

Somalia

Rural Livelihoods Resilience Programme

Project Design Report

Main report and annexes

Mission Dates: 20/06/2023 - 13/07/2023

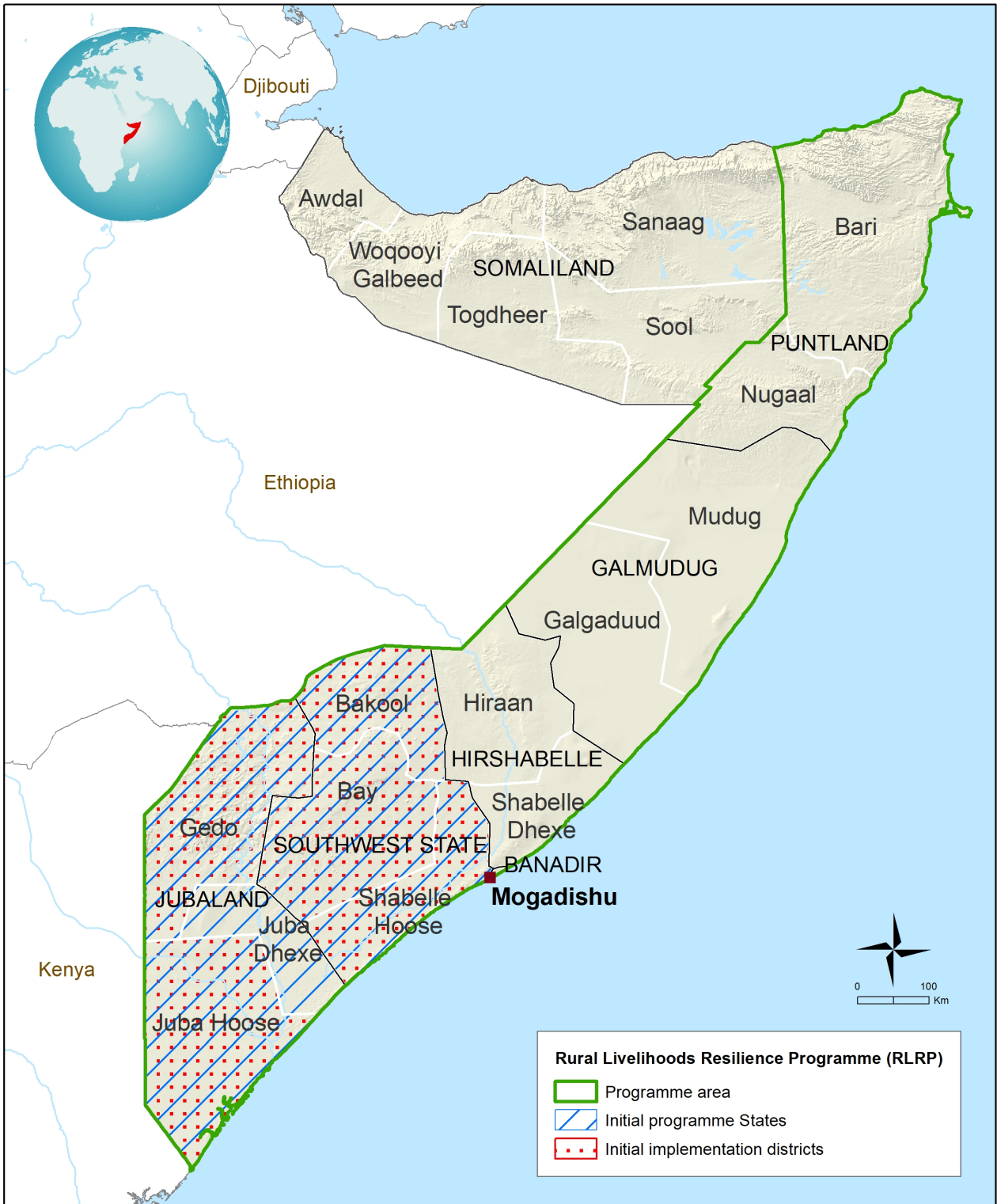
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Map of the Project Area



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 | 17-08-2023

Abbreviations and Acronyms

AMN	acute malnutrition
AWPB	annual workplan and budget
BBB-RLRI)	Building Back Better: Rural Livelihoods Recovery Initiative for the Greater Horn of Africa
CAHW	community animal health worker
CBO	community-based organisation
CCA	climate change adaptation
CDA	community development association
CDD	community-driven development
CDP	community development plan
CF	community facilitator
COI	core outcome indicator
CRI	Crisis Response Initiative
CSA	climate-smart agriculture
CSG	community service group
DA	designated account
DPLO	District Programme Liaison Officer
EIG	economic interest group
ERR	Economic Rate of Return
ESCMF(P)	environmental, social, and climate management framework (plan)
FC	Financial Controller
FGS	Federal Government of Somalia
FI	financial institution
FIRR	financial internal rate of return
FM	financial management
FMS	Federal Member State
FRS	Federal Republic of Somalia
FSSFS	Food Security and Sustainability in Fragile Situations
GAP	good agronomic practice
GDP	gross domestic product
GIS	geographic information system
GRM	grievance redress mechanism
HH	household
ICT4D	information and communication technology for development
IDP	internally displaced person
IFAD	International Fund for Agricultural Development
IFI	international finance institution
IFR	interim financial report
IPC	Integrated Food Security Phase Classification
KM	knowledge management
KMC	knowledge management and communication
M&E	monitoring and evaluation
MES	monitoring and evaluation system
MIS	management information system
MoAI	Ministry of Agriculture and Irrigation
MoECC	Ministry of Environment and Climate Change
MoF	Ministry of Finance

MoLFR	Ministry of Livestock Forest and Range
MSME	micro small and medium enterprise
MTR	midterm review
NDC	Nationally Determined Contribution
NDP-9	9 th National Development Plan
NGO	non-governmental organisation
NPC	National Programme Coordinator
NPCU	National Programme Coordination Committee
NPV	Net Present Value (NPV)
NRM	natural resource management
NSVC	nutrition-sensitive value chain
O&M	operation and maintenance
ORMS	Operational Results Management System
PCN	programme concept note
PDO	programme development objective
PET	Productivity Enhancing Technologies to Improve Pastoralists and Agro-pastoralists Livelihoods in Dry Lands
PHM	post-harvest management
PIM	programme implementation manual
PMO	Prime Minister's Office
PP	procurement plan
PRSF	Rural Poor Stimulus Facility
PwD	person with disability
PSC	Programme Steering Committee
RISE	Response Initiative for Somalia Emergencies
RLAC-19	Resilient Livelihood Action to COVID-19
RLRP	Rural Livelihoods Resilience Programme
SBD	standard bidding document
SDG	Strategic Development Goal
SECAP	Social, Environmental, and Climate Assessment Procedures
SFMIS	Somalia Financial Management Information System
SMS	subject matter specialist
SO	strategic objective
SPC	State Programme Coordinator
SPCU	State Programme Coordination Committee
SPSC	State Programme Steering Committee
SSGP	Seed Systems Grant Project
ToC	theory of change
TPIP	third-party implementation partner
UNFCCC	United Nations Framework Convention on Climate Change
US\$	United States dollar
VBA	village-based advisor
VC	value chain
VSLA	village savings and loan association
WA	withdrawal application

In line with IFAD mainstreaming commitments, the project has been validated as:

Be gender transformative Be youth sensitive Be nutrition sensitive Prioritize persons with disabilities Prioritize indigenous peoples Include climate finance Build adaptive capacity

Executive Summary

National Context

The Somalia context is complex, with a perceived high state of insecurity created by the country's recent emergence from about 30 years of civil unrest, the persistence of the Al Shabaab insurgency against the state, and widespread criminal violence. The Federal Government of Somalia (FGS) established in 2012, has six Federal Member States (FMS): Somaliland, Puntland, Galmudug, Hirshabelle, South West State, and Jubaland. Somaliland operates as an autonomous state (declared itself independent in May 1991) while Puntland operates as a semi-autonomous state. The current FGS took office in June 2022. Somalia's strategic location and natural resource endowment make her of interest to regional and international powers.

Economy. The Somali economy is generally on an upward trend with a 2022 gross domestic product (GDP) of US\$ 8,126 million, up by 4.8 percent from the 2021 level. GDP growth is forecast at 2.8 percent in 2023 and 3.7 percent in 2024. The country's economic opportunities include: a young population; a vibrant private sector; a diaspora willing to invest in the country; and the dynamic changes in political relations in the Horn of Africa which give Somalia new opportunities to benefit from trade and regional integration. The FGS is making progress towards reaching the Heavily Indebted Poor Countries Initiative Completion Point in late 2023, having cleared the arrears to the international financial institutions. Upon reaching the Completion Point, Somalia will qualify for full debt relief, which could reduce the debt-to-GDP ratio from 41 percent in 2022 to 6 percent.

Somalia's economy is based largely on its natural resource endowments of agricultural and range land, livestock, fisheries, solid minerals, and now oil and gas. It is anticipated that commercial offshore oil drilling will start in about six years, to generate revenues that will strengthen the country's economic fortunes. There are, however, concerns for the economy related to: insecurity; potential conflict with Kenya over the oil deposits in the disputed maritime boundary with Somalia; political instability, especially from FMS that may renege on the oil production sharing agreement; and, potential environmental hazards. Nearly 70 percent of Somalis lived in poverty in 2022. Inflows of remittances that supported about 20 percent of Somali households (HH) in 2018 are increasingly threatened by the tightening of international money laundering and counter-terrorism financing regulations on foreign banks holding Somali money transfer company accounts. Overall, women and youth, internally displaced persons (IDPs), rural and nomadic communities, and persons with disabilities face impediments to full participation in decision-making processes, access to productive resources and social services, and jobs. A very low Human Development Index of 0.361 was reported for Somalia in 2019.

Smallholder agriculture and food security. Agriculture accounted for 56.6 percent of GDP in 2020 as well as 26.3 percent of the workforce in 2021. Maize, sorghum, cowpea and sesame are the main staples, while fish, hides and skin, and sesame are the major agricultural exports. Crop productivity is very low (average yield of 0.6 MT/ha for maize). Due to the prolonged conflict in Somalia and intermittent livestock import bans by Somalia's trade partners due to fear of trans-boundary diseases, the livestock subsector that used to contribute about 60 percent to GDP and 50 percent to export earnings, has been declining. The major risks faced by the smallholder farmers include: (i) the impacts of climate change, especially drought and flooding; (ii) insecurity; (iii) weak institutional capacity; and (iv) land degradation. Recently, smallholder farmers in Somalia also suffered from multiple shocks, including the impact of COVID-19 and the War in Ukraine. It is estimated that between April and June 2023, 35 percent of the population, is expected to face acute food insecurity.

Fragility. With a 2023 Fragile States Index of 111.9 points, Somalia has been ranked one of the two most fragile countries since 2008. The drivers of fragility in Somalia include: violent struggles for power and resources that have lasted for almost 30 years; badly damaged service infrastructure due to conflict; weak governance and institutional capacity; poverty; youth unemployment and radicalization; and the Al-Shabaab and Islamic State insurgencies. For rural farmers and herdsman, the effects of climate change, dwindling water resources, recurring desert locust attacks on crops, and since the War in Ukraine broke out in 2022, the blockage of the grain and fuel supply lines has resulted in exorbitant food prices, electricity and transportation costs.

Environment and climate change. About 80 percent of Somalia is arid or semi-arid land, with 50 percent of the land area considered permanent pasture. Southern Somalia, which hosts the only two permanent rivers (Juba and Shabelle), is the major agricultural area. Overgrazing, charcoal production and poor agricultural practices, have resulted in considerable land degradation. Annual mean temperature is close to 30°C throughout the country, and total annual average rainfall is 280 mm. Global and regional models show that mean temperatures are expected to increase across all areas of Somalia by between 3.2°C and 4.3°C by 2080. The upward trend in recent years of extreme events (drought and floods) is associated with the patterns of high rainfall variability over Somalia. Somalia's extreme vulnerability to climate change impacts lives, livelihoods, and food security, and drives large-scale displacement and conflicts.

Rationale for IFAD involvement

Somalia has suffered drought for five consecutive seasons, resulting in substantial loss of livestock, crop failure, displacement of people, and destruction of irrigation infrastructure by occasional floods. These factors, along with insecurity, and the impacts of the COVID-19 pandemic and the War in Ukraine have contributed to the fragility of agricultural livelihoods and high levels of food and nutrition insecurity. As the FGS is making progress to recover more territory from the violent Al-Shabaab insurgency, smallholder farmers in Somalia need to be supported by interventions such as the RLRP, to restore their livelihoods and make them resilient to multiple shocks. In the past decade or so, IFAD had only supported agricultural development in Somalia with grants. In February

2023, Somalia's debt arrears to IFAD were cleared, providing the country access to core IFAD resources. IFAD committed to apply the first allocation from the Performance Based Allocation System (PBAS) to the RLRP, which will mark a strategic return to Somalia after about 30 years. The RLRP will draw on IFAD's experience in addressing fragility in Somalia and other countries, through climate-resilient community-led agriculture and infrastructure development, to contribute to building livelihoods resilience of the rural communities, and ensuring gender and social inclusion, youth and nutrition sensitivity.

The design of the RLRP benefited from the lessons learned from IFAD grant-funded projects and the projects of other development partners in Somalia during the last 30 years. These include: (i) the primacy of water availability as an entry point and a prerequisite for other activities to build resilience and reduce conflict among poor populations in fragile areas with recurring drought situations; (ii) the community driven development (CDD) approach is an efficient way of delivering public goods and improving targeting and ownership particularly in remote locations and fragile situations; (iii) the use of third-party implementation partners (TPIPs) kept IFAD engaged in Somalia during the 30-year suspension of lending to the FGS through grant-financed projects. The TPIPs addressed fragility issues such as limited institutional capacity, and access to rural areas with high insecurity and few service providers; (iv) climate-smart agriculture (CSA) practices have a strong potential to increase production and resilience of smallholder farmers; and (v) affirmative gender action -- including using quotas, setting quantitative targets for participation in project activities, and using eligibility criteria suitable to the resource endowments of women and youth -- in designing and implementing projects increases resilience.

Programme description

Programme objectives, geographic area of intervention and target groups. The goal of the RLRP is "improved and resilient livelihoods of rural smallholders in Somalia". The Programme Development Objective (PDO) is "to sustainably increase productivity, incomes and nutrition security and enhance the resilience of rural smallholder families in Somalia. The core indicators for assessing the PDO are: (i) percentage increase in resilience capacity measured as the ability to recover from shocks – ATR indicator (target 15 percent); and (ii) persons with new jobs/employment opportunities (target 18000).

Based on criteria such as poverty prevalence, rate of food and nutrition insecurity, level of cumulative degradation of the productive natural resource base, and acceptable level of conflict and insecurity to allow access to the area, the FGS and IFAD jointly selected two FMS with five districts for the take-off of RLRP: South West State (Bay, Bakool, and Lower Shabelle districts) and Jubaland (Gedo and Lower Juba districts). The plan to start the implementation of the RLRP in two states aims to avoid overstretching government and management resources in the fragile Somali context, and to align with the current level of programme financing. Based on the implementation experience, funding availability and the conflict dynamics, selected programme activities will be scaled up either within the initial districts, within the initial FMS, or to other FMS, most likely during the midterm review (MTR).

The RLRP's primary target groups will be 30,000 poor small-scale agro-pastoral households (HHs), corresponding to 180,000 persons, engaged in cropping and small livestock production who have little access to assets and economic opportunities due to social exclusion, marginalisation, conflict and the negative impact of climate change. Of the 30,000 HHs: (i) about 27,000 HHs (90 percent) will be food insecure agro-pastoralists cultivating less than 2 ha of arable land, of which 50 percent women and 40 percent youth; and (ii) 3,000 HHs (10 percent), market-oriented farmers who have more than 2 ha of arable land, and along with larger private sector entities may participate in RLRP activities such as capacity-building, offer of employment or business opportunities. Within the target groups, RLRP will further include proportions for vulnerable groups including IDPs (15 percent), women headed HHs (30 percent) and persons with disabilities based on prevalence.

