for some years now.
5. **Approximately 2.6 million Somalis currently are displaced within their own country.** The largest concentration, around half a million, are in the Somali capital,

¹⁰² The Integrated Food Security Phase Classification (IPC) is a tool for improving food security analysis and decision making. It is a standardized scale that integrates food security, nutrition, and livelihood information into a statement about the nature and severity of a crisis and implications for strategic response. IPC ratings are: 1) Minimal; 2) Stressed; 3) Crisis; 4) Emergency; and 5) Catastrophe/Famine.

¹⁰³ IPC, 2023. Somalia food insecurity.

Mogadishu. Some were displaced nearly 30 years ago, whereas others continue to arrive in the city on a daily basis due to conflict and climate factors. For example, According to the UNHCR-led Protection and Return Monitoring Network (PRMN), 234,000 displacements within Somalia were recorded in February. Out of the total displacements during the reporting month, the vast majority, 62% were attributed to conflict/insecurity, 34% because of the drought, and 4% due to other reasons. The top five humanitarian needs of the displaced families were food (53%), followed by shelter (18%), and livelihood (12%)¹⁰⁴.

6. **Other challenges:** Floods including the recent Elnino rains, droughts, desert locust outbreaks, COVID-19 and Russia-Ukraine war have reversed many of the social and development gains made, which exacerbates humanitarian needs and undermines poor small-scale farmers' and pastoralists' resilience and productive capacity. The imposition of exorbitant taxes by extremist groups on agricultural areas and farmers within their sphere of control has had detrimental consequences. The burden of these heavy taxes has compelled farmers to cease their farming activities as they not only lack access to markets but also find themselves unable to afford the exorbitant levies demanded by the extremists.

As a result, the agricultural sector, which plays a crucial role in sustaining livelihoods and ensuring food security, has been severely disrupted. The oppressive taxation policies imposed by these extremist groups have created an environment of economic hardship and uncertainty for farmers, stifling their productivity and leaving them with limited options.

7. The inability to access markets prevents farmers from selling their produce at fair prices, further exacerbating their financial struggles. Moreover, the exorbitant taxes imposed by the extremists not only drain the resources of farmers but also hinder their ability to reinvest in their agricultural activities, thereby perpetuating a cycle of poverty and stagnation. Electricity and transportation costs have spiked due to fuel price increases affecting irrigation-fed agriculture powered by small diesel engines. The crisis in Ukraine is making the food security situation even direr. The price of wheat and oil has already risen by 300% and fuel (petrol and diesel) hit a record rise of 100%. Over 90 percent of wheat supplies in Somalia come from Russia and Ukraine. The disrupted supply chain has increased concerns of severe hunger and nutrition crisis among women and children among poor small-scale farmers and pastoralists.
8. **Key opportunities** include a vibrant private sector; a diaspora willing to invest in the country; regional integration; import substitution and export promotion; nascent agricultural, agribusiness, and fishing industries; and a young population. Somalia is endowed with entrepreneurs who have been able to flourish in the conflict-ridden country, and the Somali diaspora remains committed to investing in economic and social reconstruction. Somalia also has the potential to be a regional economic hub due to its strategic geographic location and having the longest coastline in Africa. The country's huge trade deficit is an opportunity for Somalis to produce for domestic and international markets and to reduce dependence on imports. The country is also endowed with huge agricultural and aquaculture production and processing potential. Over 70% of Somalia's population is under age 30 and needs to be well managed to become a potential youth dividend,
9. Debt relief presents a great opportunity and a momentous turning point for Somalia and its farming community. By alleviating the weight of financial burdens, Somalia can redirect its limited resources towards the agricultural sector, which serves as the backbone of the economy. This newfound financial freedom allows for strategic investments in crucial areas such as infrastructure development, including irrigation systems and rural road networks, which are vital for enhancing agricultural productivity and market access. Additionally, debt relief enables the

¹⁰⁴ UNHCR, Somalia Operational Update (February, 2023)

adoption of modern farming technologies and practices, empowering farmers to increase yields, improve crop quality, and diversify their production. This, in turn, strengthens their resilience to climate change impacts and market fluctuations.

10. The positive ripple effects of debt relief extend beyond the immediate benefits to farmers. The favorable investment climate resulting from reduced debt attracts both domestic and foreign investments in agribusiness ventures. These investments contribute to job creation, particularly in rural areas, stimulating economic growth and poverty reduction. Moreover, debt relief allows for the implementation of supportive policies tailored to the needs of farmers, such as access to affordable credit, market information, and extension services. By prioritizing the agricultural sector and ensuring an enabling environment, Somalia can revitalize its economy, enhance food security, and uplift the livelihoods of its farmers, paving the way for sustainable and inclusive development in the long run.
11. Improved security offers a significant opportunity for Somali farmers and the overall population. By stability, farmers can work their lands without the heavy tax charges, and without fear and invest in their farms. This would lead to increased productivity, improved livelihoods, and access to supportive policies and programs targeting agricultural development. Furthermore, increased security would attract increased support from international partners, resulting in investments, infrastructure development, and access to resources and knowledge that can enhance farming practices, increase yields, and create market opportunities.
12. Constitutional amendments and changes in Somalia can indeed present both opportunities and challenges for the Somali people. The process of amending or revising the constitution can create a platform for democratic participation and inclusive decision-making, allowing the Somali people to shape the future of their nation. This presents an opportunity for citizens to voice their concerns, advocate for their rights, and contribute to the development of a more inclusive and accountable governance framework.
13. Constitutional amendments play a crucial role in addressing historical grievances, promoting social cohesion, and strengthening the protection of human rights. Ensuring that the constitution reflects the aspirations and diversity of the Somali population can lay the foundation for a more just and equitable society. This, in turn, can foster stability, build trust between different communities, and create an environment conducive to sustainable development, including in the agricultural sector.
14. However, constitutional changes can pose challenges and potentially lead to political instabilities. Disagreements and conflicts already arose during the amendment process, particularly from the divergent interests and power struggles among different political factions. The lack of consensus on key issues or the exclusion of certain groups from the process could undermine trust in the political system and escalate tensions. This may result in political instability, social unrest, and even violence.
15. In summary, constitutional amendments and changes in Somalia have the potential to bring about positive transformations and opportunities for the Somali people. However, they also carry risks and challenges that need to be carefully managed. By fostering inclusive participation, strengthening institutions, and promoting good governance, Somalia can navigate the amendment process in a way that promotes stability, inclusivity, and ultimately benefits the well-being of its people.

16. The Sustainable Development Goals (SDGs) clearly recognises that reducing fragility is one of the "six essential elements" needed to achieve the SDGs. Development outcomes are consistently lower in fragile situations and IFAD's mandate for rural transformation cannot be optimal. Reducing fragility is essential to achieving the sustainable development goals. SDG 16, Peace, Justice, and Strong Institutions, specifically addresses fragility by promoting peaceful and inclusive societies, ensuring access to justice, and building effective, accountable, and inclusive institutions. This goal recognizes that in fragile contexts, where conflict and instability hinder development efforts, achieving peace, strengthening governance, and upholding human rights are essential for sustainable development. By focusing on SDG 16, countries can address the root causes of fragility, foster social cohesion, and create an enabling environment for progress across all other SDGs.

A. Insecurity, political, institutional challenges and fragility

17. **Fragility in Somalia:** Somalia is classified in the category of *High-Intensity conflict* countries in the 2023 List of Fragile and Conflict-affected Situations¹⁰⁵. Few places in the world exemplify the interconnected nature of three dimension of sustainable development (economic, social and environmental) more explicitly than Somalia. However, with three decades of conflict, Somalia faces additional levels of complexity and weak resilience due to a persistent situation of elevated risk of violence and extremists' attacks, recurrent humanitarian crisis, climate-related shocks (cyclical floods and draughts), and low institutional capacity.
18. While Somalia faces significant fragility and insecurity, these challenges are predominantly concentrated in the southern parts of the country. However, it is important to note that there are regions within Somalia that have achieved a relatively peaceful and stable environment, characterized by the presence of strong and democratic institutions. Among these regions are Somaliland, located in the northern part of Somalia, and Puntland. These areas have demonstrated a higher level of stability compared to other parts of Somalia. Somaliland, in particular, has experienced relative peace since the early 1990s and has established its own functioning government, security forces, and legal system.
19. Similarly, Puntland, situated in northeastern Somalia, has made significant progress in establishing stable governance structures and actively engaging in peacebuilding and state-building endeavors. These regions serve as examples of successful governance, peacebuilding, and development efforts within Somalia. It is important to acknowledge and learn from their experiences as Somalia continues its broader efforts to address fragility and insecurity throughout the country.
20. The World Bank Somalia Systematic Country Diagnostic (SCD)¹⁰⁶ Report No. 123807-SO, identified the country's '*fragility trap*' as two interconnected cycles: a short-term cycle of fiscal governance political turbulence and a longer-term cycle of natural disaster displacement vulnerability. Breaking out of this fragility trap will require the country to sustain the reform and growth of public institutions that can win peoples' trust through transparency and fair delivery of basic services and that broaden economic opportunities, especially to the youth. However, with a low tax base and only a nascent civil service, the reform and growth of public institutions capable of overcoming this fragility trap will need to focus investment across a carefully selected range of public functions that enable, rather than displace private, civic, and community institutions.
21. Following more than two decades of conflict, a new federal government emerged in Mogadishu in 2012 within the framework established by the Provisional Constitution. As Somalia continues its long recovery from decades of conflict,

¹⁰⁵ <http://pubdocs.worldbank.org/en/888211594267968803/FCSList-FY21.pdf>

¹⁰⁶ Somalia - Systematic Country Diagnostic; <http://documents.worldbank.org/curated/en>.

underdevelopment and instability, the country has achieved significant progress in several areas, such as state- and institution-building at the national and Federal Member State (FMS) levels, military gains against al-Shabaab, increased economic growth, and improved public sector management.

22. However, this progress is fragile and reversible as the country remains in a state of insecurity due to several factors, including, the public financial management system still faces challenges of transparency, ability, and legitimacy, which has delayed the start up and implementation of projects. Somalia remains insecure due to lack of effective law enforcement mechanisms; high unemployment, especially among young people; and incursions by al-Shabaab, inter-clan violence and ISIS insurgents, among others. Limited economic activity, high unemployment rates, particularly among youth, and the state's incomplete ability to provide security and social services to its population pose multifaceted threats to the stability and legitimacy of federal and sub-federal authorities. Furthermore, the participation and representation of women and youth in leadership and decision-making, including within the clan-based political structure, remains low and further perpetuates gender inequality.
23. An important development in recent years has been the establishment of a nascent federal state structure, with the formation of FMS administrations in Jubaland, South-West, Galmudug and Hirshabelle, together with Puntland, while the "Somaliland" issue remains unresolved. Some of these FMS' have demonstrated potential and the political will to provide security, good governance, protection and basic services to their populations, often through hybrid, Presidential and parliamentary elections were successfully concluded in August 2022. Election were followed by a peaceful transition of power, underscoring Somalia's leadership commitment to work towards state-building and stability.
24. Significant military gains against al-Shabaab, have been made in the past by African Union Mission to Somalia (AMISOM) and the forces loyal to the FGS. With AMISOM degrading al-Shabaab and pushing the bulk of their forces from Mogadishu, AMISOM was replaced by the African Transition Mission in Somalia (ATMIS) on 1 April 2022. Although ATMIS made progress, al-Shabaab still controls swathes some parts of Somalia including in Hiiraan, Middle Shabelle, Mudug, and Galgaduud regions. al-Shabaab fighters often clash with Somali federal government forces . In fact, 2022 was the deadliest year since 2018 with over 6,500 reported casualties due to heightened al-Shabaab activities that was met with government operations in response. In government-controlled cities, including the capital, Mogadishu, the security situation is still weak. Areas formerly controlled by al-Shabaab often have very weak public delivery systems¹⁰⁷. ATMIS is set to completely withdraw from Somalia by the end of 2024 and this could potentially result in a surge of security related incidents.
25. In terms of geopolitics, despite Somalia's overall positive trajectory, the country remains vulnerable to repercussions of regional rivalries and disagreements, counter-acting efforts to advance peace and stability. Careful consideration must be paid to ensuring that Somalia can work effectively with its neighbours to amicably resolve ongoing disputes and meet joint challenges together. In addition, the persisting rivalries in the Gulf continue to affect the situation in both Somalia and the region, leading to further polarization for spoilers to manipulate.
26. However, the political reconfiguration on the Horn of Africa, and the thaw in diplomatic relations, present an opportunity to transform the region, notwithstanding the dispute regarding maritime territory between Somalia and Kenya, which has strained relations between the two states.
27. Violence erupted between Israel and Hamas on 7 October. In the weeks after the conflict, Somali's in Mogadishu have rallied in the street in support with Palestine.

¹⁰⁷ UN security council meeting – 22 February 2023.

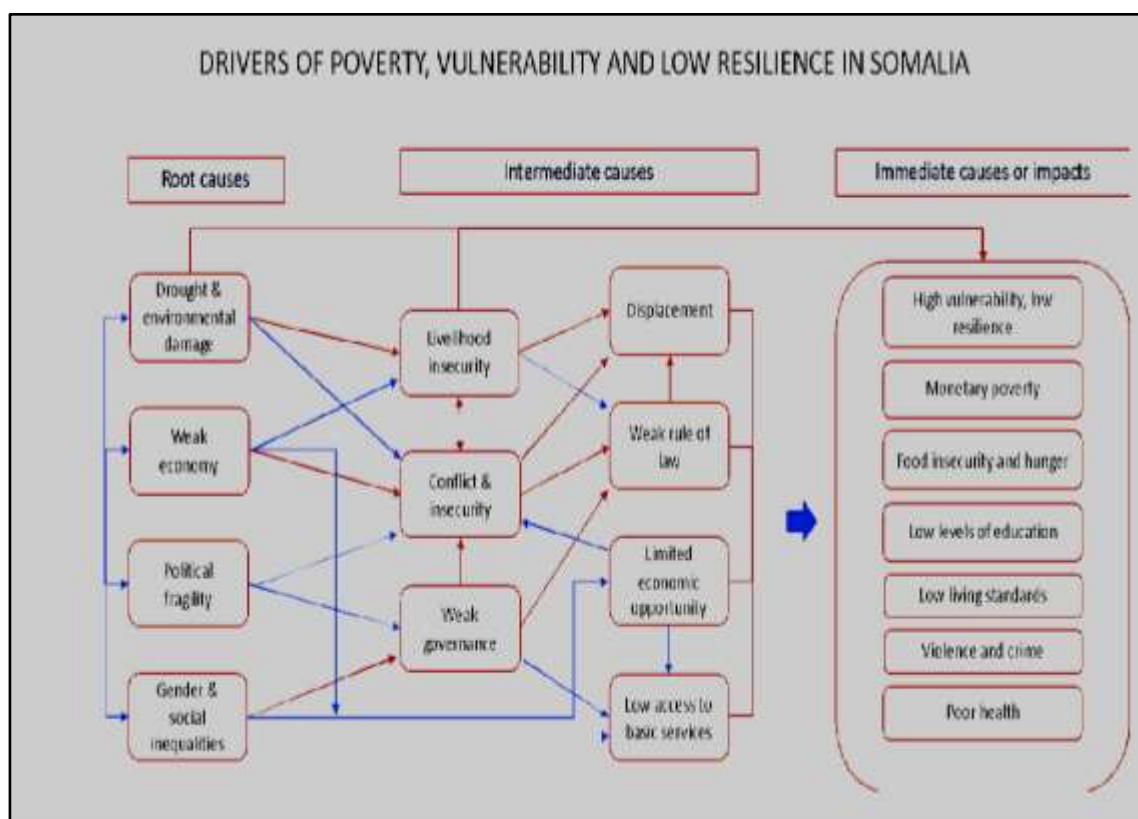
Also, in support of Hamas, the Yemeni Houthi group hijacked multiple vessels in the golf of Aden. On 27 November, another ship was hijacked in the gold of Aden and the hijackers were Somali. Prolonged violence in Palestine could spill over to the rest of the region including Somalia.

B. Fragility linked to global environmental and/or adaptation problems

28. About 80% of Somalia consists of arid and semi-arid lands. These lands are subject to extreme climatic conditions, including high average surface temperatures, prolonged periods of drought, very erratic rainfall and high winds. Droughts occur every 2-3 years and are often followed by devastating floods, particularly in the south where the Shabelle and Jubba rivers are vulnerable to heavy rains in the Ethiopian highlands.¹⁰⁸ The El Niño Southern Oscillation (ENSO) influences Somalia's climate variability in several ways, bringing more rainfall and flooding during El Niño and droughts in La Niña years. Key projected climate trends are as follow: 1) Mean temperatures are expected to increase across all areas of Somalia between 3.2°C and 4.3°C by 2080; 2) Precipitation projections indicate a general increase in annual rainfall by the end of the century. However, this is likely to come in the form of a higher frequency of extreme precipitation events. At the same time, the probability of long drought periods also increases by 2100. Much of the country is arid and semi-desert making it relatively unproductive for agriculture, with nomadic pastoralism a prevailing livelihood among rural communities.
29. Approximately 50% of Somalia's land area can be considered permanent pasture (UNEP, 2010), while 13% is suitable for cultivation. In addition to the main challenges facing Somalia in terms of peace building, health and addressing the recurrent droughts and floods, environmental degradation such as land degradation and biodiversity loss contribute to vulnerability to climate-related disasters. Drought and floods result in soil and land degradation, reducing the growth of grass and the capacity to recuperate from overgrazing. The Government of Federal Republic of Somalia (FGS) recognizes land degradation as a major impediment to national economic development as it adversely affects livestock and agriculture, which contributes heavily to its Gross Domestic Product (GDP). Land degradation, particularly caused by drought, has severely reduced livestock and agricultural production, which is the main driver of Somalia's economy. FGS is a signatory to and a member of the Land Degradation Neutrality (LDN) global initiative of the United Nations Convention to Combat Desertification (UNCCD). The framework for effective governance will enhance achievement as well as the protection of the rights of vulnerable communities in Somalia.
30. The increasing rates of land degradation are negatively affecting livelihoods and sustainable development in Somalia. This reduces the production and productivity of livestock and impacts food security.
31. Direct causes of land degradation include human activity (overgrazing, tree cutting for fuel wood and charcoal production, poor agronomic practices, and limited use of soil and water conservation practices in crop-production areas. The free/over grazing has led to habitat degradation in multiple ways such as leading to stunted growth of vegetation due to browsing pressure, over grazing on the other hand has marred the natural regeneration of the woody vegetation (NBSAP). The indirect causes include land tenure insecurity, illiteracy, poverty, war and conflict, weak governance, and high population density (FAO, SWALIM). The National Development Plan highlights, in the figure below, the complex relationships between the different drivers of poverty, vulnerability and resilience in Somalia.

Figure 1: Drivers of poverty, vulnerability and low resilience in Somalia

¹⁰⁸ First National Communication of Somalia to the UNFCCC



Source: National Development Plan 2020-2024

32. According to the Common Country Assessment carried out by Somalia's Technical and Financial Partners (TFP) "the above chart indicates the multidimensional and often circular nature¹⁰⁹ of the drivers of poverty, which are largely attributed to a 30-year long state collapse, conflict, climate change and entrenched marginalization".

C Fragility factors and agricultural/rural sector and economic fragility.

Many of the issues mentioned above, drive economic fragility and fragility in relation to the rural sector:

33. **The lack of water resources limiting access to safe drinking water for live animals and populations, for the development of agricultural activities,** thus leading to food insecurity. This situation causes: (i) an increase in migration to the capital and other cities in various states; (ii) worsening the degradation of natural resources that contribute to a very fragile balance; and (iii) an increase in household vulnerability to shocks and a reduction in households' ability to cope with economic crises.
34. **Internal displacement has a huge effect on the functioning of the agricultural sector.** The WB considers that displacement of farmers (as well as deteriorated infrastructure and continuing insecurity) are among the major reasons for the reduction in the area cultivated and crop production in southern Somalia. On its turn, can internal displacement also be a source of conflict. Intensification of conflict over agricultural land, pasture, and water resources among agro-pastoralists who remained on their lands, people returning after months of displacement, and others has been record¹¹⁰.

¹⁰⁹ For instance, a weak economy triggers conflict and insecurity **and** conflict and insecurity triggers a weak economy.

¹¹⁰ WB&FAO, 2018. Rebuilding Resilient and Sustainable Agriculture in Somalia

35. **Food insecurity and nutritional deficits causing household vulnerability in Somalia, especially in rural areas.** Food insecurity is closely linked with climate shocks. In 2021 for example, some 271,000 people were internally displaced by droughts and floods increasing their food insecurity. Worsening food security conditions and limited access to clean water have led to outbreaks of acute watery diarrhea (AWD) in many areas. Coupled with an increase in measles cases, disease incidence is contributing to rising levels of acute malnutrition, reflected in the rising number of moderately and severely malnourished children admitted to treatment centers.
36. **As a result of the civil unrest, Somalia faces multiple issues around land tenure.** A complete registry of farms survived the civil war, but regardless of evidence and rulings, landholders who left their farms in southern Somalia during the civil war are still unable to reclaim their land, because of insecurity, the weakness of traditional arbitration, and the absence of modern judicial institutions. In contrast, there are very few farmland disputes in the northern regions, where prewar landholdings were never disrupted and ministries of agriculture have issued proper lease certificates for newly allocated farmland (mostly to new, small farmers)¹¹¹.
37. **Over the last couple of decades some** many community and privately supported technical schools and universities have been established. These offer (technical) degrees around of in livestock, crops, and fishery science. However, the number of institutions remain to ease the acute scarcity of skilled personnel for agricultural development.
38. The combination of the above elements of fragility affects the rural development sector. IFAD in Somalia continued to support activities aimed at improving the living conditions of poor rural households and their **sustainable resilience and adaptation to climate change through the scale of ongoing projects. Policy dialogue and the strengthening of institutions and beneficiaries would be supported and diversified to address the factors of fragility.**

D. Political fragility in Somalia arises from constitutional amendments that seek to increase presidential powers. However, this has been met with opposition from some federal member states, leading to potential political instability. The consequences of such instability are uncertain but could impact the lives of Somali people, including farmers. It may disrupt economic activities, hinder development initiatives, and affect the livelihoods of those reliant on agriculture. Additionally, broader repercussions such as social tensions decreased trust in institutions, and challenges in maintaining security may arise, impeding investment and economic growth.

E. IFAD's opportunities to address fragility drivers

39. To mitigate the effects of fragility, IFAD would place particular emphasis on:

Potential Impact		Mitigation measure
Security	Target inaccessible areas due to conflict and social unrest	a. Better coordination of rural intervention approaches both with government institutions in at federal and state level, particularly for the planning, implementation and management of water and natural resource regeneration facilities, which are essential to develop and sustain the traditional productive base of rural populations. IFAD will also use third party institutional arrangements to deal with weak state capacity and also build the capacity of relevant institutions to manage project activities. Third party arrangements have helped IFAD

¹¹¹ Ibid.