Corporate mainstreaming priorities. The gender gap is wide in Somalia, with the country ranked fourth lowest in 2021 on the gender inequality index. Traditional culture limits women's access to education, healthcare, good nutrition, production inputs, new technologies, markets, and participation in community decision-making. Considering the current constraints to women equality, the Rural Livelihoods Resilience Programme (RLRP) will aim at *gender mainstreaming*. The youth, considered by the RLRP design as people aged 18-35 years, constituted about 35 percent of the population in 2022. The youth unemployment rate in 2022 was 30 percent nationally, and in the rural areas 22 percent. RLRP will be youth sensitive, working to enhance the representation and engagement of young people in decision-making at all levels, and making youth access to land a precondition for community participation in RLRP. Many Somali population groups face acute malnutrition, especially, children under the age of five and women of reproductive age. RLRP will select *nutrition sensitive* value chains, increase production of highly nutritious crops and animal sourced foods, promote post-harvest processing and value addition, nutrition education and better dietary patterns. For environment and climate change, the RLRP will apply IFAD's Social, Environmental and Climate Assessment Procedures (SECAP) to ensure that the RLRP contributes to the long-term sustainability of the environment and resilience to climate change.

Project components. The RLRP comprises three components: (i) Support to community resilience, whose outcomes are strengthened and inclusive communities with enhanced social cohesion that are able to define their livelihood development pathways and manage conflict; (ii) Support to Smallholder Livelihoods Enhancement, whose outcomes are: increased production and productivity of priority crops and livestock for resilience, dietary diversity, food security, and improved incomes, as informed by the CDP; and (iii) Programme coordination and capacity building, whose outcomes are improved local governance due to a strengthened policy and institutional environment and sustainable local and national policies thanks to an efficiently and effectively managed programme.

Subcomponent 1.1: Strengthening community governance and services, comprises a range of institution-building and skills development activities to enable the programme communities own and be accountable for development initiatives. The core activities of the subcomponent are to: (i) to develop *district profiles*, which will identify the key opportunities and constraints, the community groups, and the context for IFAD's mainstreaming themes, to reinforce the CDP process; (ii) *mobilise* the communities; (iii) facilitate the *development of the CDP*; and (iv) *build the capacity* of existing and newly-formed community institutions to serve their members, and on disaster risk management. The subcomponent is allocated US\$ 3.8 million, 12 percent of the total cost.

Subcomponent 1.2. Community investment support will finance investments prioritised in the CDP including: (i) community-based *water sources* for domestic use and crop and livestock production; (ii) *rehabilitation* of irrigation canals; (iii) migration to *pressurised*

irrigation networks using solar-powered pumping systems; (iv) *surface water harvesting*; (iv) rehabilitation/ construction of *post-harvest management (PHM)* and processing facilities, community-owned *grain reserves*, *grain drying technology*, *cold chain facilities* in major rural markets, and *livestock market sheds*. Most of the community-level infrastructure will be executed by local contractors on a cost-sharing basis between the RLRP and the community. The community contribution will be in the form of land for the infrastructure and its ancillary services, labour for routine rehabilitation works or casual workers as cash-for-work model, and regular monitoring of the construction process by the Works Committee of the CDA to ensure that the service provider meets the required standards and specifications. The subcomponent is allocated US\$ 10.3 million, 33 percent of the total cost.

Subcomponent 2.1. Strengthening resilience in crop and livestock value chains (VC), will support: (i) *pluralistic approach of crop and livestock extension services*, through public and private service providers, including village based agents, by capacity building of the service providers; (ii) *improved animal health*, through training and equipping community animal health workers, and weather index-based *livestock insurance*; (iii) promotion of *improved inputs and CSA technologies* through training and demonstrations in partnership with research institutions; (iv) *access to productive inputs* through a market-led cost-sharing financial arrangement between the farmer and RLRP, and in collaboration with input suppliers and the recently-approved IFAD Regional Seed Systems Grant Project (SSGP) for four Horn of Africa countries; (v) *build the capacity of farmers on PHM, market linkages, and diversified production for nutrition-sensitive cooking techniques*; and (vi) *targeted support to disadvantaged HHs in crop and livestock production*, through appropriate packages of inputs for *integrated homestead food production, bag gardening, distribution of shoats*, and capacity building. A lower contribution percentage is expected from the disadvantaged HHs. The subcomponent is allocated US\$ 5.1 million, 16 percent of the total cost.

Subcomponent 2.2 Entrepreneurship for VC development, will support the development of the entrepreneurial skills of youth and women in agricultural and related services in the targeted communities, with a focus on increased incomes and job creation. The activities under this subcomponent include: (i) *conduct studies to inform agribusiness development in programme districts*, mapping existing and potential market opportunities and key bottlenecks; (ii) *support entrepreneurship development through capacity development, including linkage to the market for youth and women*; (iii) *support access of youth and women to financial services for business development along the priority VCs*. The subcomponent is allocated US\$ 6.6 million, 21 percent of the total cost.

Subcomponent 2.3 Emergency component, will be activated in the case of an emergency and be utilised to provide immediate relief to beneficiaries in the project area. Based on experience with the RPSF and Crisis Response Initiative, eligible activities include (i) emergency productivity support and (ii) emergency rehabilitation of small scale infrastructure (see long list in PIM). Up to 5% of the unused project funds can be used to finance this component.

Component 3: Programme Coordination and Capacity Building, will support: (i) programme coordination; (ii) capacity needs assessment and capacity building; (iii) financial management; (iv) M&E; and (v) evidence-based policy development. The component is allocated US\$ 5.3 million, 17 percent of the total cost.

Programme Costs, Benefits and Financing

Project costs and financing. The proposed investment & recurrent costs for RLRP including price and physical contingencies, over an 8-years implementation period are estimated at US\$ 31.2 million. The costs include base costs of US\$ 29 million and estimated price and physical contingencies of US\$ 1.8 million. The overall investment costs have been estimated at US\$ 26.9 million (86 percent of total costs) with recurrent costs at US\$ 4.2 million (14 percent of total costs). The cost allocation by component is as follows: Component 1 - Support to Community Resilience Capacity, US\$ 10 million, equivalent to 38 percent of the overall project investment; Component 2 - Support to Smallholder Livelihoods Enhancement, US\$ 12 million (45 percent); and Component 3 - Programme Coordination and Capacity Building, US\$ 4.5 million, equivalent to 17 percent of the overall project costs. The current financing gap of US\$ 13.9 million is expected to be financed through other potential co-financiers.

Benefits. The benefit to the direct beneficiary small-scale producers of RLRP is enhanced resilience to economic, social, environmental and climatic shocks through increased: capacity in the technical and managerial aspects of their livelihoods, access to production inputs and services, crop and livestock productivity, investment in assets, NRM, and climate change adaptation and mitigation. The indirect benefits of the RLRP will include, improved: quality and safe food availability, and food security, market access, water supply for humans, livestock and crops, capacity of government officials and support to policy development, time-saving for women and youth from the use of labour-saving farming techniques, and, social cohesion arising from community mobilisation and involvement.

Summary economic analysis. The cost per beneficiary HH is estimated at US\$ 1,041 and per HH member US\$ 173, assuming an adoption rate of 85 percent. All the farm models presented positive financial internal rate of return net present value. The economic rate of return is estimated at 24 percent and the net present value US\$ 63.2 million. The results were still positive with a decrease in programme benefits by 20 percent, an increase in costs by 20 percent, and a delay in programme benefits by one and two years.

Exit Strategy and Sustainability, Environmental, Social and Climate Classification

The major thrust of sustainability of the RLRP is intensive capacity building to: (i) leave behind effective institutions at the community, district, FMS and national levels; (ii) empower diverse VC players; (iii) programme interventions mainstreamed into government systems at all levels; and (iv) create a more enabling policy environment for smallholder VC actors. For the beneficiaries, these results will be achieved by creating opportunities to continuously access knowledge, markets, financial and other resources for their livelihoods, promoting environmental sustainability and resilience of the livelihoods to shocks, and promoting gender and youth participation in the RLRP activities and leadership of the community institutions and groups.

The exit strategy for RLRP at design is flexible, considering that Somalia is a very fragile context, and many parts of the country were not accessible at the design stage. The exit strategy which is linked to the sustainability objectives, will be factored into programme implementation from the stage of selection of the communities and interventions, taking into account the beneficiaries' capacity to take advantage of the improved knowledge and incomes and manage the assets to be created under the RLRP. Strategically, the exit

strategy will be formally reviewed at MTR in Year 4, and then in Year 6 to capture emerging opportunities and challenges. Major infrastructure activities will be completed in Year 5 to leave a window for the consolidation of activities to be completed by the end of year 7, and ensure that there is sufficient technical and managerial capacity, for operation and maintenance (O&M), and motivation of the stakeholders. Specific tools will be developed by RLRP to support the implementation of the exit strategy, such as the M&E Plan, the databases generated, the M&E system and the management information system.

Environment, social and climate classification. The environmental risk categorization of the RLRP is substantial as the environmental and social impacts of the programme activities are expected to be modest in scale, dispersed, largely site-specific and reversible. However, some of the programme activities could have potential negative environmental impacts, including over-exploitation of natural resources, contamination of soil and water resources from the use of chemicals, and waste generation. The potential negative impacts will be mitigated through the implementation of the measures in the Environmental, Social, and Climate Management Framework. The climate risk classification for the RLRP is also substantial as Somalia is extremely vulnerable to climate impacts. To mitigate these risks, the RLRP will integrate climate risk assessment and management strategies into programme implementation, including the use of climate-smart agriculture practices and capacity building.

Implementing the Organisational Framework

Programme oversight and management. The Ministry of Agriculture and Irrigation (MoAI) shall be the lead implementation agency and the chair of the *Programme Steering Committee* (PSC) which shall also have representatives of the Ministry of Finance (MoF), as the Recipient of the IFAD grant, the Ministry of Livestock Forest and Range (MoLFR), the Ministry of Environment and Climate Change (MoECC), and the Prime Minister's Office (PMO). The *National Programme Coordination Unit* (NPCU), reporting to the MoAI, will be responsible for: (a) managing the procurement of goods, works and services for the implementation of all programme activities; (b) developing the AWPB; (c) undertaking the M&E of programme activities; and (d) reporting on implementation progress and results to IFAD and MoAI. The NPCU shall comprise a National Programme Coordinator (NPC), Financial Controller (FC), and other specialists who are competitively-recruited, with IFAD no-objection. In order to build the capacity of the public sector, staff from the ministries will also be screened and seconded to the NPCU as deputies to the specialists. The performance of the seconded staff will be assessed at the MTR to determine if they are capable of taking over from the specialists. A steering committee will be established in each participating state along with a lean State Programme Coordinating Unit. IFAD will supervise the RLRP directly, engaging where required, third-party implementing partners for periodic monitoring and reporting on project implementation, especially in hard-to-reach areas due to insecurity and poor accessibility.

Financial Management (FM). Being the first IFAD project to be implemented directly by the Somali government using national systems, the proposed FM arrangements have been anchored on the lessons learned from the World Bank whose projects in Somalia fully rely on country systems. The RLRP will use the Somalia Financial Management Information System (SFMIS) which will be configured to process payments directly from the Designated Account, as well as to ensure accounting of all expenditures by sources of financing, components and categories. The NPCU will be responsible for the preparation of quarterly and annual consolidated financial reports as well as monthly management accounts. The RLRP budget will always be part of the MoAI budget, but clearly coded with filter features. Solid internal control will be ensured by a strict segregation of duties among project staff and by the additional layer of checks and controls embedded in the SFMIS. The Supreme Audit Office of Somalia has the statutory responsibility to audit all Government projects such as the RLRP .

Procurement. The procurement of goods, works and services of RLRP shall be carried out in accordance with the provisions of the IFAD Procurement Guidelines. An 18-month initial procurement plan will be developed referencing the AWPB for the same period, and thereafter will be prepared and updated consistently. As an added risk mitigation measure, procurement will be categorised as either Prior or Post review. In the *prior review* category, a no-objection from IFAD has to be obtained through the IFAD procurement system for each phase of a bid. In the absence of an independent assessment, to justify the application of the procurement methods, the RLRP will use the IFAD Project Procurement Guidelines and Handbook.

Governance. Considering Somalia's Corruption Perception Index ranking of 180th (of 180 countries assessed) in 2022, the RLRP shall apply: the Debriefing, Protest and Appeal mechanisms of the IFAD Procurement Handbook; and integrate the Revised IFAD Policy on Combating Fraud and Corruption, the corruption reporting hotline, and IFAD's contact details for reporting corruption, in all bidding documents. To address the risks related to the governance potential in the RLRP, the design incorporates the following measures for project implementation: (i) *transparency of information* through enhanced disclosure; and (ii) *participation and consultation* by establishing a complaint handling mechanism and reporting any fraud or corruption to the Investigating Section of the IFAD Office of Audit and Oversight.

Planning, M&E, Learning, Knowledge Management and Communication. The preparation of the *annual budget* shall be participatory starting with the preparation of the CDP at the community level, to consolidation at the district, FMS levels, and finalisation at the federal level. Within six months of coming into force: (i) an M&E Plan will be developed to guide the M&E of the RLRP; (ii) an *M&E system* will be developed based on the M&E Plan, which will focus on monitoring the indicators of the logical framework and addressing evaluation needs during programme implementation, linked to the national information systems and the IFAD Operational Results Management System (ORMS); and (iii) a *baseline survey* will be conducted to establish the baseline situation of potential programme beneficiaries prior to implementation. The *MTR* in 2028 will analyse the programme's achievements in the first half of implementation and identify the key challenges and strengths to inform decision-making for the second half of the programme. The *final evaluation* will comprehensively analyse the entire process carried out within the programme. All data collection processes under the RLRP will follow the Computer-Assisted Personal Interviewing (CAPI) methodology, to ensure quality control of all data collection processes.

The knowledge management (KM), learning, and communication activities will adhere to the guidelines outlined in the Knowledge Management and Communication (KMC) Plan, with emphasis on a continuous learning process throughout the implementation of the RLRP. All thematic studies and lessons learned will be systematised by the NPCU. Key knowledge products will be disseminated to the appropriate stakeholders to contribute to the strengthening of public institutions.

1. Context

A. National context and rationale for IFAD involvement

a. National Context

1. Located in the Horn of Africa, with a total area of 637,657 km² and a coastline of over 3,025 km, Federal Republic of Somalia (FRS) shares borders with Ethiopia, the Gulf of Aden, Djibouti, Kenya, and the Indian Ocean. Somalia's estimated population of 18.1 million people in 2023^[1] is distributed 23 percent in the rural areas, 26 percent nomadic, and the rest urban and peri-urban. The Somalia context is complex, with a perceived high state of insecurity created by the country's recent emergence from about 30 years of civil unrest, the persistence of the Al Shabaab insurgency against the state, and widespread criminal violence.
2. Political context. The Federal Government of Somalia (FGS) established in 2012, comprises an executive branch, the Somali Federal Parliament, and six Federal Member States (FMS): Somaliland, Puntland, Galmudug, Hirshabelle, South West State, and Jubaland. Somaliland operates as an autonomous state (declared itself independent from the FRS in May 1991) while Puntland operates as a semi-autonomous state. The current FGS took office in June 2022. Somalia's strategic location and natural resource endowment make her of interest to regional and international powers, especially, Kenya, Ethiopia, United States of America, and European countries, and in recent years, to some Middle Eastern powers.
3. Socioeconomic and poverty context. The Somalia economy is generally on an upward trend. In 2022, the gross domestic product (GDP) in current US\$ was US\$ 8,126 million^[2], the GDP per capita US\$ 476, and the GDP was ranked 152 out of 196 countries^[3]. Amid the multiple shocks experienced by Somalia, GDP growth averaged only 2 percent from 2013 to 2020, recovered to 2.9 percent in 2021 and rose to 4.8 percent in 2022 despite the drought, insecurity and food and fuel inflation triggered by the War in Ukraine. GDP growth is forecast at 2.8 percent in 2023 and 3.7 percent in 2024^[4]. The country's economic opportunities include: a young population implying a growing labour force; a vibrant private sector; a diaspora willing to invest in the country; and the dynamic changes in political relations in the Horn of Africa which give Somalia new opportunities to benefit from trade and regional integration.
4. Somalia's economy is based largely on its natural resource endowments of agricultural and range land, livestock, fisheries, and solid minerals. The country has identified 15 blocks with about 30 billion barrels of crude oil in its shallow and deep waters, and it is anticipated that commercial offshore oil drilling will start in about six years, to generate revenues that will strengthen the country's economic fortunes. There are, however, concerns for the economy related to: insecurity from Al-Shabaab attacks; potential conflict with Kenya over the disputed maritime boundary with Somalia measuring 100,000 km²; political instability, especially from the FMS that may renege on the oil production sharing agreement; and, potential environmental hazards. The FGS is making progress towards reaching the Heavily Indebted Poor Countries Initiative Completion Point in late 2023, having cleared the arrears to the international financial institutions. Upon reaching the Completion Point, Somalia will qualify for full debt relief, which could reduce the debt-to-GDP ratio from 41 percent in 2022 to 6 percent, provided she maintains macroeconomic stability and implements the 9th National Development Plan (NDP-9)^[5].
5. From 2019, nearly 70 percent of Somalis live in poverty, with the rate being higher in rural areas and the internally displaced persons (IDP) settlements^[6]. In 2018, remittances, estimated at US\$ 1.4 billion, supported about 20 percent of Somali households (HHs). Inflows of remittances are, however, increasingly threatened by the tightening of international money laundering and counter-terrorism financing regulations on foreign banks holding Somali money transfer company accounts. Beside monetary poverty, many Somalis also suffer deprivations in health, education and physical safety due to the conflicts and natural disasters.
6. The clan-based system, regulated by the Somali customary law, "xeer", is a prominent social factor among the nomadic pastoralists. The internationally recognized indigenous people are the (Wa) Gosha, mainly Bantu groups who live in the Lower Juba and Shabelle valleys. People with disabilities (PwD) are estimated at 15 percent of the population. Overall, women and youth, IDPs, rural and nomadic communities, and PwDs face impediments to full participation in decision-making processes, access to productive resources and social services, and jobs. A very low Human Development Index of 0.361 was reported for Somalia in 2019.
7. Smallholder agriculture and food security. Agriculture accounted for 56.6 percent of GDP in 2020 as well as 26.3 percent of the workforce in 2021^[7]. Maize, sorghum, cowpea and sesame are the main staples, while fish, hides and skin, and sesame are the major agricultural exports. Somalia has about 1.1 million hectares (ha.) of crop land and 43 million ha. of permanent pastures. Only 0.5 percent of the agricultural land (200,000 ha.) is equipped for irrigation, and water use inefficiency is low. Crop productivity is also very low (average yield of 0.6 MT/ha for maize). Due to the prolonged conflict in Somalia and intermittent livestock import bans by Somalia's trade partners due to fear of trans-boundary diseases, the livestock subsector that used to contribute about 60 percent to GDP and 50 percent to export earnings, has been declining. The economic potential of fishing is significant but the lack of regulation for the predominant capture fisheries leads to unsustainable over-fishing. The major risks faced by the smallholder farmers include: (i) the impacts of climate change, especially drought and flooding; (ii) insecurity; (iii) unpredictable produce markets; (iv) weak institutional capacity; and (v) land degradation, partly due to the persistent drought conditions and over-exploitation of trees for charcoal production. In recent years, smallholder farmers in Somalia have also