Potential Impact		Mitigation measure
		<p>implement project activities during periods of conflict</p> <p>b. The scaling and institutionalization of the grassroots participatory approach to mobilize rural populations and facilitate the ownership and good management of developments and investments by communities. This approach has demonstrated its relevance and effectiveness in mitigating institutional fragility with IFAD past and ongoing projects as well those financed by other development partners in Somalia.</p>
Environment and climate change	Water scarcity, degradation on the natural resource base, loss of assets such as livestock and crops due to CC	<p>a. Support for investments that provide availability and access to water as a gateway and a prerequisite for other areas of activities to improve the resilience of rural populations.</p> <p>b. The consideration of resilience to CCs through good natural resource management practices, diversification of agricultural and non-agricultural income sources, food security and improved nutrition, as well as the promotion of renewable energy and/or energy efficiency, would be strengthened, given the fragility of the country caused in particular by adverse ecological and climatic conditions.</p> <p>c. Promote adapted crop and livestock breeds</p>
Economic challenges	Increased cost of inputs due to the Russia –Ukraine crisis or the effects of the Palestine crisis.	Promote efficient use of fertilizers, promoting Integrated soil fertility ,management , improve access to affordable inputs
	Few agricultural/technical schools available.	IFAD shall provide technical training in combination with activities around crop and livestock production in order to increase capabilities of participating farmers.
Water scarcity	Provision of basic water supply services disruption due to droughts may cause conflict and displacement	IFAD will invest in multiple use water systems to benefit humans ,livestock and crops
Inclusiveness of all groups	Lack of jobs and opportunities for youth and IDPs and women	<p>a. A differentiated consideration of the socio-economic needs and aspirations of women and rural youth would be pursued and strengthened to address the fragility linked to the difficulty of accessing productive assets, jobs and basic social services and hence to the vulnerability of households such as entrepreneurship skills and business development, bag farming support for IDPs with limited access to land, production training, investment in production</p> <p>b. Strengthen community driven development of the landscape development and investment in the planning process.</p> <p>c. Implementation of grievance redress and beneficiary feedback mechanisms to address perceptions of negative impacts of project interventions and to keep them in control of programme progress.</p>

COSOP preparation process

1. The design of the Somalia COSOP adopted a highly consultative-and inclusive process that solicited the views of a broad range of stakeholders drawn from the government, smallholder farmers organizations, private sector players, civil society and development partners, notably the United Nations agencies and international financial institutions.
2. Due to the security situation in Somalia, most of the consultation was virtual, with two members of the Design Team being in Somalia for some days. Sadly, the IFAD Somalia Country Team also lost to death its Country Director, Omar Ebrima Njie on 2 March 2024, after he had assembled the COSOP Design Team and informed the Somali authorities about the mission.
3. The COSOP design took off with an initial meeting with the Regional Director of NEN, the Acting Country Director and the Programme Officer on 5 March 2024, driven by a commitment to remain faithful to Mr. Njie's passion for investing in the rural poor in Somalia to eradicate poverty and hunger.
4. A challenge faced during the design of the Somalia COSOP was how to incorporate Somaliland, an autonomous state into the strategic framework. Following discussions with the Somali and Somaliland authorities, it was agreed that the same fund flow arrangements used by the African Development Bank and the World Bank will be applied during the design of projects under this COSOP. However, communications would need to be addressed separately to Somalia and Somaliland.
5. Two background studies were undertaken to establish a solid knowledge base for the COSOP: Social Environmental and Climate Assessment Procedures (SECAP) analysis, and a Fragility Assessment Study. The findings and recommendations of these studies greatly contributed to the appreciation of the country context and the challenges in smallholder agriculture. The Country Strategy Note (CSN) Completion Review (CR) analyzed the results of the CSN, generated lessons learned, and proposed the strategic direction for the new COSOP.
6. To ensure ownership of the COSOP findings, and to align with government and stakeholders' aspirations, the ICO organised a stakeholder validation workshop was held on 8 May 2024. The key features of the COSOP Draft Report were shared in the workshop including identified challenges and opportunities, lessons learned, goal and objectives of the new COSOP, geographical coverage and proposed interventions. The feedback and views expressed therein were also considered and incorporated in the revised final COSOP.
7. Annexed below are: (i) the Validation Workshop agenda; (ii) the participants; and (iii) the participants' feedback and questions at the Workshop.

Annex 1: Validation Workshop agenda for Somalia COSOP

Time	Activity	Lead	Comments	Note taker
<i>Morning Session (09:00 - 13:00)</i>				
09:00 - 09:30	Registration	Representative of Ministry of Agriculture and Irrigation		
09:30 - 09:45	Welcome remarks	Professor Mohamud Mohammed, Director General, Ministry of Agriculture and Irrigation		
09:45 - 10:00	Review of the Agenda and objectives of the workshop.	Ms Morwenna Sullivan	Introductions – name and organisation	
10:00 - 10:30	Presentation of IFAD Portfolio Q&A	Mr Samuel Eremie and Mr Ahmed Gure	Q&A	Daniela
10:30 - 11:00	Presentation on COSOP Theory of Change Q&A	Ms. Christa Ketting	Q&A Guiding questions:	Mollie
11:00	Break			
11:15 - 11:30	Presentation on strategic objectives.	Ms. Morwenna Sullivan		
11:30 - 13:00	Group work on ToC and strategic objectives.	(Open to all participants)	Participants divided into groups of 6-8 to discuss (20 mins) Group to feedback to plenary (10 mins per group) Guiding questions: Theory of Change: Is there anything missing? Strategic Objectives: Are the proposed SOs relevant? Do they reflect realities on the ground? Are they achievable?	Morwenna
13:00	Prayers and lunch break			
<i>Afternoon Session (14:00 - 16:00)</i>				
14:00-14:15	Presentation of M&E Framework and targeting	Ms. Mollie Brennan		
14:30-15:00	Q&A and Discussion	(Open to all participants)	Guiding questions: Is proposed targeting approach relevant? Are all vulnerable groups covered? Is the approach to selecting districts sufficient?	Christa
15:00-15:45	Overall Review and Recommendations	(Open to all participants)	Guiding Questions: Any suggestions to strengthen the COSOP?	Morwenna
15:45-15:50	Wrap Up, Summary and Next Steps and	Ms. Rasha Omar, IFAD country representative (interim)		
15:50 - 16:00	Closing Remarks	MoAI Representative		

Annex 2: Validation Workshop participants

Category	Organization	Role
Government Representatives	Federal Ministry of Agriculture and Irrigation (MoAI)	Specialists (Seed, Crops, Irrigation) & representative
	Ministry of Planning, Investment and Economic Development (MoPIED)	Representative
	Ministry of Finance	Representative
	Ministry of Livestock, Forest, and Range	Representative
	Ministry of Environment and Climate Change	Representative
UN Agencies	FAO Somalia Representative Office	Representatives (Livestock, Agriculture, and Fisheries)
	WFP Somalia Office	Representatives
	UNICEF	Representatives
	CARE	
	ILO	
CSOs in Agri and vet Industry	Somali Agricultural Tech Group SATG	Representative
	BENALP	Representative
Private Sector	Farmer cooperatives, Agribusinesses, Input suppliers	(5 – 7) Representatives
Donor Community	Key development partners	Representatives

Annex 3: Participants feedback at Validation Workshop

IFAD portfolio Q&A

1. Whats the impact on farmers of existing projects?
2. Which areas of ag development are IFAD prioritising?

Rasha:

IFAD has expertise in community dev, pastoralism dev, ag primary production, VC dev.
Promoting access to water and VC through community org and village dev organisations Work effectively with govt partners – defining needs on the ground. Institutional development and capacity building. Technical assistance.
Formulation of new policies and implementation of existing policies. Water planning and management activities.
Last mile provision of services – strategies and implementation – access to finance and micro finance.
Seed systems, marketing – contractual agreements, private sector
Enabling environment – policy framework.
Best address last mile delivery to rural poor.

Statistics dept: How will the programme strengthen statistics dept?

Data is important for programming. Is there a plan to support statistics dept?

FAO and WB supporting statistics. Collaborate with FAO and WB in ag sector. Can share more on it.

Ministry of Planning: IFAD portfolio – 1977 – 1991. Lost all documentation relating to previous projects. Would like to rebuild archives. Can IFAD share documentation on what was implemented 1977 – 1991. IFAD should do joint assessments and monitoring with involvement of Ministry of Planning. Ready to collaborate and support IFAD.

SADG: How does IFAD plan to handle risks going forward? What is in place for how to manage Climate change? Is there a long-term plan on e.g. drought resistant crops, seeds and any thinking on how to mitigate impact of floods?

IFAD: Climate change is key component for all IFAD activities. Climate mainstreamed across all areas. Explanation of IFAD SECAP procedures. Drought resilient crops. Seeds etc. every investment made, resilience is key component.

SECAP review note examines in more detail issues relating to strategy.

Adaptation - key concerns shaping interventions. drought/flood cycle. Introduced contingency planning in design so when an emergency like floods hit, is triggered

Ministry of Livestock: All appears to be targeting ag sector. Livestock contributes 45% GDP. Important sector. Any plans to include livestock sector?

IFAD: IFAD project on LHs. Livestock key component on LH as well as livelihoods. Would like to know which VCs should be supported for reduction of rural poverty?

Ministry of Ag: Committed to unleashing new horizon where private sector, finance, and other stakeholders have opportunity to provide insights into how best to develop the agricultural sector. When Somalia's President visited Rome recently, message was that Somalia needs longer term support beyond humanitarian only interventions. 'New horizon conducive to development.'

National Transformation Plan has created a pathway where private sector and institutions can be part of this. IFAD's new project (RLRP) is driven by min of Ag.

IFAD: gathering lessons learned from existing and recent projects. Using these as our starting point for future investments in Somalia.

DG, Ministry of Ag: Welcomed IFAD re-engagement – first since 1991. Hopes programme will give activities that need – extension. Thanked IFAD for re-engaging. IFAD to note that COSOP belongs to Somalia. Somali owned and driven. For maximum use, it must be translated into Somali.

GROUP WORK FEEDBACK

Group 1: What is missing from the ToC?

ToC is relatively comprehensive BUT need to include the following:

1. Value chains
2. Market access – to include local and international. Need to consider export.
3. Infrastructure – transporting goods from different parts of the country to markets and to ports for export (roads, security)
4. no TVET programmes to improve capacity of local farmers and communities.
5. Learning and evidence should be embedded into the prog.
6. Partnerships for local ownership. Important to consider language. This is not a humanitarian programme. Partnership is key for COSOP.
7. Mechanisms to mitigate overlap for resource mobilisation
8. Ambiguous use of language – marginalised groups – who are they? Do we mean women? Specific clans? Youth? Who do we mean?
9. Co-operative groups. Importance of working closely with local organisations.

Group 2: Are SOs relevant to needs of Somali people?

Relevant but not enough. Infrastructure gap. Farmers don't have access to markets.

1. Infrastructure key to implementation.
2. Pests – may lose production due to pests. (Lack of pesticide availability and what is available comes at high cost)
3. Real beneficiary selection – who will be included in the projects? Professionals? Need to clarify the beneficiary selection criteria.
4. Extension prog. Needs to be considered. No capacity.
5. Local seed improvement and technology
6. Post harvest challenges
7. Beneficiary selection criteria

Group 3: Do the SOs reflect reality on the ground?

Yes.

SO1: Climate shocks and climate change is key, Having a clear adaptation strategy that can build community's resilience is part of this.

SO2: Rural areas are experiencing rapid shifts. People are disconnected from agriculture difficult to retain youth engagement in ag. Challenging to maintain viability (agriculture is hard work, high risk given climate change, expensive and no guarantee of good returns)

Enhancing and promoting markets is key. Enhancing and promoting an inter state and international market for farmers to expand production. Promotion of

SO3: ownership and design. Participation from all.

Group 4: Are SOs achievable within the timeframe?

SO1 – yes if no budget limitations (?!!), leadership consensus, bottom-up approach, no security challenges in project areas

SO2 – yes. If ag/livestock infrastructure is improved – transportation, agri inputs, cold storage, market linkages for domestic and export markets

SO3 – Yes if all policy support is in place, private sector engagement is done, research institutions are involved in providing recommendations

Group 5: How could the SOs be strengthened?

SO1: community preparedness strengthened. DRR. Flood affected populations. Need to focus on community preparedness.

SO2: important to include processing, storage, marketing.

SO3: Investment not just in Ministry of Ag, also need to involve other relevant ministries (livesock, environment, water resources etc) and private sector.
Importance of building public private partnerships. Multi sectoral approach.

Need to build on what IFAD has already done. Co-ordinate and combine working with other IFAD projects.

Need accountability – ensuring support gets to right people.

Technological adaptation – climate smart management - water, ag, livestock.

Social responsibility – community participation

Active programmes in the country. Need complementarity. What additional value will IFAD programme bring?

Group 6: FAO and private sector – online group covered all questions.

FAO: Process: Really important to ensure that communities (agro pastoral, farming, pastoral) have the opportunity to feed into the process properly. Need to consider unique needs of farmers. Proper engagement to incorporate view of farms and how they see things.

New practise and new technologies can be difficult to introduce. Takes time. Need to get everyone on board.

SOs: Re women. Job creation and ag value chains. Roles between women, youth. Forcing onto society issues of women, to a society that is not receptive to female empowerment. Men dominate everything. Purposefully need to bring issues that women and youth are involved in. Challenging.

Capacity support: New generation. Need capacity support. big gap in capacity area. 7 years ago didn't have personnel now have people but don't have knowledge. Significant capacity gaps.

Policy support: Old policies not adapted to changing world. Last 30 years Somalia stuck in the past. More emphasis needed on policy support. E.g. phyto sanitary deals – no policies supporting these. Control of disease. WTO rules. VC. Policy handled. Important alongside land degradation. Policies to enable trade.

Suggest consultation with FAO to see what gaps are. Policy support in agricultural sector is FAO mandate. Need to see how to work with IFAD on this.

Abdikadir, Somfresh (private sector):

Lots of opportunities. Distributing to local markets and supermarkets.

Security is a challenge and lack of infrastructure. Security is key. needs to be in place for development to go ahead. 28 hectares 2 yrs ago. Everyone afraid to go there. can't develop because of security.

IFAD: Plan to invest in Galmudug, Hirshabelle, Jubaland and Puntland. Is that feasible?

Somfresh: As private sector, hard to invest. Remote. Far from the city. Difficult to control security. KEY consideration.

FAO: Security acknowledged as a big issue. As project implementer can find ways of mitigating these problems. Puntland - mostly accessible. Work through NGOs to get to the field. Southern states – some safe areas where work can be done e.g. accessible areas in Jubaland. Need to take security risks into consideration and devise strategies to mitigate. New areas opening up.

IFAD: Finance limited. How about working with other partners?

FAO: Should co-operate with FAO. reach out to FAO Head of Programmes (name?) to see how IFAD could complement FAO and they could work together.

IFAD: How can IFAD best support govt in coordination?

FAO: More up to agencies to come up with proposal to govt and see what they say. In some cases, govt wants to deal with separate agencies. Could approach govt through Heads of Prog? Jointly present to govt.

Govt involved in co-ordination for specific ongoing projects.

Additional comments/questions:

CARE (Mohammed Tarhir): Need Strategic emphasis on learning and evidence.

Mohammed Ali: Aim is for Poverty reduction and FS improvement. Agriculture is seasonal; what about the off season.? Need to improve post harvest activities – storage and processing so that HH can benefit from agricultural production throughout the year e.g date processing.

Transportation and storage. Cold storage chain. Requesting IFAD strategy to focus

Ministry of Planning: Have a system (IMS?) that captures all donors' studies. Helps avoid duplication. Direct targeting: people expect NGOs to give something. USD70/day CFW. Disincentivizes people to work for themselves or for govt at a lower salary. They now have an adapted mindset. Only aid delivery not govt work. Expect donors to deliver cash.

IFAD needs to collaborate and ensure alignment with NTP. Work closely in line with national priorities which reflect the commitment of govt leadership to transform the country.

Min of Ag: Post harvest loss: Reserve bank. Surplus yields stored. Facilitate conducive env at regional level. Talks with EAC. When have surplus will be able to export to neighbouring countries. Lower post harvest losses. Importance of working to support regulatory frameworks. Important piece of legislation.

Galwayo Seed company: need to create links for banks and farmers – importance of micro credit for rural HHs.

Additional questions

1. When will an implementation plan be developed?
2. There is a disconnect between the public and agricultural sector. How will IFAD promote/encourage/create awareness about the importance of agriculture?

Whats next (Rasha)

Based on discussions, see if we need to rethink.

Note the point on use of language – don't use humanitarian language. Will revise document and resubmit to management for review and endorsement.

Once endorsed, approved by IFAD president and shared with IFAD exec board. Hope to get approval July/August.

New cycle of finance 2025 onwards. New resources available to design two new projects. Combine with resources of existing projects; cant be too geographically dispersed.

Thanks to Min of Ag. for designating strong team to COSOP consultation process. Esp thaks to DG, Mustafa and Abdulahi for support. And thanks to IFAD team.

Closing remarks (Min of Ag) Thanks to all for participation. Insights and ideas will contribute to quest for national food security and prosperity.

South-South and Triangular Cooperation Strategy

I. Introduction

This SSTC country strategy for Somalia underscores IFAD's commitment to fostering sustainable agriculture through collaboration and innovation. By leveraging the collective strengths of developing countries and fostering inclusive growth, it is IFAD's aim to transform the agricultural landscape in Somalia. Projects and/or programmes financed by IFAD and in-country partners have developed approaches to provide technical cooperation based on reciprocal knowledge exchanges between peers.

In the framework of the new COSOP, SSTC will be an important mechanism to learn from other partners, but also to showcase the results obtained from the rural development initiatives currently being implemented in the portfolio. This appendix presents potential areas for SSTC in Somalia as well as opportunities for partnerships that will be explored during the COSOP period. It is also important that SSTC activities are aligned with the key ongoing policies and programmes that are the focus of IFAD investments in Somalia.

II. Opportunities for rural development investment promotion and technical exchanges

1. **Improving Water Management:**

- Focus on the sustainable and climate-resilient management of water infrastructure.
- Construction of climate-proofed water facilities and the establishment of community maintenance and management groups to mitigate conflicts over resources.

Targeted projects: RLRP, A2R2.

Participating actors: Government (e.g. MoAI, MoECC, MoP,), implementing agencies (e.g. Sadar), civil society, community organizations.

2. **Enhancing Agricultural and Livestock Productivity:**

- Development and promotion of climate-smart agricultural technologies and practices.
- Promotion of nature-based solutions to preserve biodiversity.
- Improved rangeland and livestock management to support the livestock value chain.

Targeted projects: RLRP, A2R2, RISE, AI-Habuur.

Participating actors: Government (e.g. MoAI, MoECC, MoP, MoLFR), implementing agencies (e.g. Sadar), civil society, community organizations, UN country team.

3. **Building Institutional and Community Capacities:**

- Strengthening the institutional, organizational, and technical capacities of various stakeholders.
- Enabling participatory natural resource management and the development of integrated development plans.
- Emphasis on monitoring and evaluation to scale up successful practices.

Targeted projects: RLRP, A2R2.

Participating actors: Government (e.g. MoAI, MoECC, MoP,), implementing agencies (e.g. Sadar), civil society, community organizations.

4. **Youth and Women Engagement:**

Special focus on involving youth and women in agri-food value chains to ensure inclusivity and enhance economic opportunities for these groups.

Targeted projects: RLRP, A2R2, RISE, AI-Habuur.

Participating actors: Government (e.g. MoAI, MoECC, MoP, Ministry of Family Planning), implementing agencies (e.g. Sadar), civil society, community organizations, youth and women's Organizations.

5. **Government systems:**

- Provision of soft skills training in order to strengthen national systems, both technical as well as fiduciary systems (e.g. procurement and financial management).
- Exchange on good practices on and lessons learned.
- Development and exchange on institutional set-up and governance systems with a view to strengthening government systems as a whole.

Targeted projects: RLRP, A2R2.

Participating actors: Government (e.g. MoAI, MoECC, MoP, MoF, Civil Society (e.g. Sadar), World Bank

III. SSTC engagement rationale

SSTC can effectively strengthen government and implementation partner staff capacities at all levels, and support local policies. Through peer learning programme activities as implemented under the core programme, there is scope to improve local governance and sustainable local and national policies. Practical exchanges allow IFAD funded projects in Somalia to improve implementation and innovate.

Implementation of SSTC activities starts with project level AWPBs, where learning is linked with budgeting and implementation of activities with monitoring operations. Project level KMC Plans will incorporate sections on SSTC and indicate how these will be implemented in a project cycle. During annual portfolio reviews, specific entry points for SSTC will be identified.

IV. Partnerships and initiatives

Within the wider IFAD portfolio, learning from the use of grey water systems as has been done, for example, by the Bahia PSA programme in Brazil will be explored. Here special water treatment systems have been installed in order to recycle water from other resources for agriculture. A dedicated budget has been included in the project to facilitate learning on both the system as well as installation, maintenance and social mobilisation. In addition, special operational partnerships with the World Bank's Water for Agro-pastoral Productivity and Resilience Project (2019-2023), and the Somalia Crisis Recovery Project (2020-2025) will also be developed.

Financial management issues summary



COUNTRY	Somalia	COSOP PERIOD	2025-2030
A. COUNTRY FM ANALYSIS			
Country Disbursement Ratio (rolling-year on PBAS allocation)			0 %
Unjustified Obligations:			0.0
PBAS Available allocation (current cycle) :			0
BRAM access			No
Country income category			LIC
<p>Transparency International: Somalia ranked at the very bottom of 2023 corruption perception index (CPI). Somalia ranked 180th out of 180 countries and scored 11 out of 100 with a slightly decrease in rating from the previous year. Based on its CPI score, Somalia is perceived as being a highly corrupt environment.</p> <p>Public Financial Management (PFM): The Federal Government of Somalia (FGS) has taken contacts with PEFA to kickstart its first country level Public financial management assessment. However, no PEFA assessment for Somalia is currently available. Nonetheless, information on PFM systems in Somalia is available thanks to the results of specific donor funded programs like the Second Public Financial Management Capacity Strengthening Project financed by the World Bank, that worked specifically on strengthening Somalia PFM systems. According to the project completion report, the government has enacted the PFM Act and the amended Procurement Act and has fully implemented IPSAS cash basis of reporting and Financial Statements. The FGS Office of the Accountant General has established an internal audit unit within the office and in critical/key Ministries, Departments and agencies (MDAs) to strengthen controls. The accountant general's office has also established a framework that will enable it to provide required FM staff to support all new development Project Implementation Units (PIUs) for the FGS. Also, the project launched a PFM Staff Professionalization certificate Program under which a total of 166 have passed the certificate level. The same project has also supported the FGS in the development of the Somalia Financial Management Information System (SFMIS): key milestones include use of the SFMIS for government staff payroll, and automated banking instructions in FGS, which improved the integrity of the payment system. Moreover, the SFMIS is used for financial reporting, including generation of in-year budget reports, annual financial reports, and other ad hoc reports that may be requested. The increased use of the SFMIS led to results that went beyond the WB project expectations, with 93.5% of payments made directly to vendors through the system by June 2023. Finally, the project supported the Improvement of coverage and classification of data in in-year budget reports. Concerning external audit, as of 2019, the OAG was progressively adopting Compliance Audit Manual (CAM) & Financial Audit Manual (FAM) that were developed with technical assistance of the INTOSAI Development Institute (IDI) and based on INTOSAI standards. These efforts led in September 2023 to the signature by the Somali parliament of a new audit law that (Law n.14) that provides the Office of the Auditor General with additional autonomy in critical areas, including staffing, operations, and budgets. The Office of the auditor general is currently an official member of INTOSAI. As a result of the improvements achieved in Somalia around PFM systems, the most recent World Bank financed projects largely rely on national systems for the implementation of their projects.</p> <p>Macroeconomic Outlook and Debt Sustainability: According to the latest IMF Staff Report for the Sixth Review Under the Extended Credit Facility Arrangement in December 2023, despite the progress achieved, Somalia faces significant challenges, including those stemming from economic, social, security, and climate risks. According to the 2023 Somalia Poverty Report by the National Bureau of Statistics, in 2022 more than 54 percent of the population lived below the national poverty line of US\$2.06 per day and food security remains a serious concern at country level. Security challenges are also elevated, amid the gradual withdrawal of the African Union Transition Mission in Somalia (ATMIS). Growth in 2022 was 2.4 percent, weighed down by drought and weak remittances that continued to subdue economic activity in 2023. Nonetheless, Growth in 2023 is expected pick up modestly to 2.8 percent, supported by the recovery in agriculture and domestic revenues have been stronger than expected in 2023. Inflation moderated to 5.4 percent in September 2023, as food and fuel prices have been easing. Total public debt is projected to decline to US\$706 million, or 6.1 percent of GDP at end-2023</p>			

from US\$3.9 billion or 37.4 percent of GDP at end-2022. The majority of total public debt is external. Post-HIPC Completion Point, Somalia is assessed to be at moderate risk of debt distress, both for external and overall public debt.