suffered from multiple shocks, including the impact of COVID-19 and the War in Ukraine. Somalia experienced five consecutive years of severe drought over the period 2019-2023, the effect being exacerbated by prolonged conflict and insecurity, pest and disease outbreaks and a long neglect of the agricultural sector in southern Somalia. It is estimated that between April and June 2023, 35 percent of the population, is expected to face acute food insecurity (Crisis or worse, IPC Phase 3 or above)^[8].

8. Fragility status. With a 2023 Fragile States Index of 111.9 points^[9] up from 110.5 points in 2022, Somalia has been ranked one of the two most fragile countries since 2008. The drivers of fragility in Somalia include: violent struggles for power and resources that have lasted for almost 30 years; badly damaged infrastructure for basic services due to conflict; weak governance and institutional capacity; poverty; youth unemployment and radicalization; and the Al-Shabaab and Islamic State insurgencies. For rural farmers and herdsman, the effects of climate change, dwindling water resources, and the recurring desert locust attacks on crops have eroded the resilience of the production base. The breakdown of governance structures, law and order, has weakened the community institutions that support rural livelihoods, and tensions are building around water points, land use, and access to farm inputs and financial services. The large displacement of people within Somalia and to neighbouring countries, notably Kenya and Ethiopia, disrupted economic activities and increased food insecurity. The fragility situation disproportionately affects women, children, PwDs, and minority clans.
9. Somalia was particularly vulnerable to the COVID-19 pandemic due to: (i) the weak baseline economic and health contexts; (ii) reliance on external markets for import of food, agricultural inputs, and health facilities; and (iii) reduced volume of the remittances which had served as a social safety net. IFAD intervened through funds from the Rural Poor Stimulus Facility (RPSF) to ongoing grant-assisted projects. Since the War in Ukraine broke out in February 2022, the disruption of the wheat and fuel supply lines has resulted in exorbitant food and fuel prices, with a heavy impact on small-scale farmers and pastoralists who, in the face of an ongoing drought, rely on irrigation-fed agriculture powered by small diesel engines for their survival. However, Somalia is currently benefiting from the Response Initiative for Somalia Emergencies (RISE) project funded by the IFAD Crisis Response Initiative (CRI) launched in May 2022, to protect livelihoods and build resilience in rural areas by addressing the urgent needs caused by the War in Ukraine while tapping into new market opportunities for small-scale producers.
10. Environment, climate and climate change. About 80 percent of Somalia is arid or semi-arid land, with 50 percent of the land area considered permanent pasture. Southern Somalia, which hosts the only two permanent rivers (Juba and Shabelle), is the major agricultural area. Overgrazing, charcoal production and poor agricultural practices, have resulted in considerable land degradation. Annual mean temperature is close to 30°C throughout the country. Somalia has two rainy and two dry seasons in a year: (i) the major “Gu” rainy season, April to June; (ii) the “Hagaa” dry season, July to September; (iii) the light “Deyr” rainy season, October to November; and (iv) the warm and dry “Jilaa” season, December to March. Total annual average rainfall is 280 mm, the highest being about 500-600 mm in high rainfall years. The northern maritime plains are extremely hot and arid with average annual rainfall less than 200 mm. Rainfall in the south is higher at about 400 mm and highest in the southwest with an annual average of 700 mm.
11. Global and regional models show that mean temperatures are expected to increase across all areas of Somalia by between 3.2°C and 4.3°C by 2080. Droughts used to occur every 2-3 years, often followed by devastating floods, particularly in the south where the Shabelle and Juba rivers are vulnerable to heavy rains in the Ethiopian highlands. The upward trend in recent years of extreme events is associated with the patterns of high rainfall variability over Somalia, arising from anomalous sea temperatures and circulation in the Indian and Pacific oceans. Somalia’s extreme vulnerability to climate change impacts lives, livelihoods, and food security, and drives large-scale displacement and conflicts.
12. Relevant national strategies, policies and programmes. The Ministry of Agriculture and Irrigation (MoAI) is the traditional home of IFAD projects in Somalia, and it has a draft agricultural development policy, the Agriculture Development Strategic Plan 2022-2026^[10]. The FGS also has: the Somali Livestock Sector Development Strategy (2020), Somalia Nutrition Strategy^[11], draft National Gender Policy^[12], National Youth Policy^[13], Somalia Women’s Charter^[14], and the Somalia Emergency Response and Preparedness Plan^[15].
13. Somalia has ratified most of the international environmental conventions. In August 2022, the Ministry of Environment and Climate Change was created to replace the Directorate for Environment in the Prime Minister’s Office (PMO) as the National Climate Change Focal Point for the United Nations Framework Convention on Climate Change (UNFCCC). In its updated Nationally Determined Contribution (NDC) to the UNFCCC, submitted 31 July 2021^[16], Somalia committed to reduce its emissions by 30 percent against the business-as-usual scenario estimate of 107.39 MtCO₂eq. by 2030 — equal to about 32.40 MtCO₂eq., at an estimated cost of US\$ 55.5 billion.

b. Special aspects relating to IFAD’s corporate mainstreaming priorities

14. Special aspects relating to IFAD’s corporate mainstreaming priorities
15. Gender. Women constitute 58 percent of the rural labour force in Somalia. The gender gap is wide, with a gender inequality index of 0.776 in 2021 and the country ranking fourth lowest globally. Traditional culture and entrenched gender inequality limit women’s access to education, healthcare, good nutrition, production inputs and technologies, extension services, output markets, and participation in community decision-making. About 55 percent of women lack access to education, and the labour force participation rate is only 19 percent for women, versus 74 percent for men. Female-headed HHs have limited access to land for farming. Maternal and infant mortality rates are high and early marriage is prevalent. The lack of a legal framework for the National Gender Policy, and the diverse traditional, cultural and religious interpretations of the policy are major impediments

in working towards gender equality and rights development. Considering the current constraints to women equality, the Rural Livelihoods Resilience Programme (RLRP) will aim at *gender mainstreaming* during the programme.

16. Youth. The youth (people aged 18-35 years^[17]) constituted about 35 percent of the population in 2022^[18]. Due to over 25 years of conflict in the country, two generations of youth have been denied education and lack marketable skills for entering the workforce. The youth unemployment rate in 2022 was 30 percent nationally, and in the rural areas 22 percent. Unemployment among female youth leads to early marriage, resulting in increased cases of gender-based violence. The few youth employed are largely engaged in less decent work with low earnings. Social and economic marginalisation has driven young people to crime, radicalisation and an increased risk of being recruited by armed gangs. The National Youth Policy aims to address the challenges of the youth, focusing on countering violent extremism, conflict resolution, social justice, and development. RLRP will be *youth sensitive*, targeting male and female youth (each mixed group with a minimum of 40 percent eligible youth, and 40 percent of all groups being youth-only groups); and adding youth access to land as a precondition for community participation in RLRP. RLRP will support the establishment of youth-led enterprises along the selected value chains (VCs) and provide targeted financial inclusion, skills development and capacity building to the youth. At institutional level, RLRP will work to strengthen youth focus by enhancing the representation and engagement of young people in decision-making at all levels by creating and supporting mechanisms for youth participation. Furthermore, RLRP will contribute towards enhancing the capacity of the FGS to respond to the needs of youth by supporting MoAI institutional development and the development of youth-friendly interventions and frameworks.
17. Nutrition. Surveys conducted in late 2022 and March 2023 indicate that most population groups will face acute malnutrition (AMN) up to June 2023. The estimated total burden of AMN among children under the age of five years up to December 2023 is approximately 1.8 million, including 477,700 who may be severely malnourished. The main drivers of AMN are HH-level reductions in food and milk consumption, disease outbreaks (including acute watery diarrhoea, cholera, and measles and associated high levels of morbidity among children), limited nutrition services, and persistent underlying sanitation and health causes^[19]. About 43 percent of women of reproductive age, 15-49 years, still suffer from anaemia^[20]. Exclusive breastfeeding of infants aged 0-5 months is at 33.7 percent. Prolonged drought, conflict, high food and water prices and displacement are driving the country to the brink of famine. While stunting of children under 5 years of age currently at 25.3 percent is lower than the average for the Africa region (30.7 percent), the 14.3 percent of children under 5 years of age affected by wasting is higher than the regional average of 6 percent. The Somali government remains committed to improving nutrition through evidence-informed policies and strategies including the Nutrition Strategy (2011-2013), the NDP-9, the Scaling Up Nutrition Multi-sectoral Common Results Framework and Strategy (2020-2024), and various health sector policies. RLRP will select *nutrition sensitive* VCs, increase production of highly nutritious crops and animal sourced foods, promote food conservation, post-harvest processing and value addition, and better dietary patterns by providing nutrition education and Social Behaviour Change Communication.
18. Environment and climate change. Somalia is faced with a host of environmental challenges such as land degradation, deforestation, overfishing, and biodiversity loss. Somalia is also highly vulnerable to the impacts of climate change. Increased variability in weather patterns, along with frequent and severe droughts and floods, have significantly affected the agriculture and livestock sectors, which form the backbone of the country's economy. Changes in rainfall patterns have led to widespread crop failures and loss of livestock, exacerbating food insecurity and increasing vulnerability among rural communities. Compounded by conflicts and political instability, these environmental challenges pose a significant threat to Somalia's development objectives. In line with IFAD's Social, Environmental and Climate Assessment Procedures (SECAP) and to ensure that the RLRP not only improves the livelihoods of rural smallholders in Somalia, but also contributes to the long-term sustainability of their environment and resilience to climate change, RLRP integrates considerations of environmental conservation and climate change adaptation (CCA) into all aspects of the programme. The SECAP review classifies both the Environment and Social and the Climate risks as Substantial. The assessment and risk category inform the development of an Environmental, Social, and Climate Management Framework (ESCMF) that outlines key actions and measures to mitigate identified risks. The RLRP incorporates climate-smart practices in crop and livestock production, efficient irrigation system, and climate-proofed market infrastructure and renewable energy uses. The programme will also incorporate capacity building and disaster risk management into community governance. Regular monitoring and evaluation (M&E) will ensure that the environmental and climate mainstreaming efforts are effective and adjustment of the measures and approaches will be made as necessary based on feedback and changing circumstances.
19. The Fragility Assessment Annex in the PDR provides details on the causes and drivers of fragility. The community driven development (CDD) approach and programme interventions such as access to resources and entrepreneurial activities, also help address conflict. Under the SECAP, the RLRP mainstreams conflict-sensitive, inclusive, and gender-responsive approaches that are essential to promoting peace building. The ESCMP Matrix includes mitigation measures to ensure the programme activities are not inadvertently causing or exacerbating conflicts in the target communities. The GRM, SEP and ESIA procedures will play an important role in identifying, addressing, and mitigating any conflicts that may arise as a result of the RLRP. The terms of reference (ToR) for the Environment and Climate Specialist of the RLRP management will include addressing conflicts and fragility issues.

c. Rationale for IFAD involvement

20. Somalia has suffered drought for five consecutive seasons, resulting in substantial loss of livestock, crop failure, and displacement of people, while occasional floods in riverine areas have also destroyed irrigation infrastructure. These factors, along with insecurity, weak governance, the impacts of the COVID-19 pandemic from 2020 and the War in Ukraine from 2022, contribute to the fragility of agricultural livelihoods and high levels of food and nutrition insecurity. Humanitarian food aid has supported the food intake of many Somalians through about 30 years of civil crises and insecurity, but competing demands for humanitarian aid by other distressed countries in recent years have reduced the number of people that can be assisted. As the FGS is making progress to recover more territory from the violent Al-Shabaab insurgency, smallholder farmers in Somalia need to be supported by interventions such as the RLRP, to restore their livelihoods and make them resilient to multiple shocks.
21. During the 30 years when many development partners pulled out of Somalia because of insecurity and non-payment of the debt arrears to the financing partners, IFAD provided minimal support for agricultural development in the country through grant resources. In February 2023, Somalia's debt arrears to IFAD were cleared, providing the country access to PBAS resources. IFAD committed to apply the first allocation from the PBAS to the RLRP, to consolidate IFAD's past interventions that were funded through supplementary grants with a holistic development investment using its own core resources. IFAD is returning to Somalia in partnership with the government, to deploy effective technical assistance in conjunction with financial assistance, especially to provide major support to institution building which is one of the great challenges in Somalia around the humanitarian/development nexus. The RLRP will draw on IFAD's experience in addressing fragility in Somalia and other countries, through climate-resilient community-led agriculture and infrastructure development, to contribute to building livelihoods resilience of the rural communities in production, post-harvest, and marketing of priority crops and livestock species, and ensuring gender and social inclusion, youth and nutrition sensitivity.

B. Lessons learned

22. The lessons summarised here are derived largely from ongoing and recently completed IFAD and development partners' grant-funded projects in Somalia, including the Resilient Livelihood Action to COVID-19 (RLAC-19)^[21], Food Security and Sustainability in Fragile Situations (FSSFS) in Puntland^[22], Productivity Enhancing Technologies to Improve Pastoralists and Agro-pastoralists Livelihoods in Dry Lands (PET) in Somaliland^[23], Building Back Better: Rural Livelihoods Recovery Initiative (BBB-RLRI) for the Greater Horn of Africa^[24], recent evaluations^[25], and recent World Bank funded projects in the country. The design of RLRP will adapt these lessons to the different regions in which the programme will be implemented, and scale up appropriate tested innovations.
23. *The primacy of water availability as an entry point* and a prerequisite for other activities to build resilience and reduce conflict among poor populations in fragile areas with recurring drought situations, provided there is no over-extraction of groundwater resources in the process, as this will be catastrophic for the sustainable management of the natural resource base. Water for crop and livestock production and for domestic use is the biggest challenge to livelihoods in semi-arid areas. This lesson from the PET project has been adopted by all the previous and ongoing IFAD grant projects, with a focus on sustainable water management practices operated by efficient solar energy technologies. The RLRP will also use water as an entry point to support the planned NRM and VC activities.
24. *The community driven development (CDD) approach is an efficient way of delivering public goods and improving targeting and ownership* particularly in remote locations and fragile situations. The Somali ministries of agriculture and livestock use this approach to reach insecure areas, also considering that Al-Shabaab is more respectful of their own communities. Working with community leaders facilitated identification of the beneficiaries as well as handling beneficiary feedback. The PET learned that participation and inclusion of the project target groups, including women and youth, in the planning, analysis and implementation of community-level interventions, and in decision making on the sharing of the benefits enhanced beneficiary acceptability and ownership of the interventions, and eventual sustainability of the benefits. The FSSFS supervision^[26] noted that the involvement of the communities and local authorities are enabling factors for attainment of project outcomes at the community level. The BBB-RLRI confirmed that the village-based advisor (VBA) model was a cost-effective model for delivering technology services to farmers, provided there are investments in capacity building and appropriate incentives. This lesson on the CDD approach will be adapted in the implementation of the RLRP's Subcomponent 1.1 (Strengthening community governance and services) to build the capacity of the community institutions, and more intensively the community facilitators (CFs), who would facilitate the participatory formulation and implementation of the CDP with technical backstopping from subject matter specialists (SMSs) and the VBA methodology will be applied in component 2.1.
25. *The use of third-party implementation partners (TPIPs) kept IFAD engaged in Somalia during the 30-year suspension of lending to the FGS* through grant-financed projects amounting to over US\$ 12 million. The TPIPs, such as the Cowater International Consortium for PET, CEFA and VSF-G for FSSFS, SADAR for RLAC-19, and Seed Systems Group for BBB-RLRI, addressed fragility issues such as limited institutional capacity, and access to areas with high insecurity and few rural service providers. The World Bank projects in Somalia also use TPIPs in selected areas of implementation. While the RLRP will be implemented by a programme coordination unit under the MoAI, IFAD will directly engage TPIPs on performance-based contracts to: (i) augment the IFAD supervision activities by performing periodic monitoring and reporting on programme implementation activities including in hard-to-reach areas due to insecurity and poor accessibility; and (ii) provide capacity building for programme and government staff. This model aligns with the implementation modality of the World Bank which is financing bigger interventions in the agricultural sector in Somalia.
26. *There is a high potential for some counterpart contribution by beneficiaries when project interventions meet their needs.* In PET, FSSFS and BBB-RLRI, beneficiaries of demonstration, production and value addition activities contributed in kind (land, labour and locally available materials) to demonstrate ownership of the project activities, augment the grant resources, contribute to the

achievement of the project results and enhance sustainability of project results. Unfortunately, these beneficiary contributions were not effectively quantified by the projects. Apart from explicitly reflecting the beneficiaries as co-financiers in the financing plan, RLRP will establish a template for accounting for beneficiary contribution outside the Somalia Financial Management Information System (SFMIS) which the programme will use, and IFAD will monitor performance in this regard during supervision missions. The formulation of the participatory CDP will ensure that the RLRP interventions meet the short-term and medium-term needs of the beneficiaries.

27. *Climate-smart agriculture (CSA) practices have a strong potential to increase production and resilience of smallholder farmers.* PET recommended that future projects should build on the wide range of existing good CSA practices, improve them and promote them across the country. The successfully adopted and effective CSA practices during the implementation of PET include: (a) for crops - use of indigenous crop varieties that resist droughts and diseases, seed banks, crop rotation with leguminous crops to keep soils fertile, using weather forecasts on the radio (or digitally disseminated by telephone as in the case of the BBB-RLRI) to time field preparation and planting; and (b) for livestock - controlled grazing, growing fodder crops such as alfalfa and Sudan grass, collecting wild fodder plants to cope with dwindling grassland resources due to drought, herd and grazing management, and water storage were particularly effective. The RLRP will promote CSA in the supported VCs under Subcomponent 2 through capacity building of the VC actors and increased access to appropriate inputs and financial services.
28. *Affirmative gender action^[27] in designing and implementing projects increases resilience.* 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), rural women should be supported as a key target group and effort intensified towards achieving SDG 5 (Gender equality). As women play important and diverse roles in agriculture and CCA, the RLRP will apply affirmative and other measures to achieve gender-sensitive actions. The affirmative actions include: (i) at least 40 percent women in the Executive Committee of the community development association (CDA); (ii) at least 30 percent of the economic interest groups (EIGs) under the CDA are women-only; and (iii) preferential selection of proposals presented by EIGs with at least 40 percent women-headed HHs, to lead to improved women's decision-making. Other activities to support gender-sensitive outcomes include: (iv) increasing women's income through enhanced access to economic resources and services, training on products value-addition and marketing, and increase in women's participation in micro-businesses; and (v) improving nutrition and incomes at HH level through the introduction of time-saving technologies/practices.
29. *The Somalia Financial Management Information System (SFMIS) has worked satisfactorily for other international financial institutions (IFIs) in recent years, notably the World Bank and the African Development Bank.* Capitalising on the experience of these IFIs, the design of the RLRP has evaluated the SFMIS for its ability to handle the programme accounting, embedded internal controls and financial reporting needs. The result is affirmative. For some gaps identified like the inability to report on counterpart financing, remedial alternatives have been proposed.

2. Project Description

C. Project objectives, geographic area of intervention and target groups

30. The goal of the RLRP is “improved and resilient livelihoods of rural smallholders in Somalia”. The Programme Development Objective (PDO) is “sustainably increase productivity, incomes and nutrition security and enhance the resilience of rural smallholder families in Somalia. The PDO is more directly aligned to two IFAD’s Strategic Objectives: SO1 (increased production), and SO3 (greater resilience), and the four mainstreaming priorities of gender, youth, nutrition and climate change. The core indicators for assessing the PDO of RLRP are: (i) percentage increase in resilience capacity measured as the ability to recover from shocks – ATR indicator (target 15 percent); and (ii) persons with new jobs/employment opportunities (target 3,600).
31. The geographic targeting strategy of RLRP benefits from the experience of recent IFAD grant projects and considers: (i) high poverty prevalence [28]; (ii) high rate of food and nutrition insecurity; (iii) the level of cumulative degradation of the productive natural resource base; and (iv) acceptable level of conflict and insecurity to allow access to the area. Based on these criteria, the FGS and IFAD jointly selected two FMS with five districts for the take-off of RLRP: South West State (Bay, Bakool, and Lower Shabelle districts) and Jubaland (Gedo and Lower Juba districts). Geographic targeting during this design was facilitated by the use of relevant geospatial datasets (on climate hazards, population data, poverty data, etc.) provided by the Somalia A2R2 - Land Degradation Neutrality Decision Support System. RLRP will start implementation in two initial states namely South West State and Jubaland. Within the two states, participating districts have also been selected on the basis of reasonable level of security (drawing on current UNDSS advisory), and including the stable implementation of IFAD and other donor funded projects in the last decade.
32. Implementation sequence. The plan to start the implementation of the RLRP in two states aims to avoid overstretching government and management resources in the fragile Somali context, and to align with the current level of programme financing. This cautious approach will enable most of the proposed RLRP activities to be tried from inception in the selected five districts, and based on the implementation experience, funding availability and the conflict dynamics, selected activities will be scaled up either within the initial districts, within the initial FMS, or to other FMS, most likely during the midterm review (MTR). The RLRP coverage will avoid an overlap with that of the newly-designed IFAD A2R2.
33. Selection of communities. In each of the five districts, a number of communities will be selected following the criteria used in selecting the districts. In addition, the following characteristics will be considered in selecting a community: (i) be accessible to the programme team; (ii) have complementary investments by other partners; (iii) if possible, have contiguous activity areas to ease monitoring and increase the programme’s effectiveness, efficiency and impact; and (iv) stability and low risk of future conflict. The selection of communities will be done by service providers in consultation with the local government, xeer and CDA. An elaborate community mobilisation and engagement plan will be developed to ensure social inclusion and full participation of the target beneficiaries.
34. Targeting strategy. The targeting strategy includes self-targeting, direct and community targeting approaches and enabling measures. As most of the interventions will be of interest for the target groups, direct targeting will be used to ensure social inclusion of women, youth and vulnerable groups (IDPs and PwDs) and communities through quotas. Self-targeting will ensure that interventions respond to the needs and priorities of the target groups, especially women, and communication and awareness campaigns will be carried out for this purpose. The RLRP will work with existing community-based organisations (CBOs) but will also support the development of community groups where appropriate. Existing groups will be drawn from the village savings and loan associations (VSLAs), agro-pastoral groups, farmer field school (FFS), crop production and enterprise groups etc. Community participatory wealth ranking will be applied in the selection of vulnerable HHs for participation in the cash for work scheme under public works for infrastructure development (Component 2). The enabling measures will ensure fuller outreach in the community. The M&E system will maintain sex and age disaggregated data for gender, youth and nutrition indicators.
35. Target groups. The RLRP’s primary target groups will be 30,000 poor small-scale agro-pastoral HHs, corresponding to 180,000 persons, engaged in cropping, and small livestock production who have little access to assets and economic opportunities due to social exclusion, marginalisation, conflict and the negative impact of climate change. Of the 30,000 HHs: (i) about 27,000 HHs (90 percent) will be food insecure agro-pastoralists cultivating less than 2 ha of arable land, of which 50 percent women and 40 percent youth; and (ii) 3,000 HHs (10 percent) market-oriented farmers who have more than 2 ha of arable land, and will participate, along with larger private sector entities in such programme activities as capacity-building if they offer employment or business opportunities (such as feed/ fodder supply, agroveter supply, crop/livestock input supply, and value. Within the target groups, RLRP will further include proportions for vulnerable groups including IDPs (15 percent), women headed HHs (30 percent) and persons with disabilities (PwD) based on prevalence. Please see para 16 of Annex 8 (PIM) for more information.

D. Components/outcomes and activities

36. Component 1: Support to Community Resilience
37. This component aims to empower socially and economically, the participating programme communities to articulate their sustainable development needs, prioritise these needs in a gender sensitive, climate and environmentally focused CDP, and implement the plan in order to build the resilience of the community. The outcome of this component is: *Strengthened and inclusive communities with enhanced social cohesion that are able to define their livelihood development pathways and manage conflict*. Component 1 provides the entry point for the RLRP, as well as the base for the implementation of Component 2. The component consists of two subcomponents: Strengthening community governance and services, and Community investment support.
38. Subcomponent 1.1: Strengthening community governance and services, in the 15 initial target communities, three in each of the five programme districts. The RLRP will provide a range of institution-building and skills development activities culminating in the

development of a CDP for each community, in order to foster ownership and accountability for their development initiatives, promote sustainable community-based natural resource management (NRM), strengthen capacity to implement sustainable and climate-resilient farming, and adopt healthier diets. The core activities of the subcomponent are to: (i) develop district profiles, which will identify the key opportunities and constraints, market dynamics, community groups and their occupations, infrastructure gaps, and the context for IFAD's mainstreaming themes, to reinforce the CDP process; (ii) develop the facilitation guidelines; (iii) recruit the CFs, taking into account gender, clan dynamics and conflict sensitivity in their selection; (iv) facilitate the development of the CDP; (v) strengthen existing community institutions, and support the emergence and capacity building of new institutions, that are representative of the different categories of vulnerable groups in the community; and (vi) conduct a comprehensive analysis of social cohesion challenges and needs of young women and men and among the EIGs and ensure priorities are youth-led with youth-serving interventions rooted in the community.

39. The first step in the implementation of the subcomponent is *community mobilisation*. The programme will conduct an assessment of the community institutions and governance structures, and propose the existing institutions that will need to be strengthened or new institutions to be formed in line with the objectives of the RLRP. Community interest in RLRP will be secured through a series of interactive workshops and consultations at the district and community levels. CDAs and their constituent EIGs and community service groups (CSGs) will be identified or formed to manage the implementation of the CDP. In each participating district, opportunities will be explored for forming clusters of neighbouring communities for learning, through a screening of NRM and socioeconomic conditions and mobilisation meetings at the communities' level.
40. *Facilitated development of CDPs*. For each participating community, RLRP will facilitate the development of a CDP which sets out the local priorities for socioeconomic investments in line with RLRP objectives, identifies potential livelihood and business opportunities that may be realised under Component 2 of RLRP, and guides development planning during and after implementation. The CDP will inform the agenda for the RLRP-community partnership, focusing on investments that directly support the development of the selected VCs, to make them climate resilient and complementary to the existing development plans of local authorities or other development partners. The facilitated development of a CDP will follow a four-step process: (i) diagnostic assessment of existing CBOs and identifying their needs; (ii) identification of opportunities and development of a gender, environment and climate responsive CDP that aligns to market demand, and community nutrition and food security needs; (iii) approval of the CDP after public vetting; and (iv) provision of relevant capacity building aligned to the CDP. Nutrition interventions will be mainstreamed across the various CDPs including social and behaviour change focus, promotion of integrated HH food production and inclusion of nutrition criteria in the decision matrix of the PRA exercise.
41. The *capacity enhancement of rural communities and institutions* will strengthen the governance and management structures and the technical capacities of the CDAs, EIGs and CSGs for the implementation of resilient livelihood and NRM activities in the community. Complementary activities under this subcomponent will include: definition of capacity needs by each CBO to be able to implement the CDP; tailor made group training on governance, management and community procurement; training on gender and environmental mainstreaming; and regular training on savings, bookkeeping and understanding of group by-laws. Capacity enhancement will be extended to poor, vulnerable and marginalised people also.
42. *Capacity building of the community for disaster risk management*. RLRP will support a community risk assessment and the inclusion of the Community Disaster Risk Management Plan (CDRMP) in the CDP, which will articulate strategies for disaster risk reduction, preparedness, response, and recovery. The programme will: (i) facilitate training workshops on disaster risk reduction, CCA, early warning systems, and emergency response strategies; (ii) support the development of early warning systems at the community level that are appropriate to the identified hazards, utilising locally available resources and technology, and ensuring that they are sustainable and easily managed by the community; and (iii) develop the mitigation measures for disaster risk management to be included in the CDP for implementation under Subcomponent 1.2.
43. Subcomponent 1.2. Community investment support will finance investment in resilient community water, production and market infrastructure; renewable energy technologies to power the infrastructure; and disaster risk measures for enhanced resilience identified in the CDP. Communities will be capacitated to operate and maintain the infrastructure through the development of clear income generation activities to finance such O&M. As a result of these infrastructural interventions, the beneficiaries will improve access to productive land for increased area under production for selected value chains.
44. Following initial hydrological studies to identify appropriate locations for the infrastructure prioritised in the CDPs, the RLRP will support: (i) the construction of community-based *watersources* for domestic use and crop and livestock production; (ii) *rehabilitation* and climate-proofing of a total of about 25 km of primary and secondary canals^[29], to irrigate 8,000 ha of smallholder-owned farms; (iii) migration to *pressurised irrigation* (drip or sprinkler) networks using solar-powered pumping systems for improved water management and efficiency, to enhance the farmers' resilience to climate-induced water scarcity while increasing farm productivity; and (iv) *surface water harvesting*, including the construction of lined dams, in the semi-arid regions of the programme area with no access to a river. Combined water-related interventions will enable the beneficiaries to access increased land for expansion of production. These interventions shall be based on the National Irrigation Policy as well as the National Water Resource Strategy 2021-2025^[30]
45. Following the assessment of the social, environmental, climate, and economic feasibility of the market infrastructure identified in the CDPs, the RLRP may support: (i) establishment or rehabilitation of *post-harvest management (PHM)* and processing facilities; (ii) establishment or rehabilitation of community-owned *grain reserves* to strengthen food security, market access, and price stabilisation for food crops; (iii) introduction of *grain drying technology* to enhance product quality and reduce microbial proliferation; (iv) for the vegetable and meat sectors, establishment of solar energy powered *cold chain* facilities in major rural markets, to increase produce shelf life and quality; and (v) *livestock market sheds*, equipped with a veterinary section as well as water, sanitation and health facilities, to improve health and safety at the trading points, if agreed by the community livestock management associations, community elders, the FMS Veterinary Services, and other stakeholders.
46. Most of the community-level infrastructure will be executed by local contractors on a cost-sharing basis between the RLRP and

the community. Community level infrastructure will be placed on public lands. The community contribution will be in the form of land for the infrastructure and its ancillary services, labour for routine rehabilitation works or casual workers as cash-for-work model, and regular monitoring of the construction process by the Works Committee of the CDA to ensure that the service provider meets the required standards and specifications including those related to the environment, social and climate management plan (ESCMP).