B. PORTFOLIO – LESSONS {Strengths and Weaknesses}

Existing Portfolio:

Project	Project Status	%Disbursed of all financing instruments	Project FM inherent risk rating	Performance Score: Quality of Financial Management	Performance Score: Quality & Timeliness of Audit	Performance Score: Disbursement Rate	Performance Score: Counterpart funds	Completion date
Somalia_A2R2_LDCF	Available for Disbursement	3.69	High	Not Specified	Not Specified	Not Specified	Not Specified	29/09/2028
Somalia_A2R2_GEF	Available for Disbursement	2.42	High	Not Specified	Not Specified	Not Specified	Not Specified	29/09/2028
RLRP	Available for Disbursement	1.4	High	Not Specified	Not Specified	Not Specified	Not Specified	30/03/2032
RISE	Available for Disbursement	100	Substantial	Not Specified	Highly satisfactory	Not Specified	Not Specified	31/12/2024
RISE Additional Financing	Available for Disbursement	97.5	Substantial	Not Specified	Not Specified	Not Specified	Not Specified	31/12/2024

SADAR Institute (a third party local NGO) is one of the key stakeholders for the implementation of IFAD projects in Somalia, alongside the Somali Government that is directly implementing the project RLRP. SADAR institute in fact implements on behalf of the Somali Government

both the emergency project RISE (10 million USD from CRI) and the A2R2 project (financed by ASAP+ and GEF for a total of 24 million USD), which is currently in its start-up phase. With more projects in the pipeline or about to be launched for an estimated amount of 26 million USD, SADAR will soon be managing around 60 million USD. The recent IFAD mission for RISE project assessed that SADAR institute has sufficient human resources and capacities to carry out existing projects. Nonetheless, its team will need to be further strengthened to manage new projects in the pipeline. Several key recommendations like the creation of an internal audit function, the purchase of a new accounting software, the adoption of IPSAS-cash accounting standards and the finalisation of a revised Finance Manual are currently being implemented. Furthermore, some key mitigating actions have been also recommended concerning SADAR governance structure and in particular the separation of the CEO and Board Chair position. The overall FM inherent risk is assessed to be High for A2R2 and Substantial for RISE, mainly to the risks related to the country context as well as the specific complexities of the project A2R2 compared to RISE. Also, the FM inherent risk of the project RLRP is considered to be High at design stage due to country related context and fragility as well as IFAD lack of experience in implementing investment projects through governmental institutions and using country systems. In fact, RLRP will rely on country systems when it comes to: (i) budgeting, through the approval of project budget within the country's budget law every year; (ii) accounting and financial reporting through the use of the SFMIS; (iii) funds flow, to the extent that the Designated account is opened at the central bank of Somalia and payments are processed through the SFMIS system after validation from the Office of the Accountant General (OAG); (iv) External audit function will be under the responsibility of the Office of the Auditor General of Somalia which will likely outsource project audit mission to accredited audit firms in line with IFAD non-objected ToRs, as per current practice in Somalia with other donor funded projects. Country systems will play a role also when it comes to internal controls since part of the project internal control system is embedded within the expenditures authorisation process of the SFMIS. PMU staff will be on the other hand recruited competitively and flanked if possible by seconded staff from the MoA to build institutional knowledge. In addition to that, the security situation at country level may limit IFAD ability to supervise projects effectively. This risk will be mitigated, if needed, by relying on a third-party supervisory entity with access to projects' implementation areas. It has to be noted that, given IFAD lack of experience in working with Somalian Government institutions, RLRP design relied heavily on best practices and experience from other international donors and in particular from the World Bank. Therefore, in the framework of the COSOP 2025-2030, IFAD will build-up on lessons learned from ongoing projects and recalibrate its engagement strategies and financial management arrangements based on their performance.

Prepared by: Federico Rossetti

Procurement risk matrix – Part A country level

SOMALIA

IFAD PRM - Part A Country Level

Based on MAPS II – ASSESSMENT OF NATIONAL PROCUREMENT SYSTEM

Indicator # and Sub-Indicator #	Sub-Indicator Description	Findings regarding possible non-compliance with IFAD PPF	Inherent Risk of non-compliance with Project Objectives & IFAD PPF	Proposed Mitigation measure/s	Net Risk
Consolidated Findings at Country Level		The procurement risk across all pillars is High. There are major challenges and they mainly relate to (in addition to insecurity, limited number of dedicated procurement staff and restricted movements and access inside Somalia) weak capacity of bidders and limited service providers; incomplete public procurement regulation and non-adherence to the procurement Act guidelines; weak legal and financial institutions and subsequent regulatory framework; and incomplete instructional setup.	H	IFAD Guidelines and Handbook shall apply; Training will be provided including certification training; Intensive supervision and support should accompany implementation.	H
Pillar 1. Legal, Regulatory and Policy Framework					
1.1.	The public procurement legal framework achieves the agreed principles and complies with applicable obligations.				
1.1.1.	Scope of application and coverage of the legal and regulatory framework	<p>Public procurement in Somalia is governed by the 'Public Procurement, Concessions and Disposal Act' (PPCDA), of 23rd November 2015.</p> <p>The Act has undergone a number of revisions and changes which are all designed to address the problems across the entire procurement process: from the poor procurement planning, definition of the needs and preparation of the bidding documents, to a lack of transparency and competition in the process followed for announcements, bidding, evaluation and award of contracts, to poor contract implementation, records keeping and procurement reporting</p> <p>The Act does not cover procurement for defense or national security. Where procurement is IFI-financed, the provisions of the Act apply when there is no conflict with the terms of the financing agreement, procedures or standard documentation required by the donor. In the</p>	H	Apply IFAD Project Procurement Guidelines and Handbook and elaborate a Manual accordingly.	H

		case of any conflict the procedures and decisions of the IFI prevail.			
1.1.2.	Procurement methods	<p>Procurement methods and the related thresholds are set out in schedule 3 of the procurement Act.</p> <p>The Act provides for the following procurement methods:</p> <p>Open competitive bidding (<i>default method</i>) National competitive bidding International competitive bidding Request for quotations Direct contracting Framework Agreements</p> <p>Other procurement methods, such as Limited or restricted competitive bidding Open competitive bidding is the default method of procurement and the framework clearly stipulates the situations in which the use of the other methods can be used justified.</p> <p>The Procuring Entity (PE) employs international competitive bidding procedures when the estimated contract amount is higher than the specified value threshold.</p> <p>For procurement of consultant services, the Act provides the following selection methods:</p> <p>Quality and cost-based selection (<i>default method</i>) Quality-based selection Least-cost selection Selection under a fixed budget Selection of firms based on the consultants' qualifications Selection of individual consultants</p> <p>The Act lays down the conditions for the use of the procurement methods other than the default ones.</p> <p>The Act prohibits splitting of PEs needs in goods, works and services to avoid the use of a competitive procurement or selection method.</p>	S	Given that Somalia is rated high risk in procurement, IFAD's procurement methods, thresholds and time-limits defined for the Project will apply.	S
1.1.3.	Advertising rules and time limits	Public procurement shall be undertaken by means of advertised open competitive bidding proceedings, in the widely circulated procurement bulletin or designated website and, in the case of international competed	S	Since publication of procurement related information is a challenge in Somalia, the project will publish bidding opportunities on the Ministry's website, and in addition – in order to	S

		<p>bidding, in selected international media with equal access to all eligible and qualified bidders without discrimination.</p> <p>The deadline for submission of bids, application for prequalification and expressions of interest is defined so as to allow sufficient time for their preparation and submission:</p> <ol style="list-style-type: none"> 1. Thirty (30) days under national competitive bidding; and 2. Forty-five (45) days under international competitive bidding for submission of bids and for applications to pre-qualify. 		<p>increase visibility, publish on widely known platforms like 'Relief Web' (reliefweb.int), in addition to the publication of the International bidding on UNDB through IFAD.</p>	
1.1.4.	Rules on participation	<p>Suppliers, contractors, or consultants are permitted to participate in procurement proceedings without limitation or restriction on the basis of nationality, except in cases where the bidder is not eligible under Article 6 or debarred under Article 31.</p> <p>Although Article 33 defines the grounds on which a potential bidder shall be debarred from participation in procurement, there is no centrally held and widely accessible list of debarred enterprises, nor a defined procedure to debar an enterprise, and the law does not detail any other, legal consequences for the debarred enterprise, nor the possibility to appeal against a debarment decision.</p>	S	<p>The ministry of finance – procurement department should publish the list of debarred firms on own website. In addition, reference shall be made to the World Bank Debarment System.</p> <p>(https://www.undp.org/content/undp/en/home/operations/procurement/business/protest-and-sanctions/ineligibility-list/)</p>	S
1.1.5.	Procurement documentation and specifications	Standard bidding documents do not exist.	H	<p>The Standard Procurement Documents separately for goods, works and services shall be developed and adopted.</p> <p>Meanwhile, the IFAD Standard Procurement Documents including IFAD SECAP (Social, Environmental and Climate Assessment Procedures) clauses and conditions shall be used for better managing risks and impacts of IFAD-supported investments on biodiversity (extraction of natural resources by primary suppliers) and natural resources through the release of pollutants into the environment or consumption of raw materials, energy and water (groundwater and/or surface water), or impacts on the indigenous population caused by heavy</p>	H

				excavations and earth movements through earthworks; or the community health and safety through negative impacts of water-borne and other vector-borne diseases, or through negative impacts of activities on ecosystems. Violence against women is potential due to the influx of workers into project activity sites. Preventive measures shall include (i) considering alternatives to purchasing natural resources from primary suppliers, (ii) providing standardized wastewater treatment systems, (iii) requiring that groundwater withdrawal be done at a rate close to the recharge rate taking into account all extraction needs of the groundwater unit, and (iv) that prior to excavation, a groundwater study be conducted and a budget for this study be provided.	
1.1.6.	Evaluation and award criteria	Provisions allowing the use of evaluation and award criteria other than price lack detail and guidance.	H	The evaluation of proposals shall prescribe a merit point system for proposals that comply with SECAP requirements.	H
1.1.7.	Submission, receipt and opening of tenders	Submission of bids both in sealed envelopes and electronically is regulated by Article 77 of the Act. Electronic submission is permitted, provided that the confidentiality and security of bids is assured, including the prevention of the opening and reading of bids by anyone until the opening of bids before deadline.	S	Introduction of e-procurement system shall be encouraged in order to ensure the complete confidentiality of the process, as well as full transparency of the relevant decisions.	S
1.1.8.	Right to challenge and appeal	One of the mandates of the 'Public Procurement Authority' (PPA) is to Conduct independent inspections and reviews of complaints and appeals related to the procurement process (Article 37-1-m). The procurement department at the ministry of finance which is mandated with the roles of the PPA does not perform this function.	S	For purposes of SIRAP, the Ministry of Agriculture and Irrigation, as the implementing agency, shall form a committee to handle procurement related complaints. This committee can be composed of the heads of technical departments that will be having SIRAP amongst their roles and responsibilities. The project will have to apply the Debriefing, Protest and Appeal mechanisms of IFAD Procurement Handbook with mandatory use of the standstill period and the prompt resolution of complaints before award.	S

1.1.9.	Contract management	Responsibilities for contract management in public procurement are not properly regulated and the relevant provisions are general and ambiguous	H	Develop comprehensive rules, guidance and training material on contract management enforcing contractual performance and full transparency on the use of funds; and complement it with the necessary training on the following: i) functions and responsibilities for managing contracts; ii) methods to review, issue and publish contract amendments in a timely manner; and iii) dispute resolution procedures that provide for an efficient and fair process to resolve disputes during the performance of the contract.	H
1.1.10.	Electronic Procurement (e-Procurement)	Article 10 of the Act provides the legal basis for e-GP. The PPA leads the electronic procurement agenda, although there is no e-procurement system in place and access to public procurement information is limited;	H	Raise transparency, improve administrative efficiency and reduce costs by introducing e-procurement to ensure the use of tools and standards that provide unrestricted and full access to the system, taking into consideration privacy, security of data and authentication	H
1.1.11.	Norms for safekeeping of records, documents and electronic data.	Article 31 defines specific rules for safekeeping of records, documents and electronic data to be retained for a period of six (6) years following the date of final completion of the procurement contract, or from the date of rejection of all bids or cancellation of the proceeding, as the case may be	M	It is recommended to established security protocols to protect records (physical and/or electronic)	M
1.1.12.	Public procurement principles in specialized legislation	Public procurement principles and/or the legal framework do not apply in any specialized legislation that governs procurement by entities operating in specific sectors, as appropriate	H	Complement the Act, to the extent necessary, by a full set of duly harmonized secondary legislation.	H
1.2.	Implementing regulations and tools support the legal framework				
1.2.1.	Implementing regulations to define processes and procedures conditions	Officially endorsed regulations, materials relevant to secondary legislation, standard documents, guidance notes and other tools are incomplete.	H	Relevant governmental institution/s shall be assigned to lead the preparation, dissemination and updating of existing documents/materials. The PIM should elaborate detailed processes by reference to the Handbook.	H
1.2.2.	Model procurement documents for goods, works and services	Although the current legal framework imposes the use of any standard documents, there is no procurement regulation, manual or standard bidding documents in place.	H	Model procurement documents for goods, works and services shall be prepared and become effective. Meanwhile, IFAD's Projects will use IFAD Standard Bidding Documents	H

1.2.3.	Standard contract conditions	There are no standard forms of contract with mandatory particular conditions clauses included that must be used in public procurement as part of standard bidding documents	H	Standardize and formalize guidance for the preparation and use of forms of different contracts and contract management. Meanwhile, IFAD's Projects will use IFAD Standard Bidding Documents which includes draft forms of contracts	H
1.2.4.	User's guide or manual for procuring entities (insert link to manual if possible)	An officially mandated, unified public procurement manual detailing all procedures for the correct implementation of procurement regulations and laws does not exist.	H	Elaboration and publication of User's guide or manual for the preparation and use of notices, requirements and specifications, timelines, selection and award criteria and their use, etc. IFAD's Projects will have their own Project Implementation Manual which will include a detailed section on Procurement.	H
1.3.	The legal and policy frameworks support the sustainable development of the country and the implementation of international obligations				
1.3.1.	Sustainable Public Procurement (SPP)	The legal and policy frameworks applicable to public procurement do not include or reflect sustainable development policies and do not support their application. Regulations and guidance materials contain limited provisions for incorporating social or environmental aspects in requirements, specifications and selection and award criteria.	H	Introduce key principles of sustainability in public procurement and implement measures to ensure its applicability in the public procurement legislation. The project should fully comply with SECAP requirements in procurement and staff should be trained on the same.	H
1.3.2.	Obligations deriving from international agreement	There is lack of clear alignment between the existing Somalia legislation and the provisions related to public procurement in international agreements of which Somalia is a member, such as the UN Convention Against Corruption.	H	Align the public procurement legislation for conformity with the relevant provisions of the UN Convention Against Corruption and of other international agreements ratified by Somalia. The project will follow IFAD Procurement Guidelines and Handbook.	H
1.4. Consolidated findings for Pillar 1.		The procurement system lacks consistency and elaboration; requisite institutions are not fully set-up and functional.	H	The project will follow IFAD Procurement Guidelines and Handbook as well as IFAD SBDs; the PIM will elaborate the particulars of procurement execution.	H
Pillar 2. Institutional Framework and Management Capacity					
2.1.	The public procurement system is mainstreamed and well-integrated with the public financial management system				
2.1.1.	Procurement planning and the budget cycle	The procurement cycle is tied with the annual budget cycle, beginning with the preparation of procurement plans that are prepared in collaboration with the Ministry of Finance (MOF) and contractual payments which are the responsibility of the Treasury. The PEs are required	S	Improve the integration of public procurement into public financial management in order to improve procurement management.. Projects will strictly adhere to AWPB and PP preparation according to IFAD templates and requirements.	S

		to undertake annual procurement planning with a view to achieving maximum value for public expenditure.			
2.1.2.	Financial procedures and the procurement cycle	Procurement planning and preparation is not well regulated. Monitoring mechanisms are not sufficient to evaluate procurement outcomes in order to correct financial planning and management.	H	Deliver goods and services more efficiently, by developing medium term budgeting and amending financial regulations to ensure continuity of competitive procurement during the transition from one fiscal year to the next. The project should develop and continuously monitor and update a Procurement Strategy in line with IFAD requirements.	H
2.2.	The country has an institution in charge of the normative/regulatory function				
2.2.1.	Status and legal basis of the normative/regulatory institution function	Key functions of public procurement policy management are not clearly defined.	H	In the public procurement law, define clearly the various central functions (e.g., policy, regulation, advice, information, training; complaint resolution, avoiding conflict of interest) in the public procurement system, allocate them to specific entities to avoid gaps and overlaps as well as conflicts of roles. . The PIM should clearly elaborate roles and responsibilities in a RACI matrix.	H
2.2.2.	Responsibilities of the normative/regulatory function	The legal and regulatory framework does not clearly specify the normative/regulatory function, nor it assigns appropriate authorities' formal powers to enable the institution to function effectively	H	In the public procurement law, define clearly the various central functions (e.g., policy, regulation, advice, information, training; complaint resolution, avoiding conflict of interest) in the public procurement system, allocate them to specific entities to avoid gaps and overlaps as well as conflicts of roles. The PIM should clearly elaborate roles and responsibilities in a RACI matrix.	H
2.2.3.	Organization, funding, staffing, and level of independence and authority	The legal and regulatory framework does not clearly specify organisation, funding, staffing, and level of independence and authority of PA	H	In the public procurement law, define clearly the various central functions (e.g., policy, regulation, advice, information, training; complaint resolution, avoiding conflict of interest) in the public procurement system, allocate them to specific entities to avoid gaps and overlaps as well as conflicts of roles. The PIM should clearly elaborate roles and responsibilities in a RACI matrix.	H
2.2.4.	Avoiding conflict of interest	Schedule 1 and Schedule 2 of the Act define the measures for avoiding cases of conflict of interest.	M	All staff will be well-acquainted with the revised IFAD policy on combating corruption; all committee members will sign and comply with	M

				the declaration on impartiality and confidentiality.	
2.3.	Procuring entities and their mandates are clearly defined.				
2.3.1.	Definition, responsibilities and formal powers of procuring entities	<p>According to Article 4 of the Act, Public procurement is decentralized to the following procuring entities:</p> <p>a) Central Government ministries and their departments and agencies;</p> <p>(b) National Commissions;</p> <p>(c) Public institutions;</p> <p>(d) Enterprises, which are wholly or partially owned by the Government including all enterprises in which government has majority interest; and</p> <p>(e) Any entity in the private sector, which is given the responsibility to carry out activities using public funds.</p> <p>It also specifies procurements to which the Act does not apply:</p> <p>a) Retaining the services of an individual who works primarily as an employee of a Procuring Entity;</p> <p>b) Acquiring goods works and services from another Procuring Entity;</p> <p>c) Acquiring real property, business enterprises, stocks, shares and such other commercial assets or instruments.</p>	S	Institutionalize a general obligation for procuring entities to have a dedicated unit for public procurement within their organizational structure, with clearly defined functions and responsibilities, in addition to staffing and allocated resources adequate for the purpose. The PIM should clearly elaborate roles and responsibilities in a RACI matrix.	S
2.3.2.	Centralized procurement body	The Act defines the Procurement Committee with a centralized procurement function in charge of consolidated procurement, framework and specialized procurement.	S	Standardize and formalize guidance for the preparation and use of consolidated procurement, framework and specialized procurement. The PIM should clearly elaborate roles and responsibilities in a RACI matrix.	S
2.4.	Public procurement is embedded in an effective information system				
2.4.1.	Publication of public procurement information supported by information technology	While tender and award notices are published on the NPA portal, there is no system to collect, maintain and analyze procurement data for use by the Government to identify any weaknesses in the system and to correct them.	H	Set up a national electronic platform for mandatory publication of procurement notices of all procuring entities) and for facilitating access to public procurement information and tender documents.	H

		There is no unified, nationwide system for publishing procurement information by electronic means.		All IFAD opportunities shall be published in a GPN as per the requirements of the Handbook. Such publication as well as all other notices shall be posted online on a dedicated website.	
2.4.2.	Use of e-Procurement	Article 10 of the Act provides the legal basis for e-GP. It says that the Public Procurement Authority (PPA) may authorize PEs to use electronic means for publication of invitations to bid, transmission of bidding documents, and submission of bids. Although, There is no e-GP in place yet.	H	Set up a national electronic platform for mandatory publication of procurement notices of all procuring entities) and for facilitating access to public procurement information and tender documents. All IFAD opportunities shall be published in a GPN as per the requirements of the Handbook. Such publication as well as all other notices shall be posted online on a dedicated website.	H
2.4.3.	Strategies to manage procurement data	Public procurement data is not systematically collected, compiled, analyzed and disseminated as needed for ensuring transparency and supporting evidence based policy making.	H	Define the needs and procedures for collection, management and analysis of data on public procurement. The use of NOTUS and CMT is mandatory; the project will be required to report in detail on procurement and collect procurement data as necessary.	H
2.5.	The public procurement system has a strong capacity to develop and improve				
2.5.1.	Training, advice and assistance	There is no official capacity building strategy, nor one for providing guidance in response to queries, and there are no obligations to use the public procurement training currently available.	H	Institutional and management capacity needs improvement and procurement staff need adequate training for an effective conduct of procurement. For this purpose, a policy rendering public procurement training mandatory for all concerned stakeholders across the public sector shall be established and implemented. In light of SIRAP, a hands-on approach, including the introduction to NOTUS and CMT will allow the systematic tracking of procurement activities throughout the project cycle. The Project Coordination Unit (PCU) shall be trained in NOTUS, and the Procurement Specialist at IFAD shall closely work with the PIUs and provide trainings to local staff. For procurement packages that are deemed to pose challenges to the PIUs, IFAD can provide additional procurement support through a short-term	H

				consultant to work on procurement processing, including assistance in drafting bidding documents, providing guidance on evaluation of bids and drafting of Bid Evaluation Reports.	
2.5.2.	Recognition of procurement as a profession	Public procurement is not professionalized, i.e. it does not provide a career path to public procurement officials involved in conducting and managing procurement; nor does it provide adequate opportunities for skills building, there is no official job description or qualification requirements specific to public procurement.	H	Building on existing drafts, revise and adopt standard job description and qualification requirements for public procurement officials at different levels, and regulate and monitor their application. Project procurement staff will be certified using the BUILDPROC initiative.	H
2.5.3.	Monitoring performance to improve the system	There are no mechanisms in place for evaluating public procurement performance or for using such information as a basis for strategy development and decision making. There is no formal, official strategy for the development of the public procurement system and no clearly assigned responsibility for preparing and maintaining one.	H	Systematize the collection and use of aggregated data on public procurement performance. Using the MAPS assessment report as a basis to develop, adopt, implement and monitor a national strategy for the development of the public procurement system, after clearly assigning responsibilities and allocating resources for this purpose. Supervision and support missions will accompany implementation and provide the required feedback.	H
2.6. Consolidated findings for Pillar 2.		Dysfunctional institutional setup with no visible presence online and poor data collection/analysis mechanisms.	H	The project will develop a detailed RACI matrix and align its procurement fully with IFAD's. IFAD will provide necessary supervision and support to accompany implementation	H
Pillar 3. Public Procurement Operations and Market Practices					
3.1.	Public procurement practices achieve stated objectives				
3.1.1.	Procurement Planning	The PEs are required to undertake annual procurement planning with a view to achieving maximum value for public expenditure. A procurement plan is based on the PE's approved program and budget. Procurement plans are published on the PPA and PEs' websites. The PE's Procurement Committee approves the procurement and periodically monitors its implementation. The procurement plan is prepared annually based on Government's fiscal year and takes into account the	S	To introduce a clear and comprehensive guidelines and tools for uniform procurement planning prior to the start of the fiscal year and for its incorporation in public budgets; monitor their application; and enforce the use of established good practices. Projects will strictly adhere to AWPB and PP preparation according to IFAD templates and requirements.	S