47. RLRP will strengthen existing and/or support the development of community led management committees for all infrastructure investments, build capacities on operations, maintenance, governance and income generation activities to support upkeep of infrastructure.
48. Component 2: Support to Smallholder Livelihoods Enhancement
49. The outcomes of Component 2 are increased production and productivity of priority crops and livestock for resilience, dietary diversity, food security, and improved incomes. The interventions under this component will be informed by the CDP. The subcomponents are: (i) Strengthening resilience in selected crop and livestock VCs; and (ii) Entrepreneurship for VC development.
50. Subcomponent 2.1. Strengthening resilience in crop and livestock value chains, which aims at the increased production and productivity of the priority VCs (maize, sorghum, cowpeas, horticulture crop, in line with agroecological regions, goats and sheep), will support access to productive inputs/improved breeds for crop and livestock, applying a nutrition lens where possible; capacity building on CSA practices, PHM and linkages to markets.
51. *Promotion of pluralistic approach (use of both public and private extension services drawing from IFAD lessons^[31] of crop and livestock extension services*, through public and private service providers to support the EIGs and CSGs. RLRP will identify feasible CSA practices, and build the capacity of extension service providers, including NGOs and VBAs, to provide advisory services to the programme beneficiaries on CSA practices^[32] through: (i) training workshops and exchange tours to enhance lessons learned; (ii) establishment of a digital platform to increase farmer's access to critical advisory services; (iii) training of extension agents to improve their gender-sensitivity in service delivery; and (iv) production of relevant and inclusive advisory materials, in a form accessible to beneficiaries of varying educational level.
52. *Supporting improved animal health*. RLRP will: (i) train and equip community animal health workers (CAHWs); (ii) support the establishment of *agroveterinary supply shops* by youth entrepreneurs trained under RLRP; and (iii) promote (funding allowing) a weather index-based *livestock insurance* in collaboration with the insurance companies, and other ongoing development projects, particularly the World Bank's De-risking, Inclusion, and Value Enhancement of Pastoral Economies in the Horn of Africa (DRIVE). These measures will enhance producers' compliance to animal standards for both domestic and international markets, and contribute to increased incomes of the beneficiaries.
53. *Promotion of improved inputs and CSA technologies* will be through pluralistic extension services and will involve building the capacity of the targeted farmers (inclusive of women) in the earlier-identified CSA practices to reduce vulnerability to climate-related risks and shocks. RLRP will: (i) demonstrate in the plots of selected willing lead farmers who meet set criteria (that includes woman lead farmers) the new CSA Technologies for both crop and livestock production. Other farmers will benefit through field visits, study tours, and visits to the progressive farmers on whose land the CSA demonstration plots will be established.
54. *Supporting access to productive inputs*: Farmers' access to improved and adapted productive inputs will be market-led, supported by a cost-sharing financial arrangement between the farmer and RLRP. RLRP will identify private sector input suppliers to establish outlets at the community level in collaboration with the CDA. The inputs could include improved climate-resilient seeds for priority crops for RLRP, pesticides, fertilisers, and ecosystem friendly farm tools. RLRP will collaborate with the recently-approved IFAD Regional Seed Systems Grant Project (SSGP) for four Horn of Africa countries, including Somalia, to provide high-yielding, climate resilient seeds of the RLRP priority crops to the beneficiaries. Coincidentally, the SSGP will also be implemented in Jubaland, South West and Hirshabelle FMS of Somalia. The project will further build on WB's initiative in support of scaling up adoption of improved certified seeds in the project districts.
55. *Build the capacity of farmers on PHM, market linkages, and diversified production for nutrition-sensitive cooking techniques*. RLRP will: (i) conduct a rapid *study* on agri-nutrition status and practices in the programme area; (ii) adopt the *nutrition-sensitive VCs (NSVCs)* approach to increase the availability, affordability, and consumption of mixed nutrient sources and bio-fortified crops, by improving transportation, processing and storage of food to preserve their nutrients; (iii) *build the capacity* of the target groups to generate income and to manage and their natural resources; (iv) deliver an inclusive community-wide *nutrition and healthy diet agenda* in synergy with the promotion of climate and nutrition-sensitive farming and vegetable cultivation; (v) support simple *diet formulation* by extension agents; and (vi) conduct repeated *sensitisation* on the health benefits of a nutritional diet through workshops, training, and cooking demonstrations. Where feasible, grants for low-cost environmentally friendly food processing machines will be issued to women/youth led enterprises under Subcomponent 2.2.'
56. *Targeted support to disadvantaged HHs in crop and livestock production*. For the IDPs and the poorest HHs, RLRP will provide: (i) appropriate packages of inputs for low-cost, water-saving technologies for *integrated homestead food production*, including bag gardening for improving the availability of leafy vegetables, as well as tomatoes and capsicum, because of their short cycle and nutrient density; and (ii) *distribution of shoats*, along with capacity building on managing the crops and animals. RLRP's input support to the disadvantaged HHs will be in small packages, as was done under the BBB-RLRI, and will attract a lower beneficiary contribution. Training with demonstration kits on post-harvest handling and preservation techniques at HH level will be promoted. Storage kits will include PICS bags for grains and locally made cooling systems for vegetables with complementary nutrition sensitive agriculture (NSA) training through extension officers.

57. Subcomponent 2.2 Entrepreneurship for VC development, will support the development of the entrepreneurial skills of youth and women in agricultural and related services in the communities, with a focus on increased incomes and job creation. The entrepreneurship areas could include: feed and fodder and veterinary supply systems, training youth entrepreneurs to establish *agrovet supply shops*, crop and livestock input supply, value addition, aggregation, processing of crop and livestock products, mechanisation services, and other enterprises, taking into account sustainable NRM and climate resilience. Enterprise selection will be in accordance with the priorities in the CDP and focused on segments of the priority VCs in the community. In addition, RLRP will provide support to agribusiness opportunities along the nutrient-rich VCs (e.g., bio-fortified seed multiplication, poultry business, vegetable and fruit tree seedlings nurseries) The activities under this subcomponent include:
58. *Conduct studies to inform agribusiness development in programme districts*, mapping existing and potential market opportunities and key bottlenecks in relation to domestic, institutional and international markets, with special focus on the identification of women's constraints for accessing markets, and solutions to address the constraints.
59. *Support entrepreneurship development through capacity development, including mentoring opportunities and linkage to the market for youth and women*. RLRP will: (i) based on the study's findings, *engage lead entrepreneurs* in each of the priority VCs to support women and young entrepreneurs enter into new markets, create new products or innovations, with a particular emphasis on sustainable practices and climate resilience; (ii) conduct a *baseline study*, including a training needs assessment of the lead entrepreneurs' extension teams that will guide the performance indicators for M&E and the development of training materials, especially for financial literacy, access to credit, farming as a business, and climate-resilient and sustainable agricultural practices; (iii) finance the *training of trainers* (ToT) of the extension teams of the lead entrepreneurs by a consultant; (iv) finance the *roll-out training and mentoring* of the women and youth beneficiaries by the trained trainers; and (v) organise an annual agribusiness business-to-business (B2B) event at the state level for enterprise *knowledge sharing* and business linkages.
60. *Support access of youth and women to financial services for business development along priority VCs* RLRP will: (i) *identify two financial institutions* (FIs)^[33] in each district that offer favourable products and have digitised processes and services; (ii) support the *sensitisation of the EIG members* about the products and services offered by the FIs and on financial literacy; (iii) support the training and capacity building of FIs that have capacity gaps in *product development*, especially appropriate climate-smart products that accommodate women and youth; (iv) support the development of adequate *rural finance solutions* in collaboration with local and international partners like the United Nations Industrial Development Organisation, FIs, NGOs, Mobile Network Operators (Mobile Money) and Money Transfer Operators; (v) bring on board *insurance service providers* to cushion farmers against possible loss; and (vi) provide grant/in-kind^[34] support to new innovative agribusiness ideas by women or youth in the programme districts through district level competitions. A study^[35] on financial institutions (FIs) revealed that there was low financial services inclusion of the poor, especially women and youth, in accessing credit to start agricultural enterprises or increase productivity. The RLRP will help rural youth and women to access sustainable financial services through support for increased production, and linkage with markets and FIs. Market linkage will also leverage the WFP homegrown school feeding programme to create markets for nutritious crop and commodities from RLRP supported smallholder farmers. Activities under component 60 have a high potential for scaling up through for example policy engagement.
61. Subcomponent 2.3 Emergency component, is proposed to respond to a crisis or disaster. A dedicated crisis and disaster risk reduction disbursement allocation would enable RLRP to respond and adapt quickly in case of natural disasters crises such as droughts, flash floods, pest/locust and fires. It can be activated when a federal government agency determines that there is an emergency through a PADN. The emergency component aims to provide immediate relief to beneficiaries in the project area. Based on experience with the RPSF and Crisis Response Initiative, eligible activities include (i) emergency productivity support such as the distribution of inputs, life animals, fertilisers, animal feed and small scale equipment and (ii) emergency rehabilitation of small scale infrastructure including rehabilitation of shallow wells, installation of water tanks, rehabilitation of small scale storage facilities and rehabilitation of small scale water infrastructure. A detailed list of eligible activities has been included in the PIM. A causal link between the Crisis and/or Eligible Emergency need to be present to trigger the component. Hence, the emergency must be linked to an event that has caused, or is likely to imminently cause, a major negative environmental, economic and/or social impact. Emergency activities will be implemented through the existing RLRP project structure. Activities can only be implemented in the active targeted project area. Selection of beneficiaries shall be done based on targeting criteria as been developed under the RLRP main programme. Up to 5% of the unused project funds can be used to finance this component. Procurement, safeguards and fiduciary aspects have been captured in the PIM and will be further fine-tuned during implementation.
62. Component 3: Programme Coordination and Capacity Building
63. The expected outcome of this component is an "efficiently and effectively managed programme with the integration of gender, youth, nutrition, environment, climate change, M&E, knowledge management and communication (KMC) considerations in all aspects of the programme". This component will also assist in building the capacity of the relevant Somali line ministries for oversight of programme implementation, support appropriate training of FMS and district implementing partners staff on sustainable crop and livestock VCs, and provide the experience basis for policy dialogue and development of evidence-based policies tailored to the local context for resilient rural livelihoods. Potential topics for policy engagement include: (i) social inclusion, related to gender, nutrition and youth; and (ii) specific scalable activities such as new financial products to be developed under Component 2 of the RLRP. Beyond the MoAI, RLRP will request the assistance of the Ministry of Planning on Policy Engagement.
64. Recognizing that the weak capacity of government institutions constitutes one of the drivers of fragility in Somalia, the design of the RLRP provided capacity building interventions in the three components. A three-pronged approach is adopted to mitigate the institutional capacity challenges. First, programme execution will be managed directly by an autonomous National Programme Coordination Unit (NPCU), whose key staff will be selected through open competitive processes, and their final appointments

subject to IFAD's prior reviews to include confirmations of the sufficiency of the qualifications and capacities of the personnel. As such, no formal institutional assessment was conducted for the Recipient, MoAI. However, to build the capacity of the government personnel, the RLRP provides for the attachment of some technical specialists in the lead ministries to the competitively recruited specialists.

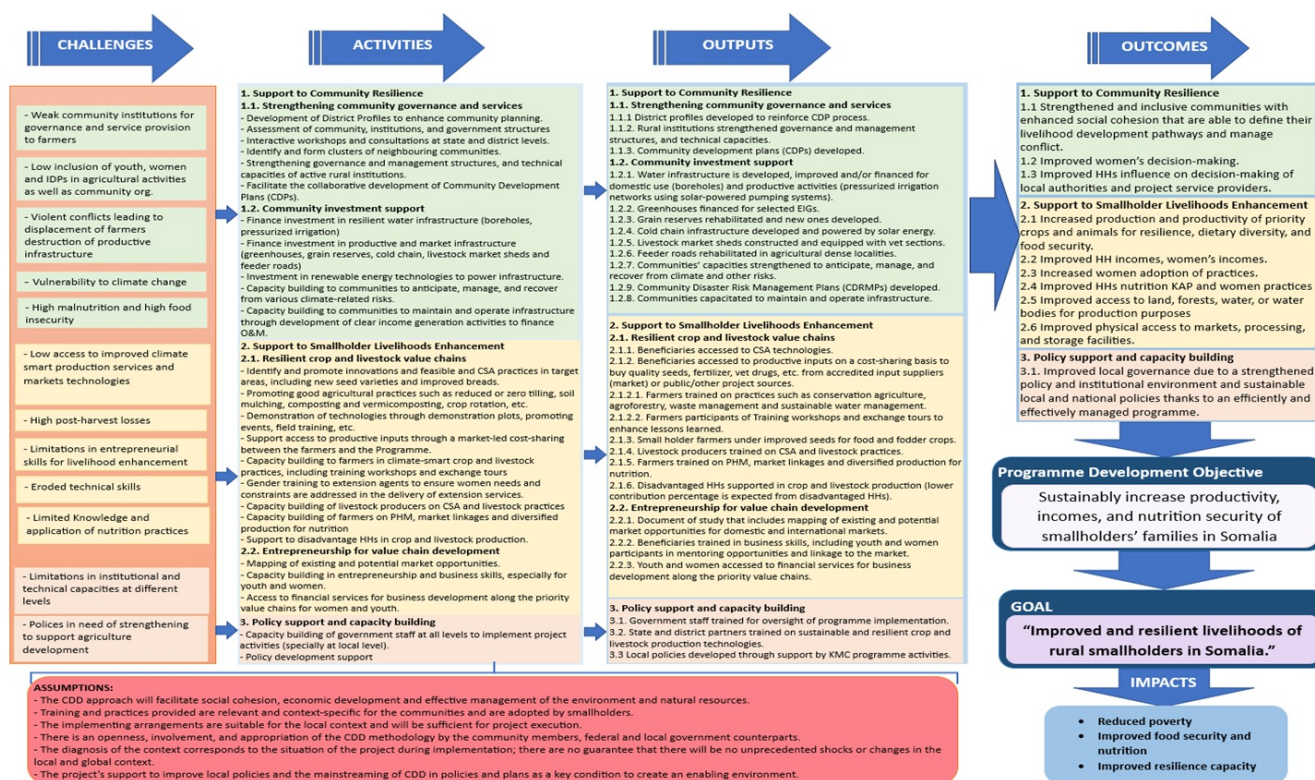
65. Secondly, the design conducted extensive consultations with the World Bank Somalia project teams and is comforted by the provisions of bigger World Bank projects targeting the building of the institutional capacity of the lead implementing agency (MoAI), such as, the Somalia Water for Agro-pastoral Productivity and Resilience (Biyoole) for US\$ 52 million, Somalia Water for Rural Resilience Project (Biyoole 2) for US\$ 70 million, and the Somalia Crisis Recovery Project (SCRCP) for US\$ 187.5 million. The last project commits to fill any capacity gaps that may be identified at the start of the project through institutional/capacity assessments of the Federal and State level MoAI^[36]. The procurement for these assessments was launched on 14 June 2023 and the actual work is expected to commence in October 2023. Thirdly, the design held consultations with the Accountant General's Office and the Budget Department of the Federal Ministry of Finance (FMF) on the use of the Somalia Financial Management Information System (SFMIS). Consequently, RLRP will use the SFMIS based on the evaluation for its ability to handle the RLRP accounting, embedded internal controls and financial reporting needs.