		<p>Government's annual budget. In the first instance, the procurement plan needs to consider and include all on-going contracts carried forward from the previous fiscal year.</p> <p>The PEs, on a quarterly basis, review and update their procurement plans and notify any major modifications to the Procurement Committee, Accounting Officer, NPA and the MOF.</p>		The project should develop and continuously monitor and update a Procurement Strategy in line with IFAD requirements.	
3.1.2.	Selection and contracting	Data on the performance of the public procurement system is missing.	H	For IFAD's projects, the Project will have to use methods prescribed in IFAD Procurement Framework.	H
3.1.3.	Contract management in practice	There are no means in place for monitoring and managing public procurement performance.	H	Based on above, CM systems and framework will be put in place and elaborated in PIM along with a RACI matrix. Training on CM is required.	H
3.2.	The public procurement market is fully functional				
3.2.1.	Dialogue and partnerships between public and private sector	<p>Private sector in Somalia has been satisfying the demand of the society during the last three decades. In the goods market, it provides light domestically manufactured goods while importing non-locally-produced goods. The construction industry participates in rehabilitation of the roads, construction of business centers, resorts, hotels and investing numerous viable businesses. However, the sector faces many challenges, including weak regulatory framework; monopoly; challenging environment; and high cost of doing business.</p> <p>There is a lack of trust between the demand and the supply sides of the public procurement market. There are no effective mechanisms for public-private sector dialogue and mutual information on public procurement related subjects.</p>	H	<p>A standard and formal mechanism/process shall be initiated for regular consultations between the public and the private sector on issues related to procurement policy and practice</p> <p>The project should develop and continuously monitor and update a Procurement Strategy in line with IFAD requirements. The PPS will include a section on market analysis and dialogue with the private sector and a stakeholder analysis section involving the public sector among others.</p>	H
3.2.2.	Private sector's organisation and access to the public procurement market	There is no PEFA framework for Somalia, however key bidding opportunities are published on the ministry of finance website. Other key procurement information e.g publication of PP, complaints, blacklisted companies, Contract awards are not published at all.	H	Since publication of procurement related information is a challenge in Somalia, the project will publish bidding opportunities on own or ministry of agriculture website, and in addition – in order to increase visibility, publish on widely known platforms like 'Relief Web' (reliefweb.int) in addition to the publication of the International bidding on UNDB through IFAD.	H

3.2.3.	Key sectors and sector strategies	There is a lack of understanding of the role of public procurement in the economy and of the opportunities to incorporate it in development policies.	H	Carry out a comparative study of the demand and supply side of the public procurement market in Somalia and use the findings to inform development policy.	H
3.3. Consolidated findings for Pillar 3.		Poor practices in terms of stakeholder and market management as well as limited capacities to engage with the same.	H	Online mandatory publication, adoption of AWPB, PP and PPS in the project; continuous training and certification as well as the adoption of a thorough PIM.	H
Pillar 4. Accountability, Integrity and Transparency of the Public Procurement System					
4.1.	Transparency and civil society engagement strengthen integrity in public procurement				
4.1.1.	Enabling environment for public consultation and monitoring	There are no policies, regulations and practices that enable and promote civil society participation.	H	Develop and institutionalize mechanisms for enhanced consultation with civil society, both when policies are developed and amended and in the case of specific procurement projects or operations. IFAD debriefing and standstill provisions shall apply.	H
4.1.2.	Adequate and timely access to information by the public	Information on what actually happens in public procurement is missing or very difficult to identify and access.	H	Increase the level of transparency by making all procurement related information comprehensive and easily accessible and free of charge through electronic platforms. Mandatory publication of outcomes and results.	H
4.1.3.	Direct engagement of civil society	There are no policies, regulations and practices that enable and promote civil society participation.	H	Develop and institutionalize mechanisms for enhanced consultation with civil society, both when policies are developed and amended and in the case of specific procurement projects or operations.	H
4.2.	The country has effective control and audit systems				
4.2.1.	Legal framework, organisation and procedures of the control system	The internal audit function is established and in general functioning satisfactorily. However, internal auditors do not have training in auditing procurement; nor is there a procurement audit manual. While tender and award notices are published on the NPA portal, there is no system to collect, maintain and analyze procurement data for use by the Government to identify any weaknesses in the system and to correct them.	H	Develop a policy for internal audit as well as a properly resourced plan for its successive introduction in all procuring entities at central and local levels of government. Shift the focus from formal compliance with procedures to the achievement of intended results in ways that improve value for money.	H

				IFAD Guidelines and Handbook shall apply. Existing legal audit and review requirements will still apply.	
4.2.2.	Co-ordination of controls and audits of public procurement	There are gaps and overlaps in the approaches.	H	Eliminate gaps and overlaps in regulations and conflicts of roles among oversight institutions and other entities involved in public procurement, eliminate redundant control steps, put relatively greater emphasis on procurement risk prevention rather than on correction actions. The project will be required to recruit annual auditors.	H
4.2.3.	Enforcement and follow-up on findings and recommendations	There is no effective follow-up and enforcement of the findings and recommendations actually made by internal and external control and audit functions.	H	Develop simpler, efficient and effective means for follow-up and enforcement of findings and recommendations of oversight bodies, with appropriate measures to ensure that obligations are met and that appropriate sanctions are meted out when merited. Publication of those actions is to be observed. Findings of audit as well as of Supervision and Support missions will be closely monitored for compliance.	H
4.2.4.	Qualification and training to conduct procurement audits	Internal auditors do not have training in auditing procurement; nor is there a procurement audit manual.	H	Formal training and on-the-job trainings shall be conducted regularly to ensure that auditors and controllers have the qualifications required. The project will benefit from experienced IFAD consultants to mitigate for mistakes and procurement risks.	H
4.3.	Procurement appeals mechanisms are effective and efficient				
4.3.1.	Process for challenges and appeals	One of the mandates of the 'Public Procurement Authority' (PPA) is to Conduct independent inspections and reviews of complaints and appeals related to the procurement process (Art 37-1-m). The procurement department at the ministry of finance which is mandated with the roles of the PPA does not perform this function.	H	For purposes of SIRAP, the MoA, as the implementing agency, will form a committee to handle procurement related complaints. This committee could be composed of the heads of technical departments that will be having SIRAP amongst their roles and responsibilities. The project will have to apply the Debriefing, Protest and Appeal mechanisms of IFAD Procurement Handbook with mandatory use of the standstill period and the prompt resolution of complaints before award.	H

4.3.2.	Independence and capacity of the appeals body	Bid complaints are reviewed by the Independent Procurement Review Panel. The purpose of the Panel is to conduct independent administrative review of complaints and appeals made by bidders on bids and contract award decisions and make decisions thereon. The PPA provides the Panel with administrative and secretarial services, including funding and logistical support, to meet its obligations. The Panel comprises five members: three from professional or civil society organizations; two from the private sector. The members elect among themselves a Chairperson.	M	The Independent Procurement Review Panel shall have a complete autonomy from the rest of the system, to ensure that its decisions are free from interference or conflict of interest.	M
4.3.3.	Decisions of the appeals body	<p>The Independent Procurement Review Panel makes a decision under this Article within thirty (30) calendar days after receiving the complaint.</p> <p>The Authority ensures that administrative rulings of the Independent Procurement Review Panel and directives of the Authority that are of general application under this Act are promptly made available to the public.</p> <p>The decision of the Independent Procurement Review Panel can be taken by Party aggrieved by the decision to judicial review in the High Court within fourteen (14) days after being notified.</p>	M	Introduce the possibility to briefly suspend the procurement process when a complaint is made and introduce a standstill period to prevent a contract from being concluded before a decision is taken on a complaint against the award decision, as per IFAD Procurement Handbook.	M
4.4.	The country has ethics and anti-corruption measures in place				
4.4.1.	Legal definition of prohibited practices, conflicts of interest, and associated responsibilities, accountability and penalties	Article 16 of the Act on Fraud and Corruption requires all parties to observe the highest ethical standards during procurement process and contract execution. In this context, any corrupt, fraudulent, collusive, coercive, fraudulent or obstructive actions taken by public officers, bidders, suppliers, contractors, and their subcontractors and consultants for undue advantage are prohibited.	S	<p>Complete the general regulatory and institutional anti-corruption framework by focusing on effective asset declarations and prevention of conflicts of interest and elimination of abusive use of its provisions.</p> <p>IFAD policies shall be mandatory in all bidding documents; reporting hotlines shall also be included.</p>	S
4.4.2.	Provisions on prohibited practices in procurement documents	Article 16 of the Act on Fraud and Corruption requires all parties to observe the highest ethical standards during procurement process and contract execution. In this context, any corrupt, fraudulent, collusive, coercive, fraudulent or obstructive actions taken by public officers, bidders, suppliers, contractors, and their subcontractors and consultants for undue advantage are prohibited.	M	The project should ensure integration in all bidding documents of provisions of "IFAD's Policy on Preventing Fraud and Corruption in its Activities and Operations", IFAD's Policy to Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse" and "IFAD's Anti-Money Laundering and Countering the Financing of Terrorism Policy".	M

4.4.3.	Effective sanctions and enforcement systems	There is a lack of regulatory and institutional measures for helping ensure integrity in public procurement and in public administration in general.	H	For purposes of SIRAP therefore, allegations of corruption shall be investigated as per the requirements of the IFAD anti-corruption policy. Cross-debarment shall be checked through mandatory use of Self-Certifications and bidding and contract stages for all procurement activities.	H
4.4.4.	Anti-corruption framework and integrity training	In 2019, Somalia passed an Anti-Corruption Law and established an Anti-Corruption Commission and elaborated a strategy on the subject. This is a commendable step forward in the fight against corruption.	M	Take measures for the effective and efficient implementation of the anti-corruption laws by establishing the National Anti-Corruption Commission at the earliest, with the necessary resources.	M
4.4.5.	Stakeholder support to strengthen integrity in procurement	The African Union (AU) Convention on Preventing and Combating Corruption, which criminalizes domestic and foreign bribery, diversion of property by public officials, trading in influence, illicit enrichment, money laundering and concealment of property, was signed by Somalia in 2006. The UNCAC provisions also obligate state parties to take a number of public and private anti-corruption measures.	M	Somalia is yet to sign the United Nations Convention against Corruption (UNCAC), which is the most comprehensive anti-corruption convention, covering a wide range of corruption offenses, including domestic and foreign bribery, embezzlement, trading in influence and money laundering.	M
4.4.6.	Secure mechanisms for reporting prohibited practices or unethical behaviour	There are no secure mechanisms for reporting prohibited practices or unethical behavior.	H	IFAD's contact details for reporting corruption, harassment, fraud, etc. will be included in all bidding documents. The project shall immediately notify IFAD of any such allegations.	H
4.4.7.	Codes of conduct/codes of ethics and financial disclosure rule	There is no code of ethics applicable to procurement. However, some individual PEs, such as the Somalia National Highway Authority, have a code of ethics applicable to their staff.	H	There is a need of code of conduct or ethics for government officials, with particular provisions for those involved in public financial management, including procurement.	H
4.5. Consolidated findings for Pillar 4.		The procurement risk across all pillars is High. There are major challenges and they mainly relate to (in addition to insecurity, limited number of dedicated procurement staff and restricted movements and access inside Somalia) weak capacity of bidders and limited service providers; incomplete public procurement regulation and non-adherence to the procurement Act guidelines; weak legal and financial institutions and subsequent regulatory framework; and incomplete instructional setup.	S	IFAD Guidelines and Handbook shall apply; Training will be provided including certification training; Intensive supervision and support should accompany implementation.	H

Integrated country risk matrix

Integrated country risk matrix			
Risk type	Inherent risk	Residual risk	Mitigation measures
Country Context	High	High	
<p>Political commitment</p> <p>Risk pertaining to political commitment is high. Despite the reaffirmation by the President of the FRS at the IFAD Governing Council in February 2023, of the commitment of the FGS to support an enlarged IFAD programme in Somalia with PBAS resources and supplementary funding, the commitment of the FMS to a countrywide IFAD programme has not been ascertained as security restrictions prevented direct interactions between IFAD and the FMS. Somaliland declared itself independent of the FRS in 1991 and recently entered into an agreement with Ethiopia to use its port, an action that has generated a political/diplomatic standoff between the FRS and Ethiopia. Puntland has declared itself a semi-autonomous state. More risky for political stability is the possibility of the FMS reneging on the oil production sharing agreement. IFAD's re-engagement comes at a time when Somalia is dealing with prolonged drought and recent flooding which has caused widespread displacement and high levels of acute food insecurity.</p>	High	High	<p>IFAD will hold periodic discussions with technical and financial partners and will actively participate in relevant coordination/policy working groups to monitor ongoing commitments. IFAD will actively participate in UNCT coordination activities and support the policy agenda with other stakeholders. Further consultations will be held with FGS, and if possible the FMS, to clarify IFAD development focus in Somalia.</p>

Integrated country risk matrix			
Risk type	Inherent risk	Residual risk	Mitigation measures
Governance Somalia scored 11 points out of 100 on the 2023 Corruption Perceptions Index reported by Transparency International, placing the country rank at 180 out of 180 countries assessed, which is considered high-risk. Risks related to the country's fragility context, such as poor governance and corruption could increase programme costs and compromise attainment of the expected results. This risk is increased by factors such as use of less competitive procurement methods, diluted accountability for procurement and disbursement of funds. On the positive side, having attained the HIPC Completion Point in December 2023, the FGS is determined to continue implementing the pre-Completion Point reforms to enhance the country's governance structure, including tax, banking and anti-money-laundering reforms for which it for example recently announce a reform project with the AfDB. Partnerships with other IFIs resulted in financial systems reforms.	High	High	The COSOP will support enhanced local participation in governance and improved local resource management and accountability by increased use of local systems under close supervision of IFADs country team. Stakeholders will be involved in the procurement process of goods and services and IFAD procedures around procurement and fraud and corruption will be strictly followed. Individual programs will include activities on national capacity building at both federal as well as member state level.
Macroeconomic Rising inflation and poverty (73% of the population in 2023), security concerns, vulnerability to climate change (recurrent droughts and severe flooding) and the lingering effects of the COVID-19 pandemic. Risk pertaining to the macro economy are therefore high.	High	High	The COSOP will contribute to the reduction of small-scale producers' vulnerability, enhancing their resilience to climate related and economic shocks and strengthening food and nutrition security for targeted populations. Investments that raise productivity, create jobs and expand pro-poor activities which focus on women and youth will be supported. To reduce the impact of foreign price increases, national productivity systems (e.g. national seed replication) will be promoted.

Integrated country risk matrix			
Risk type	Inherent risk	Residual risk	Mitigation measures
<p>Fragility and security</p> <p>Somalia is considered one of the three most fragile countries in the world. Drivers of fragility include persistent violence, extremist related attacks, political volatility, and frequent extreme weather events such as droughts and floods caused by extreme weather events and changing climate patterns. There is high fluidity in terms of security dynamics, including: (i) asymmetric nature of the Al Shabaab attack, (ii) the likely effects, yet to be determined, of the ATMIS replacement, and (iii) the likely outcome of the tiff between Somalia and Ethiopia over Somaliland, with Egypt now showing interest in the conflict. Given the above, the risk pertaining to fragility and security is considered high.</p>	High	High	<p>IFAD will collaborate with the UN and the rest of the international community to promote security. IFAD's COSOP will feature a conflict-sensitive approach as further spelled out in project design documents to minimize the risk of the projects aggravating tensions between communities, and also minimize the risk of conflict resurgence affecting the desired outcomes of the interventions. Moreover, projects under the COSOP will be implemented using a phased approach (both programmatic as well as geographic) and individual projects will prepare contingency plans), COSOP projects will be implemented by government and partner agencies at national, state and district levels, and will deliver effectively for the benefit of the participating communities. Moreover, this will allow IFAD to gather better information on prevailing security issues at the ground level. The COSOP also emphasises capacity building of government institutions at the national and state levels and well-established and locally-accepted NGOs, as well as empowering communities and promoting strong stakeholder ownership. IFAD will closely work with UNDSS and other security forces on the ground to monitor the situation. ATMIS will likely be replaced by another security mission by the end of 2024.</p>
Sector Strategies and Policies	High	High	
<p>Policy alignment</p> <p>Erosion of the institutional framework has led to a weak national policy framework. Existing policies are not implemented or updated. Therefore risk pertaining to sector strategies and policies is high.</p>	High	High	<p>FGS has recently begun updating its current National Development Plan. The COSOP will be implemented in the framework of the new NDP. It will be aligned with relevant sectoral strategies (agriculture, livestock, water, environment) and policies to be adopted by the Government.</p>

Integrated country risk matrix			
Risk type	Inherent risk	Residual risk	Mitigation measures
Policy development and implementation Weak technical and institutional capacity can hamper proper implementation of the COSOP projects. Weak technical capacity and limited access to parts of the country results in challenges related to data availability. Given the above risk pertaining to policy development and implementation is high.	High	High	IFAD will use national consultants and institutions to obtain specific additional information required to conclude design in view of security risk in parts of the country. Investments will take into account a flexible community driven approach to ensure technologies address the needs of the target beneficiaries. The key part of the project implementation strategy is to provide operational support to Government line agencies, local implementing agencies, and community organizations for effective delivery. This will also serve to rebuild their institutional capacity and inspire hope and confidence. As necessary, the project will use third party implementation partners (i.e. national and international NGOs with local contacts and a credible track record). IFAD will actively participate in UNCT coordination activities and support the policy agenda with other stakeholders.
Environmental, social and climate context	High	High	

Integrated country risk matrix			
Risk type	Inherent risk	Residual risk	Mitigation measures
Environment Environmental vulnerabilities in the country such as soil degradation, water scarcity, and deforestation, can adversely affect agricultural productivity and livelihoods. Risks pertaining to the environment is therefore high. Soil erosion, exacerbated by climatic factors and unsustainable land use practices, poses a significant risk to the success of investments by undermining soil fertility. Additionally, limited access to clean and reliable water sources can hamper irrigation efforts and reduce crop yields, while deforestation and land degradation can disrupt ecosystem services essential for sustainable agriculture and climate adaptation (including soil water absorption in cases of floods, and soil temperature regulation during droughts).	High	High	The COSOP will prioritize sustainable land management practices, including soil conservation techniques and sustainable agricultural practices to combat soil degradation and enhance ecosystem services. Implementing efficient irrigation methods and water management strategies can help optimize water use and reduce the project beneficiaries' vulnerability to water scarcity. Furthermore, incorporating climate-resilient crop varieties and livestock breeds into agricultural systems, promoting agroforestry practices, rotational grazing among others, prioritizing use of native species and strict monitoring measures can strengthen agricultural resilience to environmental challenges. ESIA will be undertaken for projects with potential adverse environmental impacts and mitigation measures implemented, specifically to manage risks to groundwater resources availability. Awareness and engagement of local communities and stakeholders in sustainable land and water resource management is crucial for ensuring the long-term success of these mitigation efforts.
Social Risk relating to the exclusion of the most vulnerable groups - particularly minority clans, women and youth - leading to widening poverty gap and exacerbating existing community tensions is high.	High	High	Assure that clear targeting guidelines are formulated that account for social and cultural barriers for participation and ensure the specified target groups are reached. Women and youth action plans to be developed and the project team to retain a wo and Youth Mainstreaming Officer. Promote remunerative value chain-based and rural youth employment opportunities, and address inequalities in rural communities through rural women's empowerment. Ensure efficient monitoring systems are in place and that beneficiaries are able to provide feedback through Grievance Redress Mechanisms (GRM).

Integrated country risk matrix			
Risk type	Inherent risk	Residual risk	Mitigation measures
Climate Climate change in Somalia has led to increased frequency and severity of droughts, flooding, and other extreme weather events. For that reason, this risk category is high. These climate-related hazards can disrupt agricultural activities, reduce crop yields, harm livestock, and compromise food security for vulnerable communities. Additionally, the deterioration of ecosystems due to climate impacts may exacerbate land degradation, and loss of biodiversity, further threatening the resilience of the project's intended beneficiaries and the sustainability of its interventions.	High	High	IFAD will prioritise climate adaptation and resilience in its design and implementation. This includes through the promotion of climate-resilient agricultural practices (both crops and livestock) and infrastructure that are adaptable to changing weather patterns. IFAD will also invest in early warning systems and climate information services, and disaster risk mitigation measures to help communities anticipate and prepare for climate-related risks. Additionally, all project investments will be climate proofed in the design and implementation. Capacity-building activities, especially for government institutions (including policy support), farmers and agro-pastoral communities, that integrate climate-resilient techniques are essential for enhancing understanding and addressing climate vulnerabilities effectively.
Financial Management The financial management risk at country level is High due to country related context and fragility, very high levels of corruption as per transparency international index, weak institutions as well as IFAD's limited experience in implementing investment projects through governmental institutions and using country public financial management systems. In addition, the security situation at country level, which may limit constrain IFAD's ability to supervise the projects effectively.	High	High	

Integrated country risk matrix			
Risk type	Inherent risk	Residual risk	Mitigation measures
Organization and staffing Lack of qualified staff at ministry level. IFAD capacity to rely on exclusively on public resources when it comes to accounting and auditing. Moreover, the Ministry of Agriculture (MoA) has no experience in managing IFAD funded projects, which may lead to insufficient or inexperienced human resources to be assigned to key FM positions within IFAD projects' PMUs.	High	High	Key FM staff will be competitively recruited for all IFAD funded projects in Somalia, including FM specialists. IFAD No Objection will be required before staff is appointed and a competitive recruitment clause will be included in the first disbursement conditions of all projects approved within this COSOP.
Budgeting IFAD has no direct experience to assess the timeliness of the government budget cycle and the accuracy of the national budget preparation and approval compared to IFAD AWPB. The risk of delays and inaccuracy of the financial data is still considered to be High.	High	High	IFAD will follow-up directly with government authorities to ensure that any delay in the national budget approval process will not negatively impact project implementation. Also, IFAD AWPB will be checked annually against the approved national budget to improve consistency.
Funds flow/disbursement arrangements Banking system in Somalia remains fragile. On the other hand, Somalia has recently introduced a Treasury Single Account (TSA). Any deficiency and malfunctioning of this system may cause delays in payments and implementation of IFAD funded projects relying on this system.	Substantial	Substantial	IFAD designated accounts will be opened at the CBS and mobilised through the SFMIS system, which will be customised in line with IFAD requirements. Cash payments will be limited to exceptional cases and always registered and approved within the SFMIS. The disbursement of IFAD funds will be based on the submission of interim financial and in particular biannual cash forecasts, which will limit the risk of liquidity shortages at project level.