E. Theory of Change

66. The challenges underlying the fragility of the agricultural sector in Somalia include: vulnerability to climate change perpetuating severe water scarcity, violent conflicts leading to displacement of farmers, destruction of productive infrastructure, inadequate access to food, weak community institutions for governance and service provision to farmers, and low inclusion of youth, women and IDPs in agricultural activities as well as community institutions. In terms of production, there is poor access to improved climate-smart production services and market technologies, high post-harvest losses, limitations in entrepreneurial skills for livelihood enhancement, youth unemployment, eroded technical skills and limited knowledge and application of nutrition practices. Additionally, there are limitations in institutional and technical capacities at different levels, for articulation of policies for agriculture development. These challenges lead to low agricultural production and productivity, and insufficient access to food with consequences for malnutrition and food insecurity.
67. The RLRP will address these challenges through a three-pronged approach: (a) using the CDD approach to facilitate the implementation of inclusive climate-resilient investments and build resilient cohesive community institutions; (b) build the resilience capacity of farmers including women, youth and IDPs through access to water, productive inputs/improved breeds for crop and livestock, capacity building in climate-smart crop and livestock practices, provision of nutrition training and PHM, improved access to markets and finance, and development of entrepreneurship skills; and (c) strengthen relevant government institutions to provide an enabling environment for resilient agricultural investments by smallholder producers. The expected outcomes of the RLRP include: (i) enhanced community social cohesion strengthening communities to define their livelihood development pathways and manage conflict; (ii) increased production and productivity of priority crops and animals for resilience, dietary diversity, food security, and incomes; and (iii) improved local governance due to a strengthened policy and institutional environment, and sustainable local and national policies as a result of an efficiently and effectively managed community based programmes.
68. The ToC for RLRP has the following logic:
69. If the CDD approach is used to strengthen social cohesion, enhance rural institutions and risk management and facilitate investments in productive infrastructure and technology at the community level, whereby women, youth and IDPs are included in participatory decision making, then the resilience capacity of communities will be strengthened to be able define their livelihood development pathways and manage conflict, leading to a decreasing occurrence of community-based conflicts, assuming the CDD approach is relevant and effective and can facilitate inclusivity, social cohesion, economic development and enable an effective environment for NRM. Additionally, the strategy assumes there is an openness, involvement, and appropriation of the CDD methodology by the community members, federal and local government counterparts.
70. If communities can define their livelihood development pathways, manage conflict in an effective and efficient manner, use productive infrastructure and technology to strengthen their productive capacities, build inclusive development pathways with strong participation of women, youth and IDPs, then the community will be ready to address and overcome multiple shocks in a dynamic and challenging context.
71. If RLRP provides rural smallholders including women, youth and IDPs access to water, productive inputs on a cost-sharing basis to buy quality seeds, fertiliser, vet drugs, etc. from accredited input suppliers (market) or public/other project sources; and they adopt climate-smart practices and PHM, applying a nutrition lens, then production and productivity of priority crops and animals and smallholders' dietary diversity will increase; access to finance and markets and more profitable jobs will lead to increased income for the beneficiaries including women, youth and IDPs, assuming training and practices provided are relevant and context-specific for the communities and are adopted by smallholders.
72. If the programme provides IDPs and the poorest HHs with appropriate packages of inputs for low-cost, water-saving technologies for integrated homestead food production and distributes shoats, along with capacity building on managing the crops and animals, then IDPs and poorest HHs will improve their incomes and nutrition thanks to their social integration in agricultural production and economic activities, assuming these vulnerable groups will be attracted to participate with a lower beneficiary contribution.
73. If RLRP can effectively provide capacity building in entrepreneurship by also improving access to markets for youth, and can

train beneficiaries (especially youth) in service provision, post-production practices, entrepreneurship, and business skills, then profitable jobs will increase for young beneficiaries, assuming training and practices are relevant for entrepreneurs, matches their aspirations and context-specific.

74. If RLRP can provide women: (i) enhanced access to economic resources and services, training on products value-addition and marketing, and increase their participation in micro-businesses, then this will lead to increased women's income; (ii) if RLRP can support preferential selection of proposals presented by cooperatives with at least 40 percent women-headed HHs, then this will lead to improved women's decision-making; and (iii) if RLRP can effectively introduce time-saving technologies/practices which are adopted by women, this will then lead to improved nutritional outcomes at HH level and increased incomes. If RLRP is successful in implementing these interventions, then gender-sensitive outcomes will be achieved within the targeted communities.
75. If RLRP can effectively strengthen government and implementation partner staff capacities at all levels, and support local policies through KMC programme activities, then there will be an improvement in local governance and sustainable local and national policies due to a strengthened policy and institutional environment due to an efficiently and effectively managed community based programmes, assuming the implementation arrangements are effective and inclusive keeping the local context in mind.
76. If communities are strengthened with enhanced social cohesion and are able to define their livelihood development pathways and manage conflict, production and productivity improved and incomes increased, and policy and institutional environment is strengthened, then this will lead to improved food and nutrition security, resilient livelihoods of rural smallholders in Somalia and poverty reduction, assuming the diagnosis of the context corresponds to the situation of the programme during implementation; the programme cannot guarantee that there will be no unprecedented shocks or changes in the local and global context that are not under control to distort the diagnosis of the context during programme implementation; and the programme's support to improve local policies and the mainstreaming of CDD in policies and plans in effective at creating a sustainable enabling environment.
77. RLRP Theory of Change Diagram



F. Alignment, ownership and partnerships

78. Alignment with the sustainable development goals (SDGs). The RLRP will contribute to the following SDGs related to the agricultural sector: SDG 1 (Zero Poverty), SDG 2 (Zero Hunger), SDG 5 (Gender Equality), SDG 6 (Clean Water), SDG 12.2 (Sustainable Management/Use of Natural Resources), and SDG 13 (Climate Action).
79. Country ownership and alignment with national priorities. The RLRP is aligned with the relevant national policies and strategies of the FGS, which are all fully aligned with the SDGs, notably: (i) the NDP-9's priorities of improving the productivity of farming systems for increased food security; inclusion of vulnerable groups in programme implementation, and, factoring environmental protection into intervention design and implementation; and, (ii) the targets of the Agriculture Development Strategic Plan of reducing the number of people living below absolute poverty lines to less than 25 percent (SDG 1), reduction of food insecurity by over 12 percent, average annual agricultural growth of 3-5 percent, and increased productivity of key food commodities by over 6 percent (SDG 2).
80. In addition, the RLRP will contribute to the attainment of some of the investment priorities in Somalia's compact at the 2023 Africa Food Summit^[37], notably: (i) productive irrigation and market infrastructure development; (ii) strengthening crop and livestock VC and agribusiness development, including access to finance; (iii) capacity building of government institutions and staff; and, (iv) commercialization of fodder and other animal feed.
81. The request by the President of the FRS to IFAD during the February 2023 Governing Council meeting to urgently intervene to address the severe food insecurity Somalia was facing, following the clearance of Somalia's arrears to IFAD; the close involvement of government officials in the preparation of the RLRP Project Concept Note (PCN) and the full design of the programme, ably facilitated by the Special Adviser to the Minister of the MoAI; and the formal validation of the programme design by the FGS in Mogadishu on 20 July 2023, are clear indicators of the government ownership of the RLRP, as a strategic intervention for mitigating fragility in rural livelihoods and enhancing food security. The participating FMS committed at the Validation Workshop to support the implementation of the RLRP, including being closely involved in the selection and mobilisation of the communities.
82. Alignment with the IFAD Country Strategy and corporate priorities. The RLRP is a strategic re-entry point for a deeper engagement of IFAD with Somalia after the clearance of Somalia's debt arrears in February 2023. Accordingly, in approving the PCN of RLRP, IFAD management placed the full design on a fast-track mode. The RLRP is aligned to the three strategic objectives (SOs) of the Country Strategy Note of: improved sustainable and climate- resilient management of water infrastructure; building resilience to food insecurity; and strengthening the capacities of actors. The RLRP also aligns with IFAD's Special Programme for Countries with Fragile Situations, focusing on strengthening the governance capacity of the rural communities and building the capacity of rural producers for resilient climate- smart interventions; and the IFAD mainstreaming priorities for gender and social inclusion, youth, nutrition and climate and environment.
83. Harmonisation and partnerships. The RLRP will benefit from IFAD's membership of the UN Country Team (UNCT) and the Somalia Partnership Forum to harmonise its implementation with that of related rural development interventions by government and development partners. The RLRP will exploit the existing, mainly knowledge partnerships within the UNCT, notably with the United Nations Development Programme, UNIDO, and the Rome-based agencies, the Food and Agriculture Organization (FAO), and World Food Programme (WFP) which already have strong field presence in Somalia. UNIDO, for example, is one of the main conveners of the employment track of the UNCT, and the IFAD Somalia Country Team aims to benefit from the practices developed by UNIDO (and other employment track partners) in developing employment opportunities for the beneficiaries of the RLRP, especially the youth. The RLRP also aims to benefit from the operational good practices, including fiduciary management using country systems similar to the traditional mode of IFAD operation, from the World Bank projects, the Barwaaqo - Somalia Water for Rural Resilience Project approved in December 2022, and the regional Food Systems Resilience Programme for Eastern and Southern Africa approved in May 2023.
84. Other public and private sector partnerships will be developed during implementation, including the South-South and Triangular Cooperation partners for knowledge management and forging bilateral partnerships. These partnerships will be integrated into most aspects of implementation of the RLRP and will be reinforced during the annual IFAD country portfolio reflection meetings.

G. Costs, benefits and financing

a. Project costs

85. The overall investment costs are estimated at US\$ 26.98 million (86 percent of total costs) with recurrent costs at US\$ 4.24 million (14 percent of total costs). The cost allocation by component is as follows: Component 1- Support to Community Resilience Capacity, US\$ 11.61 million, equivalent to 37 percent of the overall project investment; Component 2 - Support to Smallholder Livelihoods Enhancement, US\$ 14.29 million (46 percent); and Component 3 - Programme Coordination and Capacity Building, US\$ 5.3 million, equivalent to 17 percent of the overall project costs.
86. Table 1: Programme costs by component (and subcomponents) and financier
87. (Thousands of United States dollars)

SOMALIA Rural Livelihoods Resilience Programme (RLRP) Components by Financiers (US\$ '000)														
	Federal FGS		IFAD		Other Co-Financing		FMS		Beneficiaries		Total		For. Exch.	Local (Excl. Taxes)
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%		
A. Support to Community Resilience Capacity														
Strengthening Community Governance and Services			1 571	1 571	2 154	58	-	-	-	-	3 725	12	364	3 361
Community Investment Support			2 828	2 828	2 929	37	1 212	15	924	12	7 892	25	769	7 123
Subtotal			4 399	4 399	5 083	44	1 212	10	924	8	11 617	37	1 133	10 484
B. Support to Smallholder Livelihoods Enhancement														
Resilient Crop and Livestock Value Chains			2 444	2 444	4 378	55	-	-	1 155	15	7 977	26	772	7 206
Entrepreneurship for Value Chain Development			1 815	1 815	2 792	44	788	13	921	15	6 316	20	606	5 709
Contingency, Disaster and Risk Mitigation.			-	0	-	-	-	-	-	-	-	-	-	-
Subtotal			4 259	4 259	7 169	50	788	6	2 077	15	14 293	46	1 378	12 915
C. Programme Coordination and Capacity Building														
Programme Coordination and Capacity Building	700	13	2 942	2 942	1 668	31	-	-	-	-	5 310	17	512	4 799
Total PROJECT COSTS	700	2	11 600	11 600	13 920	45	2 000	6	3 000	10	31 220	100	3 023	28 197

88. Table 2: Programme costs by expenditure category and financier

89. (Thousands of United States dollars)

SOMALIA Rural Livelihoods Resilience Programme (RLRP) Expenditure Accounts by Financiers (US\$ '000)															
	Federal FGS		IFAD		Other Co-Financing		FMS		Beneficiaries		Total		For. Exch.	Local (Excl. Taxes)	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%			
I. Investment Costs															
A. Works			-	2 416	38	2 198	35	962	15	749	12	6 326	20	618	5 708
B. Training and Capacity Building	40	1	1 519	24	3 432	55	476	8	803	13	6 271	20	601	5 670	
C. Consultancies, Studies & TA	659	9	2 804	39	2 866	40	365	5	449	6	7 143	23	697	6 446	
D. Goods and Inputs			1 332	25	3 026	58	144	3	746	14	5 248	17	505	4 743	
E. Services			647	37	793	45	53	3	253	15	1 747	6	169	1 578	
F. Equipment and Materials			247	100	-	-	-	-	-	-	247	1	24	223	
Total Investment Costs	700	3	8 966	33	12 316	46	2 000	7	3 000	11	26 982	86	2 614	24 368	
II. Recurrent Costs															
A. Salaries and allowances			2 457	64	1 406	36	-	-	-	-	3 863	12	373	3 490	
B. Office Operating Costs			178	47	198	53	-	-	-	-	375	1	36	339	
Total Recurrent Costs			2 634	62	1 604	38	-	-	-	-	4 238	14	409	3 830	
Total PROJECT COSTS	700	2	11 600	37	13 920	45	2 000	6	3 000	10	31 220	100	3 023	28 197	

Table 3: Programme costs by component and year

(Thousands of United States dollars)

SOMALIA Rural Livelihoods Resilience Programme (RLRP) Project Components by Year -- Totals Including Contingencies (US\$ '000)									
	Totals Including Contingencies								
	2024	2025	2026	2027	2028	2029	2030	2031	Total
A. Support to Community Resilience Capacity									
Strengthening Community Governance and Services	935	1 411	294	302	311	320	76	78	3 725
Community Investment Support	697	2 259	1 618	1 853	1 028	296	66	76	7 892
Subtotal	1 632	3 670	1 912	2 155	1 338	615	142	154	11 617
B. Support to Smallholder Livelihoods Enhancement									
Resilient Crop and Livestock Value Chains	1 166	1 692	1 482	867	754	818	639	558	7 977
Entrepreneurship for Value Chain Development	930	770	788	811	852	701	721	742	6 316
Contingency, Disaster and Risk Mitigation.	0	-	-	-	-	-	-	-	0
Subtotal	2 096	2 462	2 271	1 678	1 606	1 520	1 361	1 300	14 293
C. Programme Coordination and Capacity Building									
Programme Coordination and Capacity Building	946	709	726	747	652	463	476	591	5 310
Subtotal	946	709	726	747	652	463	476	591	5 310
Total PROJECT COSTS	4 673	6 841	4 909	4 580	3 596	2 598	1 978	2 045	31 220

b. Project financing/co-financing strategy and plan

90. IFAD financing is estimated at US\$ 11.6 million. Domestic co-financing from the FGS and the participating FMS is estimated at US\$ 2.7 million (US\$ 0.7 million and US\$ 2 million, respectively) in the form of in-kind contribution. Beneficiary contribution is estimated at US\$ 3 million, also in the form of in-kind contribution to the programme. An amount of US\$ 13.9 million is expected to be financed through other potential co-financiers. The PDT is in discussions with MoAI and the Somalia Governor to IFAD on a joint coordinated resources mobilisation with partners such as USAID, Italian Corporation, Ireland, etc.

c. Disbursement

91. Upon signature of the RLRP financing agreement with IFAD,
92. The MoAI will open a designated account in US\$ at the Central Bank of Somalia to receive funds from the IFAD grant. A separate designated account will be opened for any additional co-financiers that may be identified during implementation.
93. Transfers to the SPCUs will be dealt with as advances in the SFMIS, and transferred to a dedicated operating account. The operating accounts at state level will have a predetermined threshold for both the advance amount and the single payments. To clear the advance account, the State will have to provide sufficient expenditure justification to the NPCU. All payments other than petty cash payments will be processed and disbursed at the level of the NPCU.
94. The disbursement of IFAD funds will be made following the procedure known as disbursement procedure based on interim financial reports (IFRs). According to this procedure, the disbursement of IFAD funds will be conditional to the submission to IFAD of quarterly IFRs within 45 days of the end of each quarter in the form and according to the methods described in the programme implementation manual (PIM) and further specified in the Financial Management and Financial Control Arrangement Letter. Based on the IFRs, the programme will be able to submit three types of withdrawal applications (WA):
1. *Direct payments*: for payments of an amount equal to or greater than US\$ 250,000, the programme may request a direct payment to the supplier/service provider directly from IFAD. Although this disbursement modality remains available for the RLRP, IFAD discourages its use;
 2. *Justifications*: will be based on the amount of eligible expenditures incurred by the programme during each quarter and reported in the Statement of Sources and Uses of Funds, which is part of the IFR package. This type of WA will not entail a disbursement from IFAD but will rather have the function of justifying the use of funds by the programme and reducing the amount of the outstanding advances already disbursed by IFAD;
 3. *Advances*: will be based on the cash requirements estimated by the programme for the 6 months of implementation following the submission of the IFRs. The cash forecast statement is part of the IFR package. The amount actually disbursed by IFAD will be equal to the difference between the semi-annual cash forecast and the amount available in the programme's accounts (cash in hand) and other necessary adjustments.
95. Start-up Advance: There is provision for startup advance of up to USD 162,000. This will be limited in purpose to allow RLRP meet its first disbursement conditions. The budget for the start-up activities is presented below.