Integrated country risk matrix			
Risk type	Inherent risk	Residual risk	Mitigation measures
Country internal controls Based on its CPI score, Somalia is perceived as being a highly corrupt environment. Despite the introduction of additional control layers of control on expenditures thanks to the involvement of the Office of the Accountant General in the approval of all expenditures approved through the SFMIS, the risk of misuse of funds, fraud and corruption remains High. This risk is further aggravated by the possibility that the security situation at country level limits IFAD ability to supervise projects effectively.	High	High	IFAD will integrate national procedures through the approval of specific financial and administrative manuals applied at project level that will ensure the implementation of a set of minimum standards for internal controls at project level. Also, depending on the assessed capacities of the MoA internal auditor, IFAD will budget specific resources to hire internal audit firms. Furthermore, IFAD will rely, if needed, on a third-party supervisory entity with access to projects' implementation areas.
Accounting and financial reporting IFAD funded projects' financial information may not be accounted for according to internationally recognised standards. Also, the reliance on national systems and in particular the SFMIS for accounting and reporting of IFAD funded projects, constitute a risk due to IFAD's lack of direct experience in managing projects that rely on this system.	High	High	The country has fully implemented IPSAS cash basis of reporting and Financial Statements, which is in line with IFAD standards for accounting and reporting. IFAD will continue to assess the capacities of national accounting and reporting systems and take corrective measures if needed, to recommend the parallel utilisation of a dedicated accounting software.
External Audit Audit reports may not be received on time or their quality may not be in line with IFAD standards. Also, due to the fact that the situation of the accounting and auditing profession improved only recently, it may prove difficult to hire accredited audit firms to conduct projects' audits in the country. The country's supreme audit institution may not have the necessary independence or the capacities to act as a substitute of accredited private audit firms.	Sustantial	Substantial	The Office of the auditor general is currently an official member of INTOSAI. In addition to that, in case the OAG doesn't have sufficient human resources to timely perform project audit missions, it will have the faculty to outsource project audit mission to accredited audit firms in line with IFAdedericoD non-objected ToRs, as it is current practice in Somalia with other donor funded projects
Procurement issues	High	High	

Integrated country risk matrix			
Risk type	Inherent risk	Residual risk	Mitigation measures
<p>Legal, regulatory and policy framework</p> <p>Public procurement in Somalia is governed by the 'Public Procurement, Concessions and Disposal Act' (PPCDA), of 23rd November 2015. The Act has undergone a number of revisions and changes which are all designed to address the problems across the entire procurement process: from the poor procurement planning, definition of the needs and preparation of the bidding documents, to a lack of transparency and competition in the process followed for announcements, bidding, evaluation and award of contracts, to poor contract implementation, records keeping and procurement reporting. Standard bidding documents do not exist. Procurement methods and the related thresholds are set out in schedule 3 of the procurement Act, but in the absence of an independent assessment (e.g PEFA), it is difficult to justify if procurement methods are applied appropriately. The Act does not cover procurement for defence or national security. Where procurement is IFI-financed, the provisions of the Act apply when there is no conflict with the terms of the financing agreement, procedures or standard documentation required by the donor. In the case of any conflict the procedures and decisions of the IFI prevail. Public procurement risks are considered high.</p>	High	High	<p>(i) Apply IFAD Project Procurement Guidelines and Handbook, as well as IFAD standard bidding documents which mainly cover the gaps identified in the country procurement Law; (ii) Ensure wider coverage by advertising procurement opportunities on both 'somalijobs.net' and in a widely circulated newspaper, also on widely known platforms like 'Relief Web' (reliefweb.int). International Competitive Bidding will be published in UNDB through IFAD; (iii) Ensure efficient procurement monitoring by submitting the annual Procurement Plan (PP) and any subsequent PP revisions/upgrades to IFAD for No Objection. Procurement monitoring shall be done by IFAD through OPEN and CMT.</p>

Integrated country risk matrix			
Risk type	Inherent risk	Residual risk	Mitigation measures
<p>Institutional framework and management capacity</p> <p>The legal and regulatory framework does not clearly specify the normative/regulatory function, nor it assigns appropriate authorities' formal powers to enable the institution to function effectively. Key functions of public procurement policy management are not clearly defined. The procurement cycle is tied with the annual budget cycle, beginning with the preparation of procurement plans that are prepared in collaboration with the Ministry of Finance (MOF) and contractual payments which are the responsibility of the Treasury. The PEs are required to undertake annual procurement planning with a view to achieving maximum value for public expenditure. Procurement planning and preparation is not well regulated. Monitoring mechanisms are not sufficient to evaluate procurement outcomes in order to correct financial planning and management. Public procurement is not professionalised, i.e. it does not provide a career path to public procurement officials involved in conducting and managing procurement; nor does it provide adequate opportunities for skills building, there is no official job description or qualification requirements specific to public procurement. There is no official capacity building strategy, nor one for providing guidance in response to queries, and there are no obligations to use the public procurement training currently available. Based on the above, Institutional Framework and Management capacity is considered high.</p>	High	High	<p>(i) Improve the integration of public procurement into public financial management in order to improve procurement management. Projects will strictly adhere to AWPB and PP preparation according to IFAD templates and requirements. Deliver goods and services more efficiently, by developing medium term budgeting and amending financial regulations to ensure continuity of competitive procurement during the transition from one fiscal year to the next. The project should develop and continuously monitor and update a Procurement Strategy in line with IFAD requirements.(ii) In the public procurement law, define clearly the various central functions (e.g., policy, regulation, advice, information, training; complaint resolution, avoiding conflict of interest) in the public procurement system, allocate them to specific entities to avoid gaps and overlaps as well as conflicts of roles. The PIM should clearly elaborate roles and responsibilities in a RACI matrix; (iii) Building the capacity of CPIU procurement staff to fill any competency, skills and knowledge gaps on IFAD procurement procedures by participating in the ITCILO BuildProc Certification Program.</p>

Integrated country risk matrix			
Risk type	Inherent risk	Residual risk	Mitigation measures
<p>Public procurement operations and market practices</p> <p>Procuring entities are required to undertake annual procurement planning with a view to achieving maximum value for public expenditure. A procurement plan is based on the PE's approved program and budget. Procurement plans (PP) are published on the PPA and PEs' websites. The PE's Procurement Committee approves the procurement and periodically monitors its implementation. The procurement plan is prepared annually based on the Government's fiscal year and takes into account the Government's annual budget. But there are no means in place for monitoring and managing public procurement performance. Private sector in Somalia has been satisfying the demand of the society during the last three decades. In the goods market, it provides light domestically manufactured goods while importing non-locally-produced goods. The construction industry participates in rehabilitation of the roads, construction of business centres, resorts, hotels and investing numerous viable businesses. However, the sector faces many challenges, including weak regulatory framework; monopoly; challenging environment; and high cost of doing business. There is a lack of trust between the demand and the supply sides of the public procurement market. There are no effective mechanisms for public-private sector dialogue and mutual information on public procurement related subjects. For that reason, Public Procurement Operations and Market Practices is considered high.</p>	High	High	<p>(i) Quality of procurement related work, i.e. preparation of procurement plan revisions/upgrades, bidding documents for works and services, and evaluation reports shall be improved; (ii) Institutional and management capacity needs improvement and procurement staff needs adequate training; (iii) a hands-on approach, including the introduction to OPEN and CMT will allow the systematic tracking of procurement activities throughout the project cycle. For procurement packages that are deemed to pose challenges to the project, IFAD can provide additional procurement support through a short-term consultant to work on procurement processing, including assistance in drafting bidding documents, providing guidance on evaluation of bids and drafting of Bid Evaluation Reports.</p>

Integrated country risk matrix			
Risk type	Inherent risk	Residual risk	Mitigation measures
<p>Accountability, Integrity and Transparency of the Public Procurement System</p> <p>The Somalia CPI (Corruption Perceptions Index) score for 2023 by Transparency International was 11/100 on a scale from 0 ("highly corrupt") to 100 ("very clean") and ranked 180th (of 180 countries assessed) in the world, and the last in Sub-Saharan Africa, where the country ranked first is perceived to have the most honest public sector. For that reason, Accountability, Integrity and Transparency of the Public Procurement System is considered high risk. There is no system to manage complaints. Procedures for debarment are mentioned in Article 33 of the Public Procurement, Concessions and Disposal Manual (PPCDA). The Ministry of Finance should publish the list of debarred firms on its own website. In addition, projects shall make Reference to World Bank Debarment System: (https://www.undp.org/content/undp/en/home/operations/procurement/business/protest-and-sanctions/ineligibility-list/). According to Transparency International, there is no publicly available information on corruption and anti-corruption in Somalia. Most of the information provided on the state of corruption in the country is primarily based on reports by the International Crisis Group. The procurement Law requires that bidding opportunities are published in a widely circulated national newspaper. Some bidding opportunities are published on the Ministry of Finance website (https://mof.gov.so/public-procurement), but there is key procurement information e.g publication of PP, complaints, blacklisted companies, Contract awards etc. that are not published.</p>	High	High	<p>(i) Projects shall apply the Debriefing, Protest and Appeal mechanisms of IFAD Procurement Handbook with mandatory use of the standstill period and the prompt resolution of complaints before award. (ii) Ensure integration of the Revised IFAD's Policy on combating fraud and corruption and the inclusion of the corruption reporting hotline in all bidding documents. IFAD's contact details for reporting corruption, harassment, fraud, etc. shall be included in all bidding documents. (iii) Allegations of corruption shall be investigated as per the requirements of the IFAD anti-corruption policy.</p>
Overall		High	High

Overview of relevant digital interventions and activities in Somalia

1. Somalia's access to mobile and internet penetration (>45 percent of population) provides unique opportunities to enable provision of services to IFAD's supported target groups. IFAD programmes can adopt digital technologies integrating GIS for planning and mapping of district profiles and community development plans in ongoing (RLRP and A2R2) and pipeline projects to enable greater transparency and monitoring of activities as well as management and governance of natural resources.
2. Coordination and collaboration with ITU and FAO as well as Somalia Water and Land Information Management System (SWALIM) (Land and Hydrological Survey of Somalia) would be undertaken to support development and integration of early warning systems and cell broadcast for flood, drought and pest management in the targeted regions supporting both farmers, agro-pastoralists and pastoral communities. Shaqadoon Organisation has been identified as a potential partner to engage, especially capitalising their experience in promoting youth livelihood opportunities (building capacity, innovation including promoting digital platforms for market access for agriculture commodities). Similarly, the project can explore partnerships with innovation hubs in the country (such as iRise hub) that support youth enterprise development.
3. While extension and advisory services is a crucial gap in Somalia, existing models around digital extension services are at pilot stage and not scaled up (FAO and SOMREP have pilot initiatives in this). IFAD will explore the lessons from such pilots and in the medium to long term plan to integrate best practices in its programmes especially using SMS/IVRS technologies for last mile outreach in collaboration with more predominant Mobile Telephone Operators (MTO's) in the selected geographies. Similarly, IFAD will review lessons from implementation of the national Livestock Information and Traceability Systems being developed under DRIVE Project funded by World Bank and explore collaboration opportunities in its programmes.¹¹² Details of ongoing projects on digital are included in Annex (TBD)
4. Despite challenges, Somalia has extensive coverage of mobile telephones and mobile money in both urban, peri-urban, and rural areas. Building on this, the COSOP will explore the use of digital remittances for financial inclusion, which is still very low¹¹³, and community development especially in collaboration with VSLAs.
5. Mobile money usage in Somalia is a stark 73 percent as compared to the 15 percent of the population who have accounts with formal banks.¹¹⁴ This high rate is largely driven by increasing remittances in the country. Dahabshiil a Somali owned MTO is one of the biggest players in the market and could be a potential partner to enable use of remittances for community development. IFAD has long term experience of supporting diaspora remittances and diaspora investment for rural development and entrepreneurship in Africa including through the PRIME Africa programme¹¹⁵ and

¹¹² <https://mof.gov.so/sites/default/files/Publications/Terms%20of%20Reference%20-%20LITS%20Assessment.pdf>

¹¹³ The latest WB high frequency survey (2017) showed that only 11.4% of HH have bank accounts for their financial transactions. The data further showed that more than 67% of HH have a mobile money account.

¹¹⁴ World Bank, 2018, [Somalia Economic Update](#)

¹¹⁵ IFAD, 2029 Platform for Remittances, Investment and Migrants Entrepreneurship in Africa (PRIME Africa)

diaspora investment projects in Somalia¹¹⁶ and in Mali¹¹⁷. The NGO consortium, SOMREP has implemented the Bulshokaam Crowdfunding platform to similar use. Lessons may be drawn to support design and implementation of a pilot project in the future. Similarly, MTO's (such as Hormuud, Telesom) also are a crucial partner for delivery of cell based services including agronomic advisory for digital extension as well as for early warning systems to function. IFAD will integrate these services building on the activities and programmes of its Financing Facility for Remittances (FFR) as well as pilot initiatives of other partners such as ITU, FAO among others.

No	Existing digital platforms and activities	Main Entity	Thematic Area
1.	Farmer Registration and Biometric System	FAO and Ministry of Agriculture and Irrigation	Farmer Registry
2.	e-extension advisory pilot	FAO	E-extension
3	Digniin and the Somalia Water and Land Information Management project (SWALIM). SWALIM uses technologies to support land, water and natural resources for management of ground water, surface water, flood and drought forecasting. The project also uses remote sensing technologies to help collect data on vegetation, floodwater management and infrastructure projects	FAO	Land Information System/Early Warning System – Not Updated
4.	Livestock Information and Traceability System	WORLD BANK, CGIAR	Under Development under DRIVE Project
5.	Early Warning System 4 all with cell broadcast	ITU	Early Warning System/High
6.	Interactive Voice Response (IVR) M-Dalag system empowers farmers by providing current, relevant information about market prices, expert advice, planning and risk mitigation tips	<u>M-Dalag Platform</u> , <u>Shaqadoon</u>	Market Access
7.	iRise Hub is an innovation technology hub based in Somalia. Its activities include: i) training and capacity building to empower youths with digital skills and ii) an incubation programme that seeks to incubate small and medium enterprises and start-ups	<u>iRise Hub</u>	Youth engagement and Entrepreneurship, capacity development.
8.	Its an agro-advisory firm that uses spatial and geographical information data to provide location-specific advisory services to farmers	<u>Tacab Line</u>	E-extension and Advisory Services
9.	The Bulshokaab crowdfunding platform is a funding mechanism that matches resources mobilized by the local communities and the diaspora.	Sokaab and <u>Bulsho Kaab</u>	Crowdfunding and Matching Grants
10	Global collaborative innovation platform funded by World Vision, Save the Children, Oxfam, Civic and George Washington University to promote innovation, cross-learning and collaboration through converging, brokering and acceleration support.	<u>Somali Response Innovation Lab</u> , <u>SoMReP</u>	Innovation

¹¹⁶ IFAD. 2015. Enhancing Food security in the Horn of Africa through Diaspora Investment in Africa

¹¹⁷ IFAD, 2020 [Crowdfunding Malian diaspora remittances to finance rural entrepreneurship](#)

Additional lessons learned

1. Key lessons summarised in this appendix are derived from a combination of IFAD grant projects in Somalia (completed and ongoing) and consultation with a broad range of stakeholders from the Government of Somalia, UN agencies, NGOs/NGO consortiums, CSOs and the private sector, engaged in Somalia.¹¹⁸ IFAD grant projects include the North Western Integrated Community Development Programme – Phase II (NWICDP II),¹¹⁹ RLAC-19¹²⁰, FSSFS in Puntland,¹²¹ Productivity Enhancing Technologies to Improve Pastoralists and Agro-pastoralists Livelihoods in Dry Lands (PET) in Somaliland,¹²² Building Back Better: Rural Livelihoods Recovery Initiative (BBB-RLRI) for the Greater Horn of Africa,^{123 124} and RISE.¹²⁵
2. IFAD investments in Somalia, such as RISE and FSSFS, have recently incorporated aspects of humanitarian programming.¹²⁶ Given the fragility of the Somali context, and the advent of recurrent drought and severe flooding, this is likely to remain relevant over the COSOP's implementation time frame. This will be factored into programming by adopting a more **integrated, holistic approach** from the outset. In particular, IFAD will adopt an **adaptive and flexible approach to programming (and budgeting) in which activities can be adapted and budget allocated, as context dictates**. In the event of climate, economic or other shock, investments would be able to respond to increased needs and associated case-loads. This approach has been incorporated into IFAD's A2R2 and RLRP projects.
3. **Decades of underinvestment in government institutions has led to significant capacity shortages at all levels (national, federal, local) across the sector.** Capacity strengthening has been identified by the FGS as a priority in a number of ministerial strategies. Agricultural extension is almost non-existent. However, institutional needs and challenges across FMS vary greatly, notably between the long established northern states and the more recently established states in the south, where budgets, physical facilities and staffing are minimal.¹²⁷
4. The **community driven development approach is an efficient way of delivering public goods and improving targeting and ownership particularly in remote locations and fragile contexts.** Locally adapted approaches have been successfully implemented by IFAD projects and proved relevant.¹²⁸ A strong understanding of the complex livelihood systems and strategies, social, economic and cultural characteristics of communities that are intended targets of IFAD investments is key to ensuring the relevance and effectiveness of programmes implemented.

¹¹⁸ A list of key informants interviewed as part of the country strategy consultation is found in Annex X.

¹¹⁹ IFAD. 2015. North-Western Integrated Community Development Programme – Phase II (NWICDP II). 2012- 2015. Project completion report. October 2015.

¹²⁰ IFAD-SADAR. Resilient Livelihood Action to COVID-19 (RLAC-19): 9 October 2020–30 June 2022, Completion Report.

¹²¹ IFAD-CEFA: Food Security and Sustainability in Fragile Situations (FSSFS): June 2019 – June 2024. Grant Supervision Report June 2022 and Semi-annual Narrative Report. June- December 2023.

¹²² IFAD. Improving Dryland Livelihoods in Djibouti and Somalia through Productivity Enhancing Technologies (PET): 2018-2021, in Update on the implementation of the Facility for Refugees, Migrants, Forced Displacement and Rural Stability (FARMS) Informal seminar with FARMS donors – February 2023.

¹²³ IFAD. Building Back Better: Rural Livelihoods Recovery Initiative for the Greater Horn of Africa (BBB-RLRI), Grant Supervision & Completion Mission Report, 5-22 December 2022.

¹²⁴ IFAD. 2022. Mapping climate-smart agricultural practices of rural women, the case of Somalia, in Climate-smart agriculture, a synthesis of experiences and lessons from the NEN region. <https://www.ifad.org/documents/38714170/47008046/csa-studies-nen.pdf/45cb516c-9aac-fb9-28cb-d0cc0bfd9230?t=1671023226557>

¹²⁵ IFAD-SADAR. Response Initiative for Somalia Emergencies (RISE) project. January 2023 - June 2024

¹²⁶ Response Initiative for Somalia Emergencies Project (RISE). Implementation Update. March 2024; CEFA implementation Update. March 2024.

¹²⁷ FRS. 2019. Somalia Livestock Sector Development Strategy.

¹²⁸ Involvement of communities and local authorities were noted as enabling factors for the attainment of project outcomes at community level in the FSSFS. The BBB-RLRI confirmed that the village-based advisor model was a cost-effective model for delivering technology services to farmers, if accompanied by investments in capacity building.

5. **Communities in Somalia are highly vulnerable to climatic extremes, experiencing severe cyclical flooding and drought which have a detrimental effect on agricultural and livestock based livelihoods.** Prediction of the extent and severity of these climate hazards is the first step towards enabling preventive measures to be put in place to reduce the potential negative effect of these climatic events on livelihood systems. Critically, this early warning system will need to capitalise on indigenous knowledge.¹²⁹ It will also need to incorporate information dissemination to communities and strengthen communities' knowledge on the type of adaptive measures that can be taken to mitigate the effects of such events and strengthen early action capacity.
6. The primacy of **water availability** as both an entry point and a prerequisite upon which additional resilience building and conflict prevention activities can be built emerges as another key lesson. So too does the importance of avoiding over extraction and ensuring the preservation of groundwater resources. The COSOP will build upon implementation of climate smart irrigation systems such as bubbler irrigation introduced for date palm production by the FSSFS project.
7. **Construction/rehabilitation of water infrastructure has been largely successful,** while the community operation and management (O&M) of water infrastructure has been more challenging as evidenced by the FSSFS project.¹³⁰ For the purposes of sustainability, the country strategy proposes placing more emphasis on **access to water** through the creation of inclusive water user/management committees and provision of sustained capacity support (in terms of internal group governance and opportunities for revenue generation e.g user fees) to enhance equitable access to water for all end users. This was highlighted as far back as the NWICDP II.¹³¹
8. IFAD's **recent experience working on rangeland rehabilitation has been less successful,** as found in the FSSFS project. This is likely to be due to too many external, uncontrollable variables¹³² which make successful implementation and monitoring of rangeland rehabilitation extremely challenging. Accordingly, the COSOP proposes increased emphasis on provision of support to *pasture* rehabilitation in place of *rangeland* rehabilitation.
9. **Climate-resilient agriculture (CRA) practices have a strong potential to increase production and resilience of smallholder farmers** as evidenced by the PET project and more recently the FSSFS.¹³³ Promotion of CRA practices will be integral to support provided to selected value chains (VCs).
10. **Investments made to increase crop productivity and boost production levels for smallholders have had relative success.**¹³⁴ **Less emphasis has been placed on market development.** Successful VC development requires support along the entire VC, not only at production level. It is well recognised that **job creation contributes to poverty reduction, productivity and economic growth.** It also facilitates social cohesion and reduces the risk of the youthful population being drawn into informal 'employment' with extremist groups such as ISIS or Al Shabaab.
11. **There are significant opportunities for growth presented by a dynamic, and growing private sector in Somalia.** In particular, pluralistic service and input

¹²⁹ FGS. 2019. National Drought Plan for Somalia.

¹³⁰ FSSFS achieved 34% of its target in relation to training water users and management committees but over 100% of its target in terms of construction/rehabilitation of irrigation schemes. Project results presentation. COSOP mission. March 2024.

¹³¹ IFAD. 2015. NWICDP II. Project Completion Report.

¹³² including constantly shifting territorial control of rangelands, remote and or hard to reach areas and an unpredictable security situation

¹³³ Examples of effective CRA practises adopted included use of indigenous, disease resistant crop varieties; seed banks; crop rotation practises; controlled grazing; planting fodder crops (alfafa and sudan grass); use of wild fodder plants; herd and grazing management and construction of water storage facilities.

¹³⁴ Response Initiative for Somalia Emergencies Project (RISE). Implementation Update. March 2024. and FSSFS 2024. Presentation to the COSOP. March 2024.

provision could be strengthened through public private partnerships, a model already implemented successfully by the FSSFS and others.¹³⁵ Provision of support to animal feed and fodder VCs could also be explored, given that they are particularly relevant for youth.¹³⁶ Rapidly expanding peri-urban populations could be targeted for this type of activity, in addition to initiatives supplying expanding urban markets.

12. **Inadequate access to appropriate financial services is a key factor underlying poverty;** it perpetuates people's economic and social exclusion and stymies their ability to expand their assets and sustainably engage in productive activities.¹³⁷ NWICDP II found that the provision of micro loans to rural poor requires strong micro finance institutions with access to appropriate sources of financing for on-lending to members.¹³⁸ The COSOP will use IFAD's comparative advantage in the area of inclusive rural finance, working to strengthen existing community level mechanisms while simultaneously supporting the promotion of an enabling policy and regulatory environment, given that at present the Somali microfinance industry is completely unregulated.¹³⁹
13. **Public-private partnerships are integral to strengthening remunerative agricultural VCs and job creation in Somalia.** Gaps in market development exist, warranting additional emphasis on inclusive market development by strengthening linkages among market actors¹⁴⁰, boosting financial literacy and access to appropriate financial and business support services for smallholder producers, and strengthening rural-urban linkages. The COSOP will build on the activities promoting the date palm VC in Puntland under the FSSFS. Additional VCs will be identified in consultation with government counterparts.
14. **Affirmative action in designing and implementing projects contributes to increased resilience.**¹⁴¹ This lesson from PET emphasises that for IFAD-funded projects in Somalia to effectively contribute towards achieving SDG 1 (No poverty) and SDG 2 (Zero hunger), women should be supported as a key target group and efforts towards achieving SDG 5 (Gender equality) intensified.
15. **The Diaspora Agricultural Investment (DIA) programme** that pro-poor targeting criteria need to be included in diaspora investments to address the needs of the most vulnerable target groups. This could include involving cooperatives and technical assistance.
16. **The DIA has demonstrated that it is possible to attract diaspora investment into Somali SMEs and to generate development through diaspora resources.** In IDA business plans that underwent due diligence received co-financing with up to 40% of their financing committed by diaspora investors. In practice, this was done through the establishment of a diaspora investment facility.
17. **As per IFADs South-South and Triangular Cooperation initiative 2022-2027 strategy,** SSTC initiatives need to be adaptable and flexible to respond to the unique and evolving challenges in fragile contexts. This includes being able to quickly adjust to changing political, social, and economic conditions.
18. **In Fragile Contexts like Somalia, solutions need to be context-specific and culturally appropriate.** What works in one country/region may not necessarily be

¹³⁵ SOMREP meeting for COSOP consultation. March 2024.

¹³⁶ Ministry of Livestock, Forestry and Rangeland. COSOP consultation, 11 April 2024

¹³⁷ IFAD. 2016. IFAD Strategic Framework 2016-2025 Enabling inclusive and sustainable rural transformation.

¹³⁸ IFAD. 2015. NWICDP II. Project Completion Report.

¹³⁹ UNCDF. Harmonising of Remittance Policies in the Intergovernmental Authority on Development (IGAD) region. Diagnostic Report. September 2022.

¹⁴⁰ Local authorities, private sector and producers/producer associations

¹⁴¹ Affirmative actions could include use of quotas for representation in community development plans, selected value chains and enterprises; setting targets for participation in project activities and conducting gender, youth and pro-poor sensitisation of third-party stakeholders in value chains and enterprises.

effective in another, so it's important to tailor interventions to the specific context and needs of the target communities.

19. **Continuous monitoring and evaluation are vital to track progress, identify challenges, and make necessary adjustments** according to IFADs South-South and Triangular Cooperation initiative 2022-2027 strategy. This helps ensure that the initiatives remain relevant and effective over time. Continuous monitoring allows for a feedback loop and knowledge sharing across countries.

Implementation arrangements

20. **The use of third-party implementation partners (TPIPs) enabled IFAD to remain engaged** in Somalia during the 30-year suspension of lending to the FGS.¹⁴² TPIPs reduce cost burdens and mitigate some of the risks associated with working in fragile, often unpredictable contexts. The use of TPIPs has also been adopted by the FGS which designated SADAR as the executing agency for the entire A2R2 project in both the GAFSP and GEF proposals.¹⁴³ IFAD will engage TPIPs on performance-based contracts to conduct periodic programmatic monitoring and reporting in hard-to-reach areas to enhance IFAD supervision activities. TPIPs may also be used to provide capacity building for programme and government staff.
21. **The Somalia Financial Management Information System (SFMIS) has worked satisfactorily** for other international financial institutions (IFIs) such as the World Bank and the African Development Bank in recent years. Following an evaluation of the system, the RLRP design also recommended using this system, suggesting improvements to enable reporting on counterpart financing.
22. There is **potential for counterpart contributions by project recipients when interventions meet their needs**. In PET, FSSFS and BBB-RLRI, recipients of demonstration, production and value addition activities contributed in-kind (land, labour and locally available materials) to demonstrate ownership of project activities. This augmented grant resources, contributed to the achievement of project results and led to enhanced sustainability of project results. To date these in-kind contributions have not been effectively quantified. The RLRP will establish a template for accounting for project recipients' contributions outside the SFMIS which could be replicated across the portfolio.¹⁴⁴

¹⁴² Third Party Implementing Partners include Cowater International Consortium (PET), CEFA and VSF-G (FSSFS), SADAR(RLAC-19), and Seed Systems Group (BBB-RLRI)

¹⁴³ IFAD. A2R2

¹⁴⁴ IFAD. 2024. RLRP. Project Design Report.

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Annexes

Annex I Previous CSN Results Framework with progress (at the time of completion review)

Annex II Previous Integrated Country Risk Matrix

Abbreviations and acronyms

AICS	Italian Agency for Development
BBRIMS	Biometric Beneficiaries' Registration Identification and Management System
CAHWs	community animal health workers
CCA	climate change adaptation
CEFA	Comitato Europeo di Formazione Agraria
CFS	Committee on World Food Security
CLPE	country level policy engagement
CSN	country strategy note
CR	completion review
CSA	climate-smart agriculture
CST	climate-smart technology
FGS	Federal Government of Somalia
FSSFS	Food Security and Sustainability in Fragile Situations
GAP	good agricultural practice
GEWE	gender equality and women's empowerment
HNRM	holistic natural resource management
ICT4D	Information and communications technologies for development ICT4D
IDPs	internally displaced people
IFAD	International Fund for Agricultural Development
IOE	Independent Office of Evaluation
M&E	monitoring and evaluation
MoAI	Ministry of Agriculture and Irrigation (MoAI)
MoLFR	Ministry of Livestock Forests and Range
NRM	natural resource management
PET	pictorial evaluation tool
PwDs	persons with disability
RLAC-19	Resilient Livelihood Action to COVID-19
SADAR	Sadar Development and Resilience Institute

SO	strategic objective
US\$	United States dollar
VSF-G	Veterinaires Sans Frontieres - Germany

Introduction

1. The primary objective of this Country Strategy Note (CSN) Completion Review (CR) is to conduct a self-assessment of the International Fund for Agricultural Development (IFAD)'s country program in Somalia under the previous CSN, covering the period from 2023 to 2024. The review process involved a desk review of relevant documents, including project reports, supervision mission reports, and country strategy documents.¹⁴⁵
2. IFAD's performance was evaluated to assess its role in enabling the achievement of the envisaged outcomes and identified factors that limited the accomplishment of the expected results. The CR also captured potential lessons learned from the implementation of the CSN.
3. This CR follows the standard methodology for self-assessment of country programs, as outlined in the IFAD Evaluation Manual. The assessment is based on the IFAD Independent Office of Evaluation (IOE) harmonized ratings matrix and the agreed list of evaluation criteria, which include relevance, effectiveness, efficiency, sustainability, rural poverty impact, women's empowerment, innovation and scaling up, environment and natural resource management , and climate change adaptation (CCA).

Relevance

4. This assessment rates the relevance of CSN objectives and activities during the period 2022-2023 as **satisfactory**, based on the following criteria:
 - Alignment with national priorities and development needs: In the absence of an agricultural sector policy at the design, the CSN was closely aligned to the national priorities for the agriculture sector defined in the Somalia National Development Plan (2020-2024),¹⁴⁶ including: increasing the resilience and productivity of the crop and livestock farming systems through investments in irrigation and flood control, marketing and value addition; inclusion of vulnerable groups in program implementation; factoring environment and climate change into intervention design and implementation; and, strengthening the capacity of the sector ministries. It was also consistent with Somalia's Nationally Determined Contributions,¹⁴⁷ the Livestock Sector Development Strategy (2020–2030) and the National Water Resource Strategy (2021-2025). The CSN's strategic objectives aimed to support Somalia's economic recovery from decades of civil war and external shocks, with the activities focused on the needs of the target groups for improved access to productive resources, services, and income-generating opportunities.
 - Alignment with IFAD's strategies and priorities: The CSN was aligned with: the objectives of the IFAD Strategic Framework (2016-2025) for increased productive capacities, increased benefits from market participation, and strengthened environmental sustainability and climate resilience; the Fragile Situations Strategy; and the Facility for Refugees, Migrants, Forced Displacement and Rural

¹⁴⁵ The team comprised: Rasha Omar, Country Director, Christa Ketting, Programme Officer, Clemence Moinier, NRM/Environment, Esha Singh, ICT4D, Valentina Franchi, Gender/Targeting/Social Inclusion, and Samuel Eremie, Consultant.

¹⁴⁶ Ministry of Planning, Investment and Economic Development (2019). Somalia National Development Plan 2020 to 2024. <https://nwm.unescwa.org/sites/default/files/2023-06/Somali-National-Development-Plan-2020-2024.pdf>

¹⁴⁷ The Federal Republic of Somalia (2021). Updated Nationally Determined Contribution (NDC). <https://unfccc.int/sites/default/files/NDC/2022-06/Final%20Updated%20NDC%20for%20Somalia%202021.pdf>

Stability . As the first country strategy for Somalia, the CSN was also aligned with IFAD's priority to establish a basis for continued support to ongoing grant operations and facilitate re-engagement in Somalia with core resources.

- Consistency with context and implementation capacity: The CSN design was largely consistent with the social, political, and economic context of Somalia at the time of its design. The key challenges included infrastructure constraints, weak state institutions, high unemployment and insecurity, while the major opportunities included a vibrant private sector, a diaspora willing to invest in the country, regional integration, and import substitution from increased domestic production. The design features were appropriate and considered the prevailing conditions and implementation capacity within the country.

Effectiveness

5. The major IFAD grant-financed projects under the CSN are: Resilient Livelihood Action to COVID-19 (RLAC-19) financed under the Rural Poor Stimulus Facility ; and Food Security and Sustainability in Fragile Situations (FSSFS), co-financed by the Italian Agency for Development (AICS) and the Netherlands Development Cooperation. The recipient and lead implementing agencies are: Sadar Development and Resilience Institute (SADAR), and Comitato Europeo di Formazione Agraria (CEFA), respectively.
6. Based on the extent of attainment of the outcomes of the two projects as summarized in Annex 1,¹⁴⁸ this assessment rates as **moderately satisfactory** the performance of the CSN in the achievement of its two strategic objectives (SOs): SO1 - sustainable and climate-resilient management of water infrastructure, and SO2 - building the resilience of the target group to food insecurity and nutrition through increased production, access to markets and rural incomes and employment opportunities.
7. Targeting traditionally marginalized groups (such as women and girls, and young men aged 15-30 years) affected by COVID-19 restriction of movements, unemployment and displacement, the objectives of RLAC-19 were to: (a) maintain and improve agricultural productive capacity through availability of inputs; and (b) enable safe and sustainable food systems and market linkages supported through continued and improved supply chains and market access.¹⁴⁹ Similarly, targeting marginalised groups affected by poverty, social and political exclusion, unemployment and displacement, the objective of FSSFS was to increase the household (HH) income of the target groups through improved agricultural production (focused on the date palm and vegetable value chains) and strengthened livestock productivity.¹⁵⁰
8. The outreach target was achieved for RLAC-19 but was only 43% for FSSFS, due to a combination of factors: (a) very high targets set at project design, which turned out to be unrealistic; (b) volatile security situation that made field access challenging; (c) government decision to focus on date palm production (instead of horticulture) which fewer people practised; and (d) difficulty of finding project

¹⁴⁸ The CSN did not have a Results Framework against which the performance results of the projects could be measured.

¹⁴⁹ RLAC-19 Completion Report 29 September 2022.

¹⁵⁰ FSSFS Completion Report 8 August 2024 (draft).

beneficiaries among internally displaced people (IDPs) in Bossaso or Garowe (Puntland) given that many IDPs were already working and did not have the time or inclination to participate in the project's production activities. RLAC-19 achieved the 50% and 25% outreach targets for women and youth respectively, while 25% of the outreach was women under FSSFS.

9. The two outcome indicator targets for RLAC-19 and 10 out of the 11 indicators for FSSFS, were satisfactorily achieved, confirming the contribution of the two projects to the two CSN SOs. The target for rangeland rehabilitation was only partially achieved (42%) due to security challenges in accessing the activity sites.

Women.

10. Culture and norms confer low social status to women. About 55% of women lack access to education, compared to 40% of men; and the labour force participation rate is 74% for men, compared to 19% for women. The conservative Somali culture largely restricts women's lives to the "private domain", leading to their constrained role in decision-making and limited access to assets and resources. The Gender Inequality Index of 0.778 places Somalia in the fourth-worst position globally¹⁵¹.
11. In line with IFAD's best practice, some projects implemented under the CSN (e.g. the FSSFS) developed a action plan to guide interventions and track impact on the main IFAD dimensions for women's empowerment. The action plan was updated on an annual basis and clearly specified financial and technical support to gender equality and women's empowerment (GEWE). In spite of the challenging context, projects were able to meet or surpass outreach targets set at 30% or 50%.
12. CSN interventions supported enhanced women's access to productive resources, income sources, assets, and services in rural areas in the following manner. CSN interventions provided access to productive resources such as inputs and livestock. They combined these services with training on good agricultural practices (GAP). Moreover, CSN interventions attempted to strengthen the extension services and aimed at including women in these frameworks. Women were also included in cash for work schemes that provided them with additional income generating activities.
13. In general, efforts were made to enhance women's influence in decision-making processes within communities, primarily by including them in the management of community groups. Training on the management of groups as well as management of common infrastructure was provided to project beneficiaries. Projects included activities to reduce workloads, but the actual reduction of workload was not measured in the monitoring and evaluation (M&E) framework.
14. Overall, the CSN made commendable efforts to promote GEWE especially in terms of economic empowerment and women participating in decision making processes. Progress was less evident in equitable workload distribution. Projects designed under this CSN did include HH methodologies in order to better address the latter dimension. This will allow IFAD to better address GEWE related issues in upcoming projects and work around all three dimensions.

¹⁵¹ UNDP. Gender in Somalia, 2012.

Environment and natural resources management and climate change adaptation

15. The main climate and environmental challenge that affected the portfolio during the CSN period is water shortage. Somalia faced “the worst drought in four decades” during this period, in a context where farmers rely on rainfed for irrigation and shallow wells. Shallow wells can dry easily and reduce water output during the dry season. The water shortage was exacerbated by the Ukraine=Russia crisis which resulted in skyrocketing fuel prices in the country. This crippled the capacity of farmers to buy fuel for pumping water for irrigation.
16. Water shortage and infrastructure were not the primary focus of intervention under RLAC-19, leading to critical interdependencies with other interventions such as distribution of seeds, whose growth was compromised by the lack of water availability.
17. They were, however, priorities under FFSS, resulting in 81% of beneficiaries reporting reduced water shortages vis-à-vis production needs. Among the technologies promoted, solar powered bubblers/drip irrigation systems proved particularly effective and affordable. The majority of farmers consulted agreed that bubbler irrigation reduced water loss from unnecessary infiltration and evaporation, thereby improving irrigation efficiency, lowering irrigation labour as well as its environmental costs, and reducing the toll on the HH’s finance by moving away from unsustainable diesel-powered engines. Alongside other major water infrastructure (storage, wells rehabilitation, etc), it will be a key technology to continue promoting in the country, especially as the focus should be to increase water *efficiency* rather than *availability* and *access* only. As droughts persist, the depth of boreholes to reach water continues to increase along with associated costs and the risk of water salinization because of the overreliance on groundwater. This poses a threat to the sustainability of these investments’ benefits in the long run.
18. Although relatively resistant to drought, the date palm farming promoted during the CSN period had a very high-water uptake and posed challenges to water use efficiency. However, it was the best available solution for food security in the operational context. To balance the high-water uptake in a context of drought, it will be important to promote intercropping with other drought-tolerant varieties (sorghum, green gram, etc), coupled with climate-smart agriculture (CSA) practices such as mulching, and irrigation at night instead of daytime. Sensor technology can also be used to measure humidity near the palm to irrigate based on need.
19. Other than water technologies, other CSA practices such as integrated pest management, organic input use, rotations and intercropping, mulching, etc were not promoted extensively in Somalia by the CSN interventions. The results reported at completion of FSSFS (50% of those who have received training on environmentally sustainable and climate-resilient technologies are now implementing them) can be widely attributed to smart-irrigation techniques adoption. The RLAC-19 completion report also highlighted a need for agro-pastoralists to be trained on drought mitigation measures and CSA practices. The lack of focus on non-water related CSA practices can in part be explained by a lack of soil health mapping, and limited availability of seeds and other inputs locally to promote these practices. Nonetheless, they are critical to resilience, notably through diversification of income sources and reduction of input costs.
20. Participation and community involvement has been a key factor of success in the water interventions and wider natural resource management (NRM), especially in a

context where conflict over resources are common. Interventions were considered to have had a clear positive impact on community cohesion over NRM thanks to sound inclusion policies, adequate information sharing, and promotion of community participation. The FSSFS notably encouraged community ownership by assisting farmers to join forces in using one source of irrigation together, which is critical for sharing available resources. The establishment of NRM committees who now have bylaws and shared rules to combat the spread of exotic species and to rehabilitate degraded lands is an effort worth scaling considering the high density of livestock in the region as well as the still common practice of wild animal hunting. The cash-for-work system was also critical in ensuring the right incentives are provided for farmers to restore the land and transition into more sustainable land-use practices that are more labour-intensive, and should remain a key intervention strategy moving forward.

D. Sustainability and Scaling-Up

21. **Sustainability.** The sustainability of CSN interventions and their net benefits is rated as **moderately satisfactory**. This assessment considers the economic, social, environmental, and institutional capacities necessary to sustain the achieved results over time, as well as the level of engagement, participation, and ownership among key stakeholders.

- **Economic sustainability:** The supported activities under the CSN are considered financially and economically viable. The increased access to water infrastructure and solar-powered irrigation schemes for the farmers' crops, and the skills acquired in building resilience to climate adversity, will ensure a continuous flow of income and economic benefits from their livelihoods. Under the FSSFS, for example, date palm and livestock producers were integrated into their respective value chains, through the installation of processing facilities for dates, meat and milk, and linkage with private sector actors. However, the strategy of importing date palm seedlings from abroad instead of strengthening local seedlings production, and the small scale of the processing operations relative to the demand from the date palm farmers may affect future sustainability of the value chain. The sustainability of the meat and milk value chains will depend on: the ability to maintain and scale up the communal rangeland rehabilitation and feed processing to reduce the impact of drought on the animals; as well as regular large-scale monitoring of animal health and timely intervention to prevent disease epidemics.
- **Social sustainability:** The participatory community development approach and cost sharing promoted under the CSN led to a high level of community ownership. The CSN activities also empowered marginalized groups, thereby fostering sustained social cohesion and inclusive development. The direct engagement of women in CSN activities portends well for the social sustainability of the instruments created since women play a big role in agriculture in Somalia. FSSFS built a pool of community champions who lead in peer-to-peer learning. The local champions will be the community source of knowledge and are expected to continuously support the farmers to implement the project activities when the project implementation period ends.
- **Environmental sustainability:** The CSN promoted sustainable practices such as CSA, efficient irrigation, renewable energy solutions, holistic natural resource management (HNRM) in livestock rearing, and engaging the local private sector in the development of climate-smart technologies (CSTs). FSSFS collaborated with the Department of Regional and Urban Studies and Planning of the Polytechnic University of Turin for the construction of the master model of the ICARO solar dryer which will be replicated by the local private sector. Other CSTs promoted by FSSFS are the bubbler irrigation and the Off-Grid-Box technology. Along with the

enhanced adaptive capacities among target beneficiaries, these practices will promote environmental sustainability.

- **Institutional sustainability:** The CSN strengthened the capacity of government institutions, implementing agencies, and community-based organizations (notably the farmers associations formed) to support activities and maintain achieved results. The on-the-job training for university engineering students is also considered a valuable strategy for sustaining service provision to the beneficiaries. FSSFS developed an exit strategy, incorporating skills/knowledge transfer, physical asset handover, proper documentation and exit meetings, and successfully executed the handover before project completion. Even the short-term RLAC-19 networked extensively with relevant stakeholders, including the federal and state ministries of agriculture, to: define the targeting criteria, target group and key activities, training content and duration; establish the agricultural support package for the target HH beneficiaries based on the available budget and beneficiary needs; and, adapt project interventions to introduce the vulnerable pastoralists to crop farming/agro-pastoralism as a livelihood diversification initiative. Insecurity, however, remains a major challenge to sustainability.
22. **Scaling-Up** is rated **moderately satisfactory**. The following implementation results from FSSFS could be scaled up: (a) **inclusion of women and youth** in decision making. The gender assessment report (May 2023) gave an overall HH Decision Making Index of 0.77, meaning that women are involved in making HH decisions on food consumption, purchases, income utilization, and health services. Also, the Women Economic Empowerment Index of 0.75 means that most women were actively involved in HH economic decisions. To scale up this success requires further organization of women into farmers groups to give them a greater voice; (b) **community cohesion around common issues**. Project intervention, through sound inclusion policies, information sharing, and promotion of community participation, helped to reduce the nagging land use conflict between farmers and nomadic pastoralists in Puntland. Similar measures can be scaled up to increase the resilience of the rural poor in the fragile Somali context; and (c) **access to safe water**. The improved proximity of safe water sources from the rehabilitation and construction of water infrastructures by FSSFS led to time saving for young people to attend school, and women to develop income generating activities. The CSN considered scaling up access to water as a key entry point and driver of agricultural development in Somalia.

E. Results from Non-Lending interventions

23. **Country Level Policy Engagement (CLPE)** is rated **satisfactory**. Although the CSN did not specify targets for CLPE, under SO3 - Strengthening the institutional, organizational and technical capacities of actors at all levels - the CSN impacted positively on the Somali agricultural sector through a number of capacity building initiatives for the Ministry of Agriculture and Irrigation (MoAI), Ministry of Water Resources, and Ministry of Livestock Forests and Range (MoLFR) at the state and district levels. Examples include: (a) training of government veterinarians and private community animal health workers (CAHWs) on the Pictorial Evaluation Tools (PET) methodology for rapid livestock body condition scoring and forage condition scoring, surveillance, diagnosis, treatment, and reporting of disease outbreaks. The PET methodology was adopted by the government for the post-rainy season assessment in 2022; (b) leveraging the collective efforts of government veterinarians, CAHWs, and private veterinary suppliers to improve the availability of quality veterinary drugs and services at the community level; and (c) introducing the HNRM approach to enhance community members' access to pasture, and therefore reduce community tensions. The districts and the communities also benefited from the improved peace and security resulting from improved food security, livelihoods and NRM.