Rural Livelihoods Resilience Program (RLRP) Project Start-up Costs	US\$ '000		
	Unit	Quantities	Amount
1. Monitoring and Evaluation			
Start-Up Workshops	Workshop	1	11
2. Knowledge Management			
Staff Training & Workshops	Lumpsum	2	1
3. Hire Firm to Competitively Recruit Key Staff	Lumpsum		40
4. Salaries and Allowances - NPCU			
National Program Coordinator	Person-Month	5	26
Financial Controller	Person-Month	5	21
Project Accountant	Person-Month	5	21
5. Salaries and Allowances - 2 FMS			
State Program Coordinator	Person-Month	10	31
Accounts Assistant	Person-Month	10	12
Total			162

96. The start-up advance will include preparatory activities among them being a competitively engaged firm with Human Resources competencies to in turn recruit RLRP staff. In the process of recruitment of staff, the firm will invite representatives of MOAI to participate in key stages like interviews of shortlisted Staff.

d. Summary of benefits and economic analysis

97. Benefits. RLRP will build the resilience of the direct beneficiary small-scale producers to economic, environmental and climatic shocks through: (i) capacity building on the technical and managerial aspects of their livelihoods; (ii) increased access to production inputs and services; (iii) increased crop and livestock productivity from adoption of improved inputs, services and production technologies; (iv) investment in assets; (v) improved NRM; and (vi) enhanced CCA and mitigation. The capacity building activities specified in the CDPs for the leaders and members of the community institutions will strengthen the institutions to provide more effective services to the community members. The indirect benefits of the RLRP will include: (a) increased quality and safe food availability in the local markets, and a general increase in food security in the area; (b) improved market access through the development of market infrastructure; (c) improved water supply for humans, livestock and crops; (d) capacity building of government officials and support to policy development; (e) time-saving for women and youth from the use of labour-saving farming techniques; and (f) increased social cohesion arising from community mobilisation and involvement, inclusive of the vulnerable members of the community.
98. The main quantifiable benefits of the project are: (i) increased production and productivity of targeted VCs; and (ii) reduction of cost of improved production inputs and transport cost as a result of improved road rehabilitation, and access to cold storage and other market facilities constructed during the programme implementation period.
99. Beneficiary outreach, cost per beneficiary and adoption rates. RLRP targets 30,000 HHs equivalent to 180,000 HH members, assuming six people per HH. With the overall programme investment of US\$ 31.2 million, the cost per beneficiary HH is estimated at US\$ 1,041 and per HH member US\$ 173. The adoption rate is assumed at 85 percent which corresponds to about 25,500 HHs adopting the proposed programme innovations. The analysis is presented in the summary table below.

PROGRAMME COSTS AND INDICATORS FOR LOGFRAME				
TOTAL PROGRAMME COSTS (in million USD)			31	
Beneficiaries	180,000	people	30,000	Households
Cost per beneficiary	173	USD x person	USD	1,041
Components and Cost (USD million)				
A. Support to Community Resilience Capacity	14.2	Average increase in income per HH per year		
B. Support to Smallholder Livelihoods Enhancement	11.7			
C. Programme Coordination and Capacity Building	5.3			
Total	31.2			

100. Financial analysis. Six farm/enterprise models were developed to examine the financial impact of programme intervention on incomes at HH level: Sorghum, Maize, Rice, Sesame, Beans, and Small ruminants. All the models present positive financial viability using the financial internal rate of return (FIRR) and net present value (FNPV) discounted for 10 years using a rate of 7 percent. The results are summarised in the table below.

A)				
	Farm models' net incremental financial benefits (in USD)			
	Sorghum	Maize	Rice	Sesame
PY1	(71)	(187)	(171)	(102)
PY2	(50)	(106)	(121)	(56)
PY3	30	(26)	39	(13)
PY4	67	135	167	66
PY5	67	135	167	66
PY6	67	135	167	66
PY7	67	135	167	66
PY8	67	135	167	66
PY9	67	135	167	66
PY10	67	135	167	66
IRR	35%	24%	34%	21%
NPV (US\$)	208	307	501	135
Return to family labour	12	27	38	10
B/C Ratio	5.8	8.9	4.8	4.4

101. Economic analysis. The baseline Economic Rate of Return (ERR) and Net Present Value (NPV) are estimated at 19 percent and US\$ 30.52, respectively. All quantifiable benefits were discounted over a period of 20 years including the eight years of the RLRP implementation period, using a rate of 8 percent. The ERR of 19 percent is higher than the discount rate used for the economic analysis which confirms the justification of the proposed investment. The benefit/cost ratio for the whole investment is estimated at 5.22. The table below summarises the overall programme economic analysis.

102. Sensitivity analysis, risks and assumptions. To test the robustness of the overall programme analysis, a sensitivity analysis was carried out to measure variations due to unforeseen factors and relevant risks presented in the integrated project risk matrix (IPRM). A decrease in programme benefits by 20 percent, and an increase in costs by 20 percent, yields an ERR of 16 percent and 17 percent with a positive NPV of US\$ 20.3 million and US\$ 26.4 million, respectively. An increase in programme benefits by either 10 percent or 20 percent yields a higher ERR of 20 percent and 21 percent, respectively both with positive NPV. A delay in programme benefits by one and two years still yields positive results of 17 percent and 15 percent, respectively, with positive NPVs. The results of the sensitivity analysis indicate that RLRP remains economically viable under the various assumptions considered. The summary of the sensitivity analysis is presented in the table below.

D. OVERALL ECONOMIC ANALYSIS

Project year	Economic Net Inc. Benefits (USD 000)	Total Incremental Costs (USD 000)			CASH FLOW
		Investment Costs	Recurrent Costs	Total Costs	
PY1	(1,588)	3,768	635	4,401	(5,967)
PY2	(2,334)	4,322	635	4,957	(7,291)
PY3	(1,638)	3,377	635	4,011	(5,649)
PY4	334	3,299	635	3,934	(3,600)
PY5	2,428	3,114	347	3,461	(1,034)
PY6	4,612	1,595	347	1,942	2,670
PY7	6,413	1,378	347	1,725	4,688
PY8	7,691	1,460	347	1,807	5,884
PY9	9,238		104	104	9,132
PY10	10,239		104	104	10,135
PY11	10,810		104	104	10,706
PY12	10,810		104	104	10,706
PY13	10,810		104	104	10,706
PY14	10,810		104	104	10,706
PY15	10,810		104	104	10,706
PY16	10,810		104	104	10,706
PY17	10,810		104	104	10,706
PY18	10,810		104	104	10,706
PY19	10,810		104	104	10,706
PY20	10,810		104	104	10,706
NPV USD (000) @8%					30.52
EIRR					19%
BCR	143,517			27,488	5.22

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e. Exit Strategy and Sustainability

103. In order to enhance sustainability, the implementation of the RLRP activities will aim at leaving behind: (i) effective institutions at the community, district, FMS and national levels, and empowered VC players; (ii) programme interventions mainstreamed into government systems at all levels; and (iii) a more enabling policy environment for smallholder VC actors. Working directly with the participating FMS Ministries of Agriculture, the District Councils and the communities will guarantee the long-term sustainability of RLRP activities. The intensive capacity building of the CDAs, the CSGs, and the EIGs will enhance the capacity of all players involved in the target VCs to continuously access knowledge, financial and other resources and markets for their livelihoods, promote environmental sustainability and resilience of the livelihoods to shocks, and promote gender and youth participation in the activities and leadership of the CDAs and the groups. The capacity building of the staff of the line ministries will help create an enabling policy environment to facilitate further building of resilient livelihoods in the rural areas.
104. The exit strategy for RLRP at design is flexible, considering that Somalia is a very fragile context, and many parts of the country were not accessible at the design stage. The exit strategy which is linked to the sustainability objectives, will be factored into programme implementation from the start, including the selection of the communities and interventions according to the selection criteria, taking into account the beneficiaries' capacity to take advantage of the improved knowledge and incomes and manage the assets to be created under the RLRP. The RLRP strategy is based on two approaches to exit: *phasing down*, by gradually reducing programme investment activities, and utilising local organisations to sustain programme benefits; and *phasing over*, transferring responsibility for some activities to stakeholders, notably the beneficiary communities, district, state and federal governments, and private sector actors whose capacity had been built earlier in the programme. For instance, RLRP will focus on completing major infrastructure activities in Year 5 to leave a window for the consolidation of activities and start a "gradual exit" process which can be completed by the end of year 7. This window will ensure that there is sufficient technical and managerial capacity, including for O&M, as well as motivation of the programme beneficiaries, district and FMS governments and other stakeholders to sustain the RLRP after the investment period. The design exit strategy (Annex 10) details the programme activities to be continued, and the responsibilities and resources required for their continuation and scaling. The implementation of the exit strategy will be monitored annually during supervision missions. The strategy will be formally reviewed at MTR in Year 4, and then in Year 6 to capture emerging opportunities and challenges.
105. Specific tools will be developed by RLRP to support the implementation of the exit strategy. The M&E Plan developed, and the databases generated, including the baseline, midterm survey and final evaluation survey will be delivered to the FGS for a potential follow-up of the beneficiaries and results generated by the programme. During Year 7, training will be conducted for public officials responsible for managing these tools, including the M&E system and the management information system (MIS). The transfer of control and the respective permissions for the management of the systems will be carried out in Year 8. Evaluation reports produced under RLRP will be distributed to all the levels of government as a source of lessons learned for evidence-based decision making. The KMC documents produced will be transferred to the government at all levels along with the communication tools, such as the programme website, social networks and accounts of other applications and platforms, a couple of months before the end of Year 8, so that there is no discontinuity in the use of the tools.

3. Risks

H. Project risks and mitigation measures

106. The major risks faced by the smallholder farmers in the initial two FMSs covered by the RLRP project include: (i) the impacts of climate change, especially droughts and flooding; (ii) insecurity; (iii) weak institutional capacity; and (iv) land degradation, all contributing to a high state of fragility. In view of the expected continuation of the fragile and high-risk context during the implementation of the RLRP, the overall inherent risk is rated substantial. Many of the subcategories show high or substantial risks: (i) High - Governance, Macroeconomic, Fragility and security, Implementation arrangements, and Programme financial management (FM); and (ii) Substantial - Policy development and implementation, Programme vulnerability to environmental conditions, and climate change impacts, Technical soundness, M&E arrangements, Programme procurement, Accountability and transparency, Capability in public procurement, Environmental resource efficiency and pollution, Indigenous people, Vulnerability of target populations and ecosystems to climate variability and hazards, and Stakeholder grievances.
107. The FM risk at design is considered to be High due to country related context and fragility as well as IFAD lack of experience in implementing investment projects through government structures. Somalia was ranked last in the Transparency International Corruption Perceptions Index with a score of 12 out of 100. In addition, the security situation in the country may limit IFAD's ability to supervise the programme effectively. This risk will be mitigated, if needed, by relying on a third-party supervisory entity with access to project implementation areas. However, full-scale third-party implementation arrangements are not foreseen from programme start-up, but only contemplated as a possibility in case of grave instability at country level. Detailed ToRs will be prepared by IFAD in case such arrangement becomes needed. The programme will be initially implemented in two FMS, supported by a dedicated finance staff, and the risk related to the programme financing gap will be mitigated by applying a phased conflict-sensitive approach to guide the expansion of geographical coverage.
108. An additional source of risk acknowledged at the design stage is that IFAD largely relied on the experience of other donors, the World Bank in particular, for the implementing arrangements proposed for the RLRP, and the design mission was conducted mostly remotely. This risk will be mitigated by further validating the RLRP arrangements at the start-up phase in close collaboration with the government, and by providing close implementation support to the programme team through IFAD staff and experienced FM consultants throughout its implementation period. A more detailed risk analysis and applicable mitigating measures is provided in the Integrated Programme Risk Management (IPRM) framework in Annex 9.

109. The project financial managing risk at design is considered to be High due to country related context and fragility as well as IFAD lack of experience in implementing investment projects through government structures.
110. Somalia was ranked at the last place of the Transparency International Corruption Perceptions Index with a score of 12 out 100. In addition to that, the security situation at country level may limit IFAD ability to supervise the project effectively. This risk will be mitigated, if needed, by relying on a third-party supervisory entity with access to project implementation areas. However, full-scale third-party implementation arrangements are not foreseen from programme start-up, but only contemplated as a possibility in case of grave instability at country level. Detailed ToRs will be prepared by IFAD in case such arrangement becomes needed.
111. The project will be initially implemented in two federal states, which will be supported by a dedicated finance staff, and the risk related to the project financing gap will be mitigated by applying a phased conflict-sensitive approach to guide the expansion of geographical coverage.
112. Although IFAD largely relies for the implementing arrangements proposed for this project on the experience of other donors and of the World Bank in particular, the limitations of the IFAD design mission, which was mostly conducted remotely, have to be acknowledged at this stage and represent an additional source of risk. This risk will be mitigated by further validating project arrangements at start-up phase in close collaboration with the government, and by providing close implementation support to the project team through IFAD staff and experienced FM consultants throughout its implementation period.
113. A more detailed risk analysis and applicable mitigating measures is provided in the project risk matrix.

I. Environment and Social category

114. The environmental risk categorization of the RLRP is substantial as the environmental and social impacts of the programme activities are expected to be modest in scale, dispersed, largely site-specific and reversible. Although the RLRP aims to improve the livelihoods of rural smallholders and increase their resilience to various challenges, some of the programme activities could have potential negative environmental impacts. Activities for improved agricultural productivity in Component 2 might lead to over-exploitation of water and soil resources, and the contamination of soil and water resources from the use of fertilisers, pesticides, and veterinary pharmaceuticals, which may affect not only the environment but also the health of the local communities. In the livestock VCs, overgrazing by animals can lead to degradation of the pastureland, causing soil erosion and desertification. Other negative effects could include increased waste generation, pollution and biodiversity loss. Also, strengthening community governance and services might inadvertently affect the traditional NRM practices which are often more sustainable. Other risks include exacerbating gender inequalities, social tension and conflicts, possible displacements and unhealthy work environment.
115. To mitigate these potential negative impacts, the environmental sustainability measures integrated into the design of RLRP include the implementation of mitigation strategies outlined in the Environmental, Social, and Climate Management Framework (ESCMF), along with structured community involvement, capacity building on sustainable practices, and regular M&E of key elements to ensure that the programme does not inadvertently harm the environment while striving to improve livelihoods.

J. Climate Risk classification

116. The climate risk classification for the RLRP is substantial as Somalia is extremely vulnerable to climate impacts. The country is prone to frequent and intense climate related hazards such as droughts and floods, which exacerbate existing vulnerabilities in agriculture and livestock that could impact the programme outcomes. Droughts can severely affect crop production while floods can damage infrastructure and crops. Climate change can also lead to reduced yields, cause difficulties in planning agricultural activities, create favourable conditions for the breeding of pests and the spread of diseases, exacerbate water scarcity, leading to competition for the resource among communities, and between agricultural and non-agricultural use, and creating conflicts and putting additional stress on the community's resilience. Climate change can affect market dynamics for agricultural and livestock products by altering the supply and demand balance, and affecting the incomes of smallholder farmers and herders.
117. To mitigate these risks, the RLRP integrates climate risk assessment and management strategies into programme implementation. The targeted adaptation assessment will help identify the specific climate risks faced by different components and activities of the RLRP and offer tailored solutions that can be integrated into programme implementation. Capacity building of local communities to adapt to changing climate conditions, promoting CSA practices, strengthening early warning systems and mainstreaming CCA into community plans are key activities of the programme to strengthen resilience.