24. While the adoption and implementation of the Committee on World Food Security (CFS) guidelines were not explicitly stated objectives of the CSN, its interventions promoted their realization of the goals of sustainable agriculture, responsible resource governance, and climate resilience. The CSN closely aligned its interventions with the CFS guidelines for food security.¹⁵² The interventions contributed to Somalia's food security pathway¹⁵³ by supporting the adoption of sustainable agricultural practices consistent with the CFS's Voluntary Guidelines on Responsible Governance of Tenure of Land, Fisheries, and Forests. These practices helped to ensure responsible and equitable access to land and natural resources, which are critical in Somalia for enhancing food security among smallholder farmers and pastoralists. The CSN interventions also facilitated the implementation of the CFS's Principles for Responsible Investment in Agriculture and Food Systems by promoting inclusive and sustainable agricultural value chains, thereby creating an enabling environment for responsible investments that benefitted smallholder farmers, rural communities, and the environment.
25. The CSN's focus on CCA and resilience aligns with the CFS's Framework for Action for Food Security and Nutrition in Protracted Crises. The CSN bolstered the resilience of agricultural systems and communities by introducing drought-tolerant crop varieties, more efficient water management techniques, and HNRM. This effort contributed significantly to ensuring food security despite climate-related shocks and stresses.
26. **Innovation** under the CSN is rated **moderately satisfactory**. Although a short-term emergency intervention, the RLAC-19 promoted innovative, conflict-sensitive approaches that allowed project activities to proceed even when insecurity escalated. The flexible application of the procurement regulations enabled the project to secure all supplies in the local areas where they were needed, engage local people and collaborate with State/Local government officials to monitor the different activities. The project also devised innovative ways to interest youths in agriculture and livestock production, including: awareness creation on the potential of agriculture; advocacy for the adoption of CSTs and livelihood strategies for youth; advocacy against discriminatory social norms and practices that inhibit female youth and people with disability (PWDs) from engaging in agriculture; and, mentoring, apprenticeship and coaching of youth by more experienced farmers. FSSFS on its part: devised the Biometric Beneficiaries' Registration Identification and Management System (BBRIMS) which greatly facilitated project support to the authentic beneficiaries as well as monitoring implementation progress; developed and used the e-FOP platform for knowledge management; and linked university engineering students with the private sector through on-job training for capacity building.
27. **Knowledge management** (KM) is rated **satisfactory**. The CSN developed various knowledge products to support intervention implementation and guide future strategies. RLAC-19 produced and disseminated the following knowledge products to MoAI, State MoAs, local administrations, community leaders and IFAD: (a) IFAD's

¹⁵² Food systems transformation progress review - regional meeting for Africa 22 April 2024. <https://www.unfoodsystemshub.org/docs/unfoodsystemslibraries/regional-progress-reviews/africa/regional-meeting-report-22-april-2024.pdf>

¹⁵³ Towards sustainable and resilient food systems in Somalia. <https://summitdialogues.org/wp-content/uploads/2021/09/Somalia-Food-Systems-Pathways.pdf>

Crisis Response Initiative video (<https://youtu.be/2EIAhfNDQGE>); (b) the video and photographs presented at a high-level IFAD event in Nairobi in May 2022, highlighting the current drought situation, COVID-19 impact, and challenges from the Ukraine-Russia conflict; (c) Beneficiary interaction video (https://drive.google.com/file/d/16epHr4lQue-M2r7afGrRjYqgKoLA_DGQ/view?usp=sharing); (d) Ringing the changes in UN Investment (<https://www.youtube.com/watch?v=7GZC5bcbQSY>) - the video showcased at the issuance of IFAD's first sustainable development bond in June 2022, in which a cowbell was used to symbolize the bell used at the stock exchange; (e) social media dissemination of project initiatives (<https://www.facebook.com/Puntlandstatetv/videos/845752542956917/>); and (f) documentary of lessons learnt and challenges faced. FSSFS adopted a sound KM plan that formed the basis for an interactive depository of knowledge products, and implemented the virtual community of practitioners (VCoP) through the e-FOP platform. The VCoP represents a networking tool for project partners, target communities and key stakeholders, enabling the collection and organization of technical documentation, data, information, and experience generated within the project frame, for it to be accessible to internal and external audiences. The e-FOP platform positively contributed to the achievement of the project objectives.

28. **Strategic partnerships** are rated **satisfactory**. The CSN developed timely and strategic partnerships with various stakeholders, including government institutions, international organizations, the UN system, the private sector, organizations representing marginalized groups, and other development partners. The RLAC-19 partnered with: (a) MoAI to identify the target states and regions, and jointly develop the National Strategy on the Management of Invasive Insect Pests of Agricultural Crops in Somalia, which substantially contributed to the resilience of agriculture in the RLAC-19 sites; (b) State MoA in the identification of project districts, villages and beneficiaries, and in the conduct of 18 joint field visits during implementation, to address emerging issues from beneficiary selection and allocations; (c) other projects, such as the World Bank *Somalia Crisis Response Project - Desert Locust Control Component* implemented by FAO in collaboration with SADAR, for desert locust control through ground and aerial spraying, social-impact assessments, and vector and vector-borne livestock diseases surveillance, the FAO *Emergency Response and Technical Support towards the sustainable management of the Desert Locust in Somalia*, whose lessons learned from the environmental impact assessment guided RLAC-19 in the construction of the storage facilities, the *Fundamental Rights Equality and Empowerment (FREE) for girls and women in Puntland* Somalia which promoted abandonment of female genital mutilation or cutting practice to reduce sexual and violence against women; (d) Sunshine Media Consulting, private sector outfit, for production of KM products, and (e) Food Security Cluster, participating in the monthly state cluster meetings to share project updates and enhance synergy among the partners. FSSFS also effectively leveraged the partnership networks established by CEFA, Veterinaires Sans Frontieres - Germany (VSF-G) and SADAR to support project implementation and monitoring.
29. **Information and communications technologies for development (ICT4D)** is rated **moderately satisfactory**, based on two innovative methods applied by FSSFS to enhance efficiency in project implementation. The BBRIMS was adopted to register the project beneficiaries and store their records electronically. This enabled electronic authentication of the targeted beneficiaries who received the intended outputs for accountability and transparency. PROCASUR, the service provider which managed the KM activities under FSSFS designed and implemented a database-driven web platform, e-FOP to facilitate the sharing of information, data and experiences among

the project implementation partners, the key actors involved in the project and the wider public. For project coordination and monitoring, FSSFS conducted bi-weekly, monthly, and other special meetings on the e-FOP platform, especially during the period of the COVID-19 restriction of movement. The project progress reports as well as the most significant stories of change were uploaded in the e-FOP which is accessible to all the project stakeholders.

F. Coherence

30. Coherence is rated overall as **moderately satisfactory**. The CSN demonstrated a high level of external coherence, being consistent with interventions by other actors in the context of high insecurity and fragility that prevailed in Somalia. The strategic objectives and interventions of the CSN were aligned with the national development priorities and the initiatives of key stakeholders in the agricultural and rural development sectors. The collaboration and coordination with government institutions helped ensure alignment with national policies and strategies, including in the selection of target states for the projects under the CSN. Regular consultations and joint planning efforts between the CSN projects, state governments and development partner agencies, such as the Food Security Cluster meetings at the state level, contributed to harmonizing interventions and minimizing duplication of efforts.
31. The CSN exhibited a moderate level of internal coherence, with complementarity and linkages between its strategic objectives and the goal of building the resilience of the poor rural communities to external shocks. Starting with Improved sustainable and climate-resilient water infrastructure, a key entry point for agricultural development in the drought-affected Somali context, the CSN sought to build the resilience of the rural poor to food and nutrition insecurity through the deployment of climate smart agricultural technologies and holistic natural resource management for crop and livestock value chains. IFAD's financial investments were well aligned with the priorities outlined in the CSN, and complemented by non-lending activities such as capacity building, KM and policy dialogue. However, the CSN could have benefited from a results framework to facilitate the tracking of the complementarity among its elements and the implementation results. Also the delay in the actualization of the assumptions of the two scenarios for portfolio development (with or without the clearance of Somalia's debts) resulted in the new projects envisaged by the CSN being effective only in 2024, after the CSN period.

G. Efficiency

32. The efficiency of the CSN is rated **moderately satisfactory** based on an assessment of how economic resources and inputs were converted into results. The FSSFS: (a) had a clear procurement plan, backed by robust internal controls, accounting and audit systems that enhanced value for money in procurement; (b) minimized budget allocation to salaries and management fee, yet the staff efficiently delivered an average outreach of 229 individuals per staff; (c) employed a community-based approach and "peer to peer" training using "local champions" to share knowledge and experience with other farmers; and (d) used efficient implementation and partnership strategies, flexible enough to adjust to the changing environment, and capable of delivering the desired outcomes related to income, women empowerment, access to water, crop and livestock productivity. However, the following areas posed challenges to the efficiency of FSSFS: (i) delays in delivery of outputs because of the broad geographical scope of the project, spanning two regions of Puntland, and

delays in the disbursement of funds in the year 2021 which pushed the project's work plan forward; (ii) volatile security; (iii) the devastation by the triple threat of Desert Locust, drought and floods, and impact of the Ukraine-Russia crisis; (iv) delays due to long negotiations with local authorities on how the imported date palm seedlings should be distributed; (v) underestimated costs associated with security for project monitoring missions featuring foreign citizens resulting in a reduction of the frequency of such missions, and associated with construction and equipment of the meat and milk processing facilities resulting in buildings smaller than planned and less employment than previously thought; (vi) costly importation of date palm seedlings from Saudi Arabia rather than building capacity for offshoot propagation using locally adapted cultivars; (vii) the switch from the installation of the communal irrigation systems which proved not viable in the local context, to individual irrigation systems, resulting in a lower outreach than anticipated; and (viii) the nutrition sensitive agriculture and horticulture approach which did not yield the expected results considering the very low average production volumes accrued by beneficiaries due to very severe drought conditions in Puntland.

33. Under RLAC-19, procurement activities were completed and paid in full by September 2022, with cost saving of US\$ 85,616 (62% of contract) through revision of the procurement plan, reallocation of budgets across activities, combining procurement processes for some activities into a single procurement process, and obtaining IFAD no-objection for an addendum on the relevant contract to exceed the 5% threshold allowed instead of re-advertising which could have led to a delay in supply for this emergency response project. However, RLAC-19 did not fully utilize the IFAD No Objection Tracking and Utility System (NOTUS) due to the short implementation duration of the project, and lost the opportunity for more efficient management of no-objections and documentations, contract administration and management approach.

H. IFAD performance

34. IFAD performance is rated **satisfactory**. IFAD provided technical expertise and guidance for the design of the CSN to ensure alignment with its corporate strategies and priorities. The CSN interventions were based on analytical work and virtual consultations with key stakeholders, including government counterparts, development partners, and civil society organizations (CSOs). Target communities could not be contacted at the time of the design because of travel security restrictions.
35. IFAD's support during implementation to the grant recipients, SADAR and the CEFA, was robust. Regular virtual or hybrid supervision and implementation support missions were conducted to monitor progress, identify bottlenecks, and offer strategic guidance to the project implementing partners. IFAD's technical specialists and consultants provided valuable inputs on thematic areas such as monitoring and evaluation (M&E), financial management, procurement, value chain development and environmental and natural resource management and climate change adaptation. IFAD's M&E system effectively captured the key performance indicators of the CSN projects, engaging a field presence officer to strengthen the monitoring of the portfolio.
35. IFAD established strong strategic partnerships to support effective implementation, collaborating with UN agencies, other development partners, civil society

organizations, and private sector entities, to facilitate knowledge sharing, resource mobilization, and the scaling up of successful interventions. IFAD engaged in agricultural sector policy dialogue with the government in collaboration with its partners, to foster a conducive policy environment and lay the foundations for sustainability, and contributed to the development of the United Nations Sustainable Development Cooperation Framework, 2021-2025 for Somalia.¹⁵⁴

36. The notable achievements of IFAD during the CSN include: (a) the design of the Adaptive Agriculture and Rangeland Rehabilitation Project (A2R2) with Global Environment Fund (GEF) and IFAD Enhanced Adaptation for Smallholder Agriculture Programme (ASAP+) financing totalling US\$ 25.54 million in 2022; (b) the clearance of Somalia's outstanding debts with IFAD in February 2023 with generous contributions from Belgium, Italy, Germany and Sweden, allowing Somalia to access IFAD core resources; and (c) the design of the Rural Livelihoods Resilience Programme (RLRP) for a US\$ 11.6 million Debt Sustainability Framework grant in 2023.

I. Borrower's performance

37. The Borrower's overall performance is rated **satisfactory**. The Federal Government of Somalia (FGS) proactively proposed SADAR (a Somalia-based NGO with knowledge of the Somalia local context and systems) as Grant Recipient and Implementing Partner for the RLAC-19 grant it got from IFAD, considering that at that time, IFAD could not directly finance investment projects with the FGS. The MoAI participated in the identification of target states and regions, while SADAR regularly coordinated with the officials of the MoAI through bilateral meetings and sharing of regular project updates. The participating state governments and their ministries served as the immediate representatives of the beneficiaries and participated in the identification of project districts and villages, and allocation of project beneficiaries per location. In addition, SADAR and State level officials jointly conducted 18 field visits during the project implementation to address emerging issues from beneficiary selection.
38. For FSSFS, CEFA was the Grant Recipient and Lead Implementing Partner, while VSF-G was an implementing partner for the livestock component. CEFA worked closely with the Puntland State and local authorities in the selection of intervention areas and the beneficiaries, as well as in the distribution of project inputs to the beneficiaries. Unfortunately, there was an implementation delay due to long negotiations with local authorities on how the imported date palm seedlings should be distributed. The CSN on the other hand, impacted positively on the Puntland State agricultural sector through a number of capacity building initiatives for the ministries of agriculture, water resources, and livestock. The State Government also allowed its veterinary officers to be trained and to participate in initiatives for rapid livestock body condition scoring, and to improve the availability of quality veterinary drugs

¹⁵⁴ United Nations Sustainable Development Cooperation Framework, 2021-2025 for Somalia (October 2020).
https://somalia.un.org/sites/default/files/2020-10/UN%20Sustainable%20Development%20Cooperation%20Framework%20for%20Somalia_HiRes_0.pdf

and services at the community level. Overall, the government's support and ownership were critical to the success of the CSN.

J. Lessons learned and recommendations

Lessons Learned:

39. The key lessons learned under the CSN, based on the experience of RLAC-10 and FSSFS, are summarized below.

- **Prior consultation of the key stakeholders contributes to increased effectiveness of an intervention.** RLAC-19 consulted different stakeholders to develop a Minimum Integrated Package for the beneficiaries that aligns with the budget as well as beneficiaries' needs for crop and livestock production. The package successfully promoted agro-pastoralism as a way of sustaining agricultural production.
- **Knowledge of the socioeconomic status of the target beneficiaries facilitates the design and implementation of relevant interventions.** Realizing the low literacy level among many of the RLAC-19 beneficiaries, the project's emphasis on demonstrations and practicals during training sessions as against theoretical lectures, contributed to the increased uptake of the project interventions.
- **Partnerships allow for exploitation of synergies for effectiveness and efficiency.** RLAC-19's collaboration with other IFAD and donor funded projects helped to reduce duplication of interventions and allowed for the efficient use of the scarce resources. The collaboration was facilitated through coordination meetings, Food Security Cluster meetings, and joint technical field monitoring and supervision missions.
- **Capacity building is crucial for effective project implementation.** During FSSFS' procurement of the consultant to conduct feasibility study, and develop business plan and training material for the date processing units, only one local consultant presented the required competencies for this activity. Similarly, for the farmers, the project noted the need for follow-up training after the initial training.
- **Beneficiaries are a key element of project success and not mere passive recipients.** Intensive sensitization and mobilization by FSSFS ensured beneficiaries' ownership, with date palm farmers accepting to pay US\$ 5 for each seedling issued. The amount collected helped to buy farm inputs for 754 additional beneficiaries.
- **Future water works should explore all possible water harvesting techniques (not only boreholes).** Water scarcity in drought affected locations has implications for receding ground water level and increased salinization of water. The options for water harvesting should be carefully assessed and backed up with technical capacity for installation of the technologies, regular follow-up, as well as continuous peer-to-peer training.
- **Funding and migration are major challenges to effective extension services.** FSSFS observed the difficulty of maintaining the extension services largely because of lack of funding on the part of the local authorities, and the animal health services because of forced migration of project beneficiaries due to drought.

Recommendations:

40. A few strategic recommendations are made based on the implementation of the CSN, to improve the design and implementation of future country strategies or projects for Somalia or the region:

- **More robust stakeholder consultation and understanding of the socioeconomic background of the target beneficiaries before designing future initiatives.** Due to the persistent insecurity in Somalia during and after the CSN, most stakeholder consultation has been limited to virtual methods. Likewise, the socioeconomic analysis of target beneficiaries has largely limited to desk reviews. IFAD should invest more in some of the emerging opportunities for a better understanding of the dynamic Somali environment: (a) allow more time for consultations during designs, to enable more robust virtual interviews of stakeholders and potential beneficiaries (preferably by video, with an interpreter for non-english speaking interviewees); (b) engage at least one qualified Somali national as a member of each design or supervision mission with adequate local travel funds to be the in loco representative of the mission to facilitate the consultations at critical sites; and (c) make the IFAD Field Presence Officer fully resident in Somalia to play the role in (b) above.
- **Closer IFAD interactions with partners and stakeholders.** Pending an improvement in the security situation that would allow the establishment of an IFAD Country Office in Somalia, the resident Field Presence Officer should deepen the interactions with the government and development partners for more robust involvement of IFAD in policy dialogue.
- **Primacy of capacity building in IFAD investments.** The impact of the decay in technical and institutional capacities in Somalia due to the long civil war and a challenging transition to normalcy largely as a result of insecurity, cannot be overestimated. The persistent displacement of project beneficiaries due to drought, flood and/or insecurity (e.g. livestock keepers under FSSFS who were forced to migrate from their locations because of drought) requires that IFAD investments should make provisions for more extensive capacity building of both technical service providers and project beneficiaries, including for a higher number of trainees, and post-training follow up support.
- **Strengthening agricultural extension and animal health services.** ICT4D will play a crucial role in these two areas. For crop extension, the e-FOP developed by FSSFS can be used to map the extension officers. Following an assessment of the technological equipment and skills capacity of the target beneficiaries, a plan can be developed to gradually introduce digital technical assistance via mobile phones. This can be backed by the more sustainable peer-to-peer training learning routes and exchange visits for stakeholders to learn good practices from other parts of the country. For animal health services, the PET methodology can be applied for migrant livestock keepers, interfacing with their mobile phones.
- **Scaling up successes.** Some of the successes achieved under the CSN are at the core of IFAD strategic orientation and should be scaled up in future interventions. They include: inclusion of women, youth and other vulnerable groups such as PwDs in project activities and benefits; community participation and cohesion around common issues; access to water as a key entry point and driver of agricultural development in drought-prone areas; proven productivity enhancing and climate-resilient technologies, including HNRM; and sustainable market-led value chain development.

Ratings matrix

Evaluation of country programme	Rating (1-6 scale)¹⁵⁵
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¹⁵⁵ The rating is aligned with the IFAD Evaluation Manual, table 2, page 50

1) Relevance	5
2) Effectiveness	4
3) Sustainability	4
4) Scaling up	4
5) Results from non-lending interventions	
CLPE	4
Innovation	4
Knowledge Management	5
Partnerships	5
ICT4D	4
6) Coherence	4
7) Efficiency	4
Overall country programme achievements	4

Annex 1 Previous CSN Results Framework with progress (at the time of completion review)

Goal: sustainably enhance the resilience of poor rural households and their communities to external shocks				
Country strategy alignment	Key results for CSN			
	Strategic objectives	Contributing Project/IFAD grant amount/ Duration	Project outcome indicator targets	Project outcome results
Somalia National Development Plan (NDP, 2020-2024) - Increasing the resilience and productivity of the crop and livestock farming systems through investments in irrigation and flood control, marketing and value addition - Inclusion of vulnerable groups in program implementation - Factoring environment and climate change into intervention design and implementation - Strengthening the capacity of the sector ministries. Also consistent with: Somalia's Nationally Determined Contributions (2021)	SO1: Improved sustainable and climate-resilient management of water infrastructure, through the construction of climate-proofed water infrastructure and the creation and strengthening of community maintenance and management groups to prevent conflicts.	FSSFS EUR 7.29m. 01/06/2019 - 30/06/2024	Outreach: 12,300 HHs	43% (5,274 HHs)
			Outcome 1: Water infrastructures are rehabilitated and properly managed and climate-smart technologies are adopted	
			- HHs reporting reduced water shortage vis-à-vis production needs - 50% of 1,940 HHs	81% (1,571 HHs)
			- Improvement in water use efficiency under rehabilitated/constructed irrigation infrastructures - 70%	79%
			- HHs reporting adoption of environmentally sustainable and climate-resilient technologies and practices - 50%	87%
	SO2: Building resilience to food insecurity and nutrition, specifically targeting the most vulnerable groups such as women and youth, through the development of climate smart agricultural technologies, the promotion of nature-based solutions to preserve biodiversity, as well as the improved rangeland and livestock management in the framework of the livestock value chain.	RLAC-19 US\$ 2.73m. 09/10/2020 - 30/06/2022	Outreach: 4,200 HHs	103% (4,319 HHs)
			Outcome 1: HHs reporting that access to inputs and/or technologies was maintained or improved – 75%	111%
			Outcome 2: HHs reporting that access to input and output markets was maintained or improved – 75%.	101%
		FSSFS EUR 7.29m. 01/06/2019 -	Outcome 2.1: Production of selected crops is increased and processing and marketing of date palm is sustainably improved.	
			- HHs adopting new/improved inputs, technologies or practices - 100%	91%

Livestock Sector Development Strategy (2020–2030) National Water Resource Strategy (2021-2025)		30/06/2024	- Increase in production of palm dates - 30% (2,008.5kg/ha)	78% (2,753kg/ha)
			- Producers reporting increase in sales - 20%	68%
			- Increase in HH income of date palm beneficiaries between 2021 and 2023 - target not specified	36%
	SO3: Strengthening the institutional, organizational and technical capacities of actors at all levels, enabling participatory natural resource management, the elaboration of integrated development plans, monitoring and evaluation, and scaling up.		Outcome targets not specified	Not assessed

Annex 2: Integrated Country Risk Matrix

Overall Summary

Risk Category / Subcategory	Inherent risk	Residual risk
Country Context	High	Substantial
Political Commitment	High	Substantial
Governance	High	Substantial
Macroeconomic	High	Moderate
Fragility and Security	High	Substantial
Sector Strategies and Policies	High	Moderate
Policy alignment	High	Moderate
Policy Development and Implementation	High	Moderate
Environmental, social and climate context	High	Moderate
Environmental, social and climate context	High	Moderate
Financial Management	High	High
Organization and Staffing	High	High
Budgeting	High	High
Funds Flow/Disbursement Arrangements	Substantial	Substantial
Country Internal Controls	High	High
Accounting and Financial Reporting	High	High
External Audit	Substantial	Substantial
Procurement issues	High	Substantial
Legal, Regulatory and Policy Framework	High	Substantial

Institutional Framework and Management capacity	High	Substantial
Public Procurement Operations and Market Practices.	High	Substantial
Accountability, Integrity and Transparency of the Public Procurement System	High	Substantial
Overall	High	Substantial

Risk Category / Subcategory	Inherent risk	Residual risk
Country Context	High	Substantial
Political Commitment Risk: Despite the reaffirmation by the President of the FRS at the IFAD Governing Council in February 2023, of the commitment of the FGS to support an enlarged IFAD programme in Somalia with PBAS resources and supplementary funding, the commitment of the FMS to a countrywide IFAD programme has not been ascertained as security restrictions prevented direct interactions between IFAD and the FMS. Somaliland declared itself independent of the FRS in 1991 and recently entered into an agreement with Ethiopia to use its port, an action that has generated a political/diplomatic standoff between the FRS and Ethiopia. Puntland has declared itself a semi-autonomous state. More risky for political stability is the possibility of the FMS reneging on the oil production sharing agreement. Mitigation: IFAD will hold periodic discussions with technical and financial partners and will actively participate in relevant coordination/policy working groups to monitor ongoing commitments. IFAD will actively participate in UNCT coordination activities and support the policy agenda with other stakeholders. Further consultations will be held with FGS, and if possible the FMS, to clarify IFAD development focus in Somalia.	High	Substantial

<p>Governance</p> <p>Risk: Somalia scored 11 points out of 100 on the 2023 Corruption Perceptions Index reported by Transparency International, ranking the country at 180 out of 180 countries assessed, which is considered high-risk. Risks related to the country's fragility context, such as poor governance and corruption could increase program costs and compromise attainment of the expected results. This risk is increased by factors such as use of less competitive procurement methods, diluted accountability for procurement and disbursement of funds. On the positive side, having attained the HIPC Completion Point in December 2023, the FGS is determined to continue implementing the pre-Completion Point reforms to enhance the country's governance structure, including tax, banking and anti-money-laundering reforms for which it for example recently announce a reform project with the AfDB. Partnerships with other IFIs resulted in financial systems reforms</p> <p>Mitigation: The new COSOP will support enhanced local participation in governance and improved local resource management and accountability by increased use of local systems under close supervision of the IFAD country team. Stakeholders will be involved in the procurement process of goods and services and IFAD procedures around procurement and fraud and corruption will be strictly followed. Individual programs will include activities on capacity building at federal and FMS levels.</p>	High	Substantial
<p>Macroeconomic</p> <p>Risk: Rising inflation and poverty (73% of the population in 2023), insecurity, vulnerability to climate change (recurrent droughts and severe flooding) and the lingering effects of the COVID-19 pandemic.</p> <p>Mitigation: The COSOP will contribute to the reduction of small-scale producers' vulnerability, enhancing their resilience to climate related and economic shocks and strengthening food and nutrition security for targeted populations. Investments that raise productivity, create jobs and expand pro-poor activities which focus on women and youth will be supported. To reduce the impact of foreign price increases, national productivity systems (e.g. national seed replication) will be promoted</p>	High	Moderate

Fragility and Security Risk: Somalia is considered one of the three most fragile countries in the world. Drivers of fragility include persistent violence, extremist related attacks, political volatility, and frequent extreme weather events such as droughts and floods caused by climate change. The rekindling or intensification of insurgency in target areas and the deterioration of security conditions could be unfavourable to implementation of the country strategy. There is also concern for an escalated security situation post-ATMIS. Mitigations: IFAD will collaborate with the UN and the rest of the international community to promote security. IFAD's COSOP will feature a conflict-sensitive approach, as spelled out in project design documents, to minimize the risk of the project aggravating tensions between communities, and also minimize the risk of conflict resurgence affecting the desired outcomes of the interventions. The COSOP projects will be implemented by government and partner agencies at national, state and district levels, to deliver effectively for the benefit of the participating communities. The COSOP will also emphasise capacity building of government institutions at the national and state levels and well-established and locally-accepted NGOs, as well as empower the communities and promote strong stakeholder ownership. IFAD will closely work with UNDSS and other security forces on the ground to monitor the situation. ATMIS will likely be replaced by another security mission by the end of 2024.	High	Substantial
Sector Strategies and Policies	High	Moderate
Policy alignment Risk: Erosion of the institutional framework has led to a weak national policy framework. Existing policies are not implemented or updated. Mitigation: FGS has recently begun updating its current National Development Plan. The COSOP will be implemented in the framework of the new NDP. It will be aligned with relevant sectoral strategies (agriculture, livestock, water, environment) and policies to be adopted by the Government.	High	Moderate
Policy Development and Implementation Risk: Weak technical and institutional capacity can hamper proper implementation of the COSOP projects. Weak technical capacity and limited access to parts of the country results in challenges related to data availability. Mitigation: IFAD will use national consultants and institutions to obtain specific additional information required to conclude design in view of security risk in parts of the country. Investments will take into account a flexible community driven approach to ensure technologies address the needs of the target beneficiaries. The key part of the project implementation strategy is to provide operational support to Government line agencies, local implementing agencies, and community organizations for effective delivery. This will also serve to rebuild their institutional capacity and inspire confidence. As necessary, projects will use third party implementation partners (i.e. national and international NGOs with local contacts and a credible track record). IFAD will actively participate in UNCT coordination activities and support the policy agenda with other stakeholders.	High	Moderate

Environmental, social and climate context	High	Moderate
<p>Environment</p> <p>Risk: Environmental vulnerabilities in the country such as soil degradation, water scarcity, and deforestation, can adversely affect agricultural productivity and livelihoods. Soil erosion, exacerbated by climatic factors and unsustainable land use practices, poses a significant risk to the success of investments by undermining soil fertility. Additionally, limited access to clean and reliable water sources can hamper irrigation efforts and reduce crop yields, while deforestation and land degradation can disrupt ecosystem services essential for sustainable agriculture and climate adaptation (including soil water absorption in cases of floods, and soil temperature regulation during droughts).</p> <p>Mitigation: The COSOP will prioritize sustainable land management practices, including soil conservation techniques and sustainable agricultural practices to combat soil degradation and enhance ecosystem services. Implementing efficient irrigation methods and water management strategies can help optimize water use and reduce the project beneficiaries' vulnerability to water scarcity. Furthermore, incorporating climate-resilient crop varieties and livestock breeds into agricultural systems, promoting agroforestry practices, rotational grazing among others, prioritizing use of native species and strict monitoring measures can strengthen agricultural resilience to environmental challenges. ESIA will be undertaken for projects with potential adverse environmental impacts and mitigation measures implemented, specifically to manage risks to groundwater resources availability. Awareness and engagement of local communities and stakeholders in sustainable land and water resource management is crucial for ensuring the long-term success of these mitigation efforts.</p>	High	Moderate
<p>Social</p> <p>Risk: Exclusion of the most vulnerable groups - particularly minority clans, women and youth - leading to widening poverty gap and exacerbating existing community tensions.</p> <p>Mitigation: Assure that clear targeting guidelines are formulated that account for social and cultural barriers for participation and ensure the specified target groups are reached. Women and youth action plans to be developed and the project team to retain a women and Youth Mainstreaming Officer. Promote remunerative value chain-based and rural youth employment opportunities, and address inequality in rural communities through rural women's empowerment. Ensure efficient monitoring systems are in place and that beneficiaries are able to provide feedback through Grievance Redress Mechanisms (GRM).</p>	High	Moderate

Climate Risk: Climate change in Somalia has led to increased frequency and severity of droughts, flooding, and other extreme weather events. These climate-related hazards can disrupt agricultural activities, reduce crop yields, harm livestock, and compromise food security for vulnerable communities. Additionally, the deterioration of ecosystems due to climate impacts may exacerbate land degradation, and loss of biodiversity, further threatening the resilience of the project's intended beneficiaries and the sustainability of its interventions. Mitigation: IFAD will prioritise climate adaptation and resilience in its design and implementation. This includes through the promotion of climate-resilient agricultural practices (both crops and livestock) and infrastructure that are adaptable to changing weather patterns. IFAD will also invest in early warning systems and climate information services, and disaster risk mitigation measures to help communities anticipate and prepare for climate-related risks. Additionally, all project investments will be climate proofed in the design and implementation. Capacity-building activities, especially for government institutions (including policy support), farmers and agro-pastoral communities, that integrate climate-resilient techniques are essential for enhancing understanding and addressing climate vulnerabilities effectively.	High	Moderate
Financial Management The financial management (FM) risk at country level is High due to country related context and fragility, very high levels of corruption as per Transparency International Index, weak institutions as well as IFAD's limited experience in implementing investment projects through governmental institutions and using country public FM systems. In addition, the security situation in the country may constrain IFAD's ability to supervise the projects effectively.	High	High
Organization and Staffing Risk: The accountancy profession is very young in the Somalian context due to several decades of fragility at country level, which may impact on IFAD capacity to rely exclusively on public resources when it comes to accounting and auditing. Moreover, the Ministry of Agriculture and Irrigation (MoAI) has no experience in managing IFAD funded projects, which may lead to insufficient or inexperienced human resources to be assigned to key FM positions within IFAD projects' PMUs. Mitigation: Key FM staff will be competitively recruited for all IFAD funded projects in Somalia, including FM specialists. IFAD No-objection will be required before staff is appointed and a competitive recruitment clause will be included in the first disbursement conditions of all projects approved within the new COSOP.	High	High

<p>Budgeting</p> <p>Risk: In line with other international donors, IFAD funded projects' budgets will be embedded within the national budget through the budget of the MoAI and approved by the parliament. IFAD has no direct experience to assess the timeliness of this cycle and the accuracy of the national budget preparation and approval compared to IFAD AWPB. The risk of delays and inaccuracy of the financial data is still considered to be High.</p> <p>Mitigation: IFAD will follow-up directly with government authorities to ensure that any delay in the national budget approval process will not negatively impact project implementation. Also, IFAD AWPB will be checked annually against the approved national budget to improve consistency.</p>	High	High
<p>Funds Flow/Disbursement Arrangements</p> <p>Risk: Despite improvements in recent years, the banking system in Somalia remains fragile with only few commercial banks being able to operate satisfactorily in terms of their capacity to both receive funds directly from foreign countries and to manage direct payments to vendors' bank accounts. On the other hand, Somalia has recently introduced a Treasury Single Account (TSA) bringing all government funds together into a single account structure within the Central Bank of Somalia (CBS). FGS payments, including salary payments, are no longer made in cash. The CBS processes all FGS transactions electronically. It goes without saying that any deficiencies and malfunctioning of this system may cause delays in payments and eventually in the implementation of IFAD funded projects relying on this system.</p> <p>Mitigation: IFAD designated accounts will be opened at the CBS and mobilised through the SFMIS system, which will be customised in line with IFAD requirements. Cash payments will be limited to exceptional cases and always registered and approved within the SFMIS. The disbursement of IFAD funds will be based on the submission of interim financial and in particular biannual cash forecasts, which will limit the risk of liquidity shortages at project level.</p>	Substantial	Substantial
<p>Country Internal Controls</p> <p>Risk: Somalia ranked at the very bottom of the 2023 corruption perception index (CPI). In fact, the Country ranked 180th out of 180 countries and scored 11 out of 100 with a slight decrease in rating from the previous year. Based on its CPI score, Somalia is perceived as being a highly corrupt environment. Despite the introduction of additional control layers on expenditures due to the involvement of the Office of the Accountant General in the approval of all expenditures approved through the SFMIS, the risk of misuse of funds, fraud and corruption remains High. This risk is further aggravated by the possibility that the security situation at country level limits IFAD ability to supervise projects effectively.</p> <p>Mitigation: IFAD will integrate national procedures through the approval of specific financial and administrative manuals applied at project level that will ensure the implementation of a set of minimum standards for internal controls at project level. Also, depending on the assessed capacities of the MoAI internal auditor, IFAD will budget</p>	High	High

specific resources to hire internal audit firms. Furthermore, IFAD will rely, if needed, on a third-party supervisory entity with access to projects' implementation areas.		
Accounting and Financial Reporting Risk: IFAD funded projects' financial information may not be accounted for according to internationally recognised standards. Also, the reliance on national systems and in particular the SFMIS for accounting and reporting of IFAD funded projects, constitute a risk due to IFAD's lack of direct experience in managing projects that rely on this system. Mitigation: The country has fully implemented IPSAS cash basis of reporting and Financial Statements, which is in line with IFAD standards for accounting and reporting. Also, IFAD recent design mission observed that the SFMIS is used for financial reporting, including generation of in-year budget reports, annual financial reports, and other ad hoc reports that may be requested. This is confirmed by the experience of other international donors. Nonetheless, during the implementation of this COSOP, IFAD will assess the capacities of national accounting and reporting systems and take corrective measures if needed, to recommend the parallel utilisation of a dedicated accounting software.	High	High
External Audit Risk: Audit reports may not be received on time or their quality may not be in line with IFAD standards. Also, due to the fact that the situation of the accounting and auditing profession improved only recently, it may prove difficult to hire accredited audit firms to conduct projects' audits in the country. The country's supreme audit institution may not have the necessary independence or the capacities to act as a substitute of accredited private audit firms. Mitigation: The Office of the auditor general is currently an official member of INTOSAI. In addition to that, in case the OAG doesn't have sufficient human resources to timely perform project audit missions, it will have the faculty to outsource project audit mission to accredited audit firms in line with IFAD non-objected ToRs, as it is current practice in Somalia with other donor funded projects	Substantial	Substantial

Procurement issues	High	High
Legal, Regulatory and Policy Framework	High	High
<p>Risk: Public procurement in Somalia is governed by the 'Public Procurement, Concessions and Disposal Act' (PPCDA), of 23rd November 2015. The Act has undergone a number of revisions and changes which are all designed to address the problems across the entire procurement process: from the poor procurement planning, definition of the needs and preparation of the bidding documents, to a lack of transparency and competition in the process followed for announcements, bidding, evaluation and award of contracts, poor contract implementation, records keeping and procurement reporting. Standard bidding documents do not exist. Procurement methods and the related thresholds are set out in Schedule 3 of the procurement Act, but in the absence of an independent assessment (e.g PEFA), it is difficult to justify if procurement methods are applied appropriately. The Act does not cover procurement for defence or national security. Where procurement is IFI-financed, the provisions of the Act apply when there is no conflict with the terms of the financing agreement, procedures or standard documentation required by the donor. In the case of any conflict the procedures and decisions of the IFI prevail.</p> <p>Mitigation: (i) Apply IFAD Project Procurement Guidelines and Handbook, as well as IFAD standard bidding documents which mainly cover the gaps identified in the country procurement Law; (ii) Ensure wider coverage by advertising procurement opportunities on both 'somalijobs.net' and in a widely circulated newspaper, also on widely known platforms like 'Relief Web' (reliefweb.int). International Competitive Bidding will be published in UNDB through IFAD; (iii) Ensure efficient procurement monitoring by submitting the annual Procurement Plan (PP) and any subsequent PP revisions/upgrades to IFAD for No Objection. Procurement monitoring shall be done by IFAD through OPEN and CMT.</p>		
Institutional Framework and Management capacity	High	High

<p>Risk: The legal and regulatory framework does not clearly specify the normative/regulatory function, nor it assigns appropriate authorities' formal powers to enable the institution to function effectively. Key functions of public procurement policy management are not clearly defined. The procurement cycle is tied with the annual budget cycle, beginning with the preparation of procurement plans that are prepared in collaboration with the Ministry of Finance (MOF) and contractual payments which are the responsibility of the Treasury. The PEs are required to undertake annual procurement planning with a view to achieving maximum value for public expenditure. Procurement planning and preparation is not well regulated. Monitoring mechanisms are not sufficient to evaluate procurement outcomes in order to correct financial planning and management. Public procurement is not professionalised, i.e. it does not provide a career path to public procurement officials involved in conducting and managing procurement; nor does it provide adequate opportunities for skills building. There is no official job description or qualification requirements specific to public procurement. There is no official capacity building strategy, nor one for providing guidance in response to queries, and there are no obligations to use the public procurement training currently available.</p> <p>Mitigation: (i) Improve the integration of public procurement into public FM in order to improve procurement management. Projects will strictly adhere to AWPB and PP preparation according to IFAD templates and requirements. Deliver goods and services more efficiently, by developing medium term budgeting and amending financial regulations to ensure continuity of competitive procurement during the transition from one fiscal year to the next. The project should develop and continuously monitor and update a Procurement Strategy in line with IFAD requirements.(ii) In the public procurement law, define clearly the various central functions (e.g., policy, regulation, advice, information, training; complaint resolution, avoiding conflict of interest) in the public procurement system, allocate them to specific entities to avoid gaps and overlaps as well as conflicts of roles. The PIM should clearly elaborate roles and responsibilities in a RACI matrix</p>		
Public Procurement Operations and Market Practices	High	High

<p>Risk: Procuring entities are required to undertake annual procurement planning with a view to achieving maximum value for public expenditure. A procurement plan is based on the PE's approved program and budget. Procurement plans (PP) are published on the PPA and PEs' websites. The PE's Procurement Committee approves the procurement and periodically monitors its implementation. The procurement plan is prepared annually based on the Government's fiscal year and takes into account the Government's annual budget. But there are no means in place for monitoring and managing public procurement performance. Private sector in Somalia has been satisfying the demand of the society during the last three decades. In the goods market, it provides light domestically manufactured goods while importing non-locally-produced goods. The construction industry participates in rehabilitation of the roads, construction of business centres, resorts, hotels and investing numerous viable businesses. However, the sector faces many challenges, including weak regulatory framework; monopoly; challenging environment; and high cost of doing business. There is a lack of trust between the demand and the supply sides of the public procurement market. There are no effective mechanisms for public-private sector dialogue and mutual information on public procurement related subjects.</p> <p>Mitigation: (i) Quality of procurement related work, i.e. preparation of PP revisions/upgrades, bidding documents for works and services, and evaluation reports shall be improved; (ii) Institutional and management capacity needs improvement and procurement staff needs adequate training; (iii) a hands-on approach, including the introduction to OPEN and CMT will allow the systematic tracking of procurement activities throughout the project cycle. For procurement packages that are deemed to pose challenges to the project, IFAD can provide additional procurement support through a short-term consultant to work on procurement processing, including assistance in drafting bidding documents, providing guidance on evaluation of bids and drafting of Bid Evaluation Reports.</p>		
<p>Accountability, Integrity and Transparency of the Public Procurement System</p>	<p>High</p>	<p>High</p>

<p>Risk: The Somalia CPI (Corruption Perceptions Index) score for 2023 by Transparency International was 11/100 on a scale from 0 ("highly corrupt") to 100 ("very clean") and ranked 180th (of 180 countries assessed) in the world, and the last in Sub-Saharan Africa, where the country ranked first is perceived to have the most honest public sector. There is no system to manage complaints. Procedures for debarment are mentioned in Article 33 of the Public Procurement, Concessions and Disposal Manual (PPCDA). The Ministry of Finance should publish the list of debarred firms on its own website. In addition, A2R2 shall make Reference to World Bank Debarment System: (https://www.undp.org/content/undp/en/home/operations/procurement/business/protest-and-sanctions/ineligibility-list/). According to Transparency International, there is no publicly available information on corruption and anti-corruption in Somalia. Most of the information provided on the state of corruption in the country is primarily based on reports by the International Crisis Group. The procurement Law requires that bidding opportunities are published in a widely circulated national newspaper. Some bidding opportunities are published on the Ministry of Finance website (https://mof.gov.so/public-procurement), but there is key procurement information e.g publication of PP, complaints, blacklisted companies, Contract awards etc. that are not published.</p> <p>Mitigation: (i) Projects shall apply the Debriefing, Protest and Appeal mechanisms of IFAD Procurement Handbook with mandatory use of the standstill period and the prompt resolution of complaints before award. (ii) Ensure integration of the Revised IFAD's Policy on combating fraud and corruption and the inclusion of the corruption reporting hotline in all bidding documents. IFAD's contact details for reporting corruption, harassment, fraud, etc. shall be included in all bidding documents. (iii) Allegations of corruption shall be investigated as per the requirements of the IFAD anti-corruption policy.</p>		
Overall	High	High

Project identification form

Items	Clicks
Country	<i>Somalia</i>
Full Project Name	<i>Rural Livelihoods Resilience Programme (RLRP)</i>
Project ID number in GRIPS	<i>2000004325</i>
Estimated Project Costs	<i>\$31,220,000</i>
Estimated Co-financing	<i>Not Applicable</i>
Financing type (E, F, C and Z) ¹⁵⁶	E <input type="checkbox"/> F <input checked="" type="checkbox"/> C <input type="checkbox"/> Z <input type="checkbox"/>
PBAS allocation confirmed?	<i>\$15,934 ,000 DSF grant (of which \$0.8m is a climate top-up)</i>
Context and indicative project description	<p><i>500 characters: indicative guiding question</i></p> <p>After about 30 years of suspension of the portfolio owing to Somalia's debt arrears, the Rural Livelihoods Resilience Programme (RLRP) marked Somalia's formal re-integration in IFAD's PBAS system. IFAD's financing was timely with Somalia facing the effects of COVID-19, the Ukraine crisis, drought and desert locust, resulting in some 7.1 million people facing acute food insecurity. The IFAD12 US\$ 11.6 million PBAS was used to design RLRP which was approved in December 2023 and entered into effectiveness in March 2024. The project contains a financing gap of US\$ 13.9 million and the IFAD 13 PBAS cycle will be used to largely bridge the financing gap. As per current financing plan, the original IFAD loan covers only 2 years of implementation especially for the first component of the project, community mobilization, which lays the groundwork to engage with communities and build their capacities. IFAD already submitted a concept note to the AfDB Climate Mitigation Window to cover the residual financing gap of about US\$ 5.7 million. The concept note was retained for screening and AfDB is yet to communicate its final decision on whether the project will be approved for funding. Hence, cofinancing for now is deemed not applicable.</p> <p>RLRP builds upon the lessons learned around the need to involve local communities in project activities, ensure sustainable natural resource management and promote climate resilient agricultural practices.</p> <p>RLRP's development objective is to to sustainably increase productivity, incomes and nutrition security and enhance the resilience of rural smallholder families in Somalia. To achieve this objective, the project will implement two mutually reinforcing components, community mobilization and sustainable production. Although the country is fragile, IFAD supported projects are generally implemented effectively and efficiently.</p>

¹⁵⁶ E = IFAD-initiated and exclusively financed (no co-financing); F = IFAD-initiated and co-financed; C = Co-financier-initiated; Z = no IFAD financing but IFAD supervised.

	The RLRP is classified as youth sensitive, nutrition sensitive, builds adaptive capacity and includes climate finance.
Fragile situation?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Emergency operation?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Project objective	The programme development objective is to sustainably increase productivity, incomes and nutrition security and enhance the resilience of rural smallholder families in Somalia
Systematic start-up delays?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Recurrent major project management issues?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Phase II project?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Impact assessment methodology	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Complex approach?	<i>Designed w Financial Gap</i> <input checked="" type="checkbox"/> ; <i>Regional operations</i> <input type="checkbox"/> <i>4Ps approach</i> <input type="checkbox"/> ; <i>Programmatic Approach</i> <input type="checkbox"/> No <input type="checkbox"/>
Reimbursable Technical Assistance?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Financial instruments	Fast Implementation Start Up (FIPS) - Pre-financing Facility (PFF) <input type="checkbox"/> Reimbursable Technical Assistance (RTA) <input type="checkbox"/> No <input checked="" type="checkbox"/>