4. Implementation

K. Organizational Framework

a. Project management and coordination

118. Irrigation (MoAI), the Lead Implementation Agency, will provide oversight and guidance to the implementation of the RLRP nationally. Specifically, the PSC will approve the annual work plan and budget (AWPB) and review the reports and audit of the RLRP. Chaired by the Minister of the MoAI, the PSC shall comprise: (i) the Director General of the MoAI; and representatives of the (ii) MoLFR, (iii) MoECC, (iv) MoF as the Recipient, and the (v) PMO. The NPC will serve as the Secretary of the PSC.
119. The National Programme Coordination Unit (NPCU), reporting to the MoAI, will be responsible for: (a) managing the procurement of goods, works and services for the implementation of all programme activities; (b) developing the AWPB; (c) undertaking the M&E and KMC of programme activities; and (d) reporting on implementation progress and results to IFAD and MoAI. The NPCU shall comprise the following competitively recruited staff: (i) National Programme Coordinator (NPC), (ii) Financial Controller (FC), (iii) Programme Accountant, (iv) Procurement Specialist, (v) Agro-pastoral Value Chains and Rural Development Specialist, (vi) Gender and Social Inclusion Specialist, (vii) Environment and Climate Specialist to be sourced from the MoECC, and (viii) M&E Specialist. With the exception of the NPC, each specialist at the NPCU will have a suitably qualified seconded public servant attached to him/her, whose capacity will be built by the specialist to take up the specialist's position on the basis of a satisfactory assessment of performance from the MTR. Other specialist skills required at the NPCU will be recruited as consultants on specific terms of reference and assignment duration. All recruitment and secondment to the NPCU shall be subject to IFAD no-objection.
120. A State Programme Steering Committee (SPSC) will be established in each participating FMS to provide oversight and guidance to the implementation of the RLRP at the state level. Chaired by the Minister of the MoAI, the SPSC shall comprise of the following members: (i) Director General, MoAI; one representative each of (ii) MoF, (iii) MoLFR, (iv) Ministry of Works, (v) Ministry of Water Resources, (vi) Ministry of Environment, (vii) Ministry of Local Government Affairs, (viii) Ministry of Women Affairs; (ix) Ministry of Youth Development; (x) private sector input dealers; and (xi) participating Districts. The SPC will serve as the Secretary of the SPSC.
121. A lean State Programme Coordination Unit (SPCU) will be responsible for the day-to-day implementation of the programme at the FMS level. Reporting administratively to the Minister of the MoAI and technically to the NPCU, the SPCU will comprise: (i) State Programme Coordinator (SPC); (ii) Account Assistant; (iii) Agro-pastoral Value Chains and Rural Development Officer; and (iv) M&E Officer. At the District level, the District Director of Agriculture of the MoAI will review and endorse the District AWPB of RLRP prepared by the District Programme Liaison Officer (DPLO), with the assistance of service providers, and ensure its alignment with the District Development Plan and IFAD's operational procedures. The DPLO will also monitor the implementation of the District AWPB and submit progress reports to the SPCU through the Director of Agriculture. The RLRP shall pay operational allowances to the designated Director and the DPLO. All recruitment or secondment to the SPCU and to the position of the DPLO shall be subject to IFAD no-objection.
122. IFAD will supervise the RLRP directly, conducting field missions directly where feasible or through TPIPs engaged to augment the IFAD supervision activities through periodic monitoring and reporting on project implementation, especially in hard-to-reach areas due to insecurity and poor accessibility. The IFAD Country Team and the country presence officer based in Nairobi will monitor and follow-up the implementation of the RLRP, and support policy engagement, KMC, and partnership building.

b. Financial Management, Procurement and Governance

123. The official grant recipient will be the Ministry of Finance and the lead implementation agency for RLRP will be the MoAI. Within the MoAI, the NPCU will include a finance team. In each of the participating Federal Member State (FMS), there will also be a focal accounting assistant. At the NPCU, the finance team will be responsible, among others, of: (i) the preparation of annual work plan and budget (AWPB); (ii) the management of the project's treasury; (iii) the solidity of the internal control system; (iv) the recording of financial transactions; (v) the preparation of accurate and consolidated financial reporting (vi) the close follow-up of transactions at the SPCUs and central level to ensure eligibility of the expenditures; (vi) coordination of internal and external audit; and (vi) compliance with IFAD rules and procedures related to FM. RLRP is going to be the first IFAD project to be implemented directly by the Somalian government using national systems. Given IFAD lack of experience, the proposed financial management (FM) arrangements have been anchored on the lessons learned from the World Bank whose projects in Somalia fully rely on country systems. The FM arrangements will ensure: smooth flow of funds to implementing agencies/units; funds are accounted for accurately and used for the intended purposes; auditing arrangements are acceptable, and control risks are mitigated through adequate internal controls.
124. Staffing. The Financial Management team (FM) of the RLRP will be constituted by competitively recruited consultants and namely: (i) a Financial Controller and a Project Accountant at the NPCU in the MoAI; and (ii) an Accounting Assistant at the SPCU in each of the targeted FMS. For each hired specialist, there will be a seconded civil servant whose capacity will be built up by its recruited counterpart.
125. Accounting and Financial Reporting. The accounting hub of RLRP will be the MoAI (with the PCU as its Secretariat). RLRP will rely on the Government Integrated Financial Management System (SFMIS) which will be configured be able to process payments directly from the Designated Account (DA) as well as to ensure accounting of all expenditures by sources of financing, components and categories. Therefore, on one hand SFMIS is a payment processing platform while on the other hand it will function as the project accounting software. In line with government regulations and practices, the RLRP will adopt the International Public Sector Accounting Standards (IPSAS)- Cash Basis.
126. The NPCU will be responsible for the preparation of quarterly and annual consolidated financial reports as well as monthly management accounts. The quarterly reports will be submitted to IFAD 45 days after the end of each reporting period. Unaudited financial reports will also be submitted to IFAD within 4 months from the end of the fiscal year.
127. Budgeting: SFMIS also has a budgeting tool. The project AWPB will always be part of that of the MoAI budget, but clearly coded with filter features. The annual budget will be approved within the government budget system through the budget law. The national budgeting window opens in September with another window only opening up the following June. The first budget for RLRP will therefore be captured in the June 2024 budgeting. After approval, the budget is then posted by the Budgeting Department of the MoF. SFMIS can automatically generate budget follow-up reports and block payments on activities that have exceeded their budget allocations.
128. Internal controls. RLRP will dispose of a solid internal control system, which will be ensured by a strict segregation of duties among project staff and by the additional layer of checks and controls embedded in the SFMIS system. In the transaction processing and approval cycle, passed through the SFMIS system, a key role will be played by the office of the Accountant General who will perform additional checks and validate each transaction before they are sent for payment at the level of the Central Bank. All physical supporting documents will be held at the NPCU, archived and stored appropriately as defined in the PIM.
129. During the start-up phase of the project IFAD will also explore the possibility of including the project in the workplan of the internal control unit of the MoAI. However, given country fragilities, provisions have been made to recruit an accounting firm to provide internal audit services for at least 10 days per quarter.
130. External Audit: The Supreme Audit Office of Somalia has the Statutory Responsibility to audit all Government Projects such as the RLSP. At their discretion, and in consultation with IFAD, the Supreme audit office can appoint private audit firms to carry out the audit. IFAD will have to review the audit Terms of Reference and provide No Objection prior to commencement of the audit. The auditing standards applied will be the international standards on Auditing (ISA). The audit calendar and other processes are detailed in the PIM.

131. Procurement. The MoAI will approve the AWPB and review the reports and audit of the RLRP. The NPCU under the MoAI will be responsible for: (a) managing the procurement of goods, works and services and contract implementation for all programme activities; (b) developing the AWPB, and undertaking the M&E and KMC of programme activities; and (c) reporting on implementation progress and results to IFAD and MoAI. The procurement of goods, works and services of RLRP shall be carried out in accordance with the provisions of the IFAD Procurement Guidelines. The programme will periodically review the application of related procurement laws, regulations and procedures; and, the adequacy and performance of the procurement plan (PP) including its information disclosure. The procurement activities will be conducted in a manner ensuring consistency, fairness, value for money, competition and efficiency. Particular attention will be provided and resources directed to implementing procurement provisions and building procurement capacities during the start-up period.
132. An 18-month initial PP has been developed at design, referencing the AWPB for the same period, and thereafter will be prepared and updated consistently. The PP will have information on the types and methods of procurement. As an added risk mitigation measure, procurement will be categorised as either Prior or Post review. In the *prior review* category, a no-objection from IFAD has to be obtained through the IFAD procurement system for each phase of a bid, starting from Expression of Interest to Evaluation to Contract Signing. The thresholds on procurement value will be determined according to the procurement risk assessment of the implementing agency. It will further be ensured that in all procurements, the methods proposed in the PP will be followed.
133. Negotiations will not be permitted for Goods and Works tenders. Negotiations will only be permitted for consulting services as per national procurement rules. Supervision of Works contracts will be done inter-departmentally. Procurement will be conducted by the implementing agencies according to the level of authority structured for the RLRP. A detailed list of common items will be prepared for procurement through the NPCU. All the implementing agencies are required to have the relevant experience and training in the procurement function. Once the new IFAD procurement system is implemented, the required training of staff will be proposed at the appropriate time.
134. Governance. The Public Procurement, Concessions and Disposal Act of 2015 of Somalia, has no Standard Bidding Documents (SBDs), and some key procurement information is not published on the MoF website, <https://mof.gov.so/public-procurement>. In the absence of an independent assessment, e.g. Public Expenditure and Financial Accountability, to justify the application of the procurement methods, the RLRP will use the IFAD Project Procurement Guidelines and Handbook and SBDs. Procurement opportunities will be advertised on 'somalijobs.net', in a widely circulated newspaper, and on the 'Relief Web' (reliefweb.int), and the United Nations Development Business for International Competitive Bidding. Procurement will be monitored through IFAD's project contracts management and monitoring systems, supported by information from TPIPs, and community-watch arrangements to increase confidence. Considering Somalia's Corruption Perception Index ranking of 180th (of 180 countries assessed) in 2022, the RLRP shall apply: the Debriefing, Protest and Appeal mechanisms of the IFAD Procurement Handbook; and integrate the Revised IFAD Policy on Combating Fraud and Corruption, the corruption reporting hotline, and IFAD's contact details for reporting corruption, in all bidding documents.
135. To address the risks related to the governance potential in the RLRP, the design incorporates the following measures for project implementation:
1. 1. *Transparency of information*: Enhanced disclosure provisions including: (i) making all key documents public; (ii) informing all bidders promptly of contract awards and bid evaluation summaries; (iii) allowing representatives of end-users of the goods or works being procured to attend the public bid openings; (iv) making available the details of all contracts awarded; and (v) making available the date of request for contract payments and the date of each payment, with an explanation of the reason for any delays.
136. *Participation and consultation*: Establishing a complaint handling mechanism (and the use of sanctions), through which community members and the general public can channel complaints or inquiries e.g. through the use of mobile phone text messaging. Complaints and inquiries will be systematically recorded and answered. The programme will also post complaints on its website so that case processing will be more transparent. All RLRP staff should be familiarised with the IFAD Anti-Corruption Policy and in case any fraud or corruption is noticed during implementation of the programme, it should be reported to the Investigating Section of the IFAD Office of Audit and Oversight as per procedures defined in the relevant documentation.

L. Planning, M&E, Learning, KM and Communication

a. Planning, M&E, Learning, Knowledge Management and Communication

137. Planning. The activities for operational planning of the RLRP align with the planning and regulatory structure of the FGS. The planning cycle begins with the development of the AWPB, which links budgeting and implementation of activities with monitoring operations. The preparation of the AWPB will follow a participatory approach, starting with the preparation of the CDP at the community level backed by the construction of the District Profile, which serves as contextual diagnostics contributing to community planning. The CDPs are consolidated at the district level, then the participating FMS level, and finalised at the federal level to define the programme AWPB. The AWPB also serves as the M&E instrument to be used to control and track the implementation of programme activities and financial execution.
138. M&E. The M&E Plan will be the first output of the M&E Unit of RLRP, serving as the primary tool to plan, organise, and identify

the activities of the RLRP and the responsible parties. This plan considers the logical framework as the fundamental input for recurrent monitoring of activities and concurrent evaluation processes conducted by the programme. The logical framework (Annex 1) which will be validated by the NPCU, will include the indicators described in M&E Plan, as well as the IFAD core indicators, to ensure continuous tracking of the programme's performance.

139. *M&E system (MES)*. The MES which will be developed by a specialised firm engaged by RLRP, will be based on the approved and validated M&E Plan, and will focus on monitoring the indicators of the logical framework and addressing evaluation needs during programme implementation. A key feature of the MES will be the registration of each programme beneficiary according to their activity, assigning a unique code within the system to ensure a proper identification of programme coverage. The system will be developed in coordination with the relevant public institutions to ensure consistency with the national information systems and the IFAD Operational Results Management System (ORMS). The information collected for the system will include an interactive dashboard for access by all stakeholders.

140. *Management information system (MIS)*. The MIS, also to be developed by an external firm, will primarily focus on the programme implementation process, monitoring and controlling the physical and financial progress of activities. The MIS will include controls for activities performed by personnel according to the Annual Operational Plan.

141. *Progress Reporting*. Reporting will be done on an ongoing basis to closely monitor results and implementation activities, being important tools for the accountability and quality control process. For the development of reports, information will be used, as well as information from third parties and information developed at the community level.

142. The following table shows the primary responsible parties for each reporting activity:

Type of report	Type of information	Source	Primary Responsible
Monthly report	Activities, inputs and outputs (operative), communities information	MES	SPCU
Quarterly report	Monthly reports consolidation, outcomes and financial indicators	MIS/MES	SPCU
Bi-annual report	Quarterly reports consolidation, third parties' requirements and AWPB progress	MIS/MES	NPCU
Annual report	Bi-annual reports consolidation, AWPB report	MIS/MES	NPCU

143. *Baseline survey*. Parallel to the construction of the MES, information will be gathered to establish the baseline situation of potential programme beneficiaries prior to implementation. This tool will be used to adjust the earlier diagnosed programme target areas, and feed into the programme planning process. The baseline survey will be designed based on the M&E Plan to serve as a primary input for the logical framework and future evaluation processes.

144. *Midterm review*. The MTR, which will have a formative and summative approach, will analyse the programme's achievements in the first half of implementation and identify the key challenges and strengths to inform decision-making for the second half of the programme. The MTR will actively involve the MoAI, and primarily focus on the processes and results of the RLRP, providing feedback to the NPCU to adjust activities and align with all the objectives and targets. The MTR will be contracted out, but supervised by the NPCU.

145. *Programme completion report (PCR)*. The PCR of the RLRP will consider the evaluation dimensions defined by the Organisation for Cooperation and Development – relevance, coherence, effectiveness, efficiency, sustainability, and scalability – to comprehensively analyse the entire process carried out during the programme. The PCR, to be conducted by an external firm contracted and supervised by the NPCU, may include an estimation of the programme's attributable impact, using the quantitative and qualitative methodologies suggested in the M&E Plan.

146. *M&E timeline*. The basic schedule of monitoring and evaluation activities is based on the information needs of the program. The first product that is the main input for the other activities will be the Monitoring and Evaluation Plan, which should be developed during the first three months of the program. Based on this output, the MES and MIS should be developed immediately thereafter, with the expectation that they will be operational during the second quarter of the program. Finally, the baseline should be developed during the first semester of the program, so that it can support the activity planning process. The following table summarises the schedule of M&E activities:

M&E Tools	Timeline	Responsible

M&E Plan	1 to 3 months after programme start	NPCU
MIS	1 to 3 months after programme start	NPCU
MES	1 to 3 months after programme start	NPCU
Base line	1 to 6 months after programme start	NPCU with SPCUs support
Mid term review (MTR)	Last quarter of 4th year	NPCU with SPCUs support
Programme Completion Report (PCR)	Last quarter of 8th year	NPCU with SPCUs support

147. *Data collection processes.* Data collection processes under the RLRP, whether internal or outsourced to external firms, will follow the Computer-Assisted Personal Interviewing (CAPI) methodology, to ensure quality control of all data collection processes. Data collected through internal information gathering processes will be digitised and uploaded online daily to the MES and MIS systems, enabling continuous activity monitoring. The CAPI methodology is aligned with the IFAD strategy for *Information and communication technology for development (ICT4D)* [38] aimed at promoting ICT-enabled services in food security interventions in rural areas. For example, for the baseline survey, ICT4D will be used to collect the geo-coordinates of HH locations, curate relevant geospatial data from government and international agencies, and develop maps of locations of production units and infrastructure (markets, input suppliers and processing facilities). During M&E, a geographic information system (GIS) will be used to monitor programme activity locations remotely, including pictures of infrastructure development, mapping beneficiaries targeted and infrastructure developed. Larger infrastructure developments could be verified with high-resolution remote sensing imagery. The RLRP will hire a GIS expert to build the capacity of the M&E team for data collection, spatial analysis and training of field staff. The expert would develop a practical guidance document on how to use GIS to accompany the M&E manual, and how to use data collection tools and GIS software to assemble, manage and analyse data; and, facilitate the procurement of 10-30 GPS for field officers to collect geo-coordinates during their regular activities.

148. *Agile Data Technology for real-time and agile monitoring:* RLRP has been selected to be part of the Gates-funded grant awarded to the Committee for Sustainable Assessment (COSA) "Agile Data" as a candidate to benefit from the "agile data" technology. In a nutshell, COSA can potentially support the modernization of the RLRP M&E infrastructure (e.g. MIS system and routine baseline, mid-term and completion/impact assessment surveys, interim rapid data collection to inform supervision missions and annual monitoring, including stakeholders' feedback processes), by providing the methodology and the technology development and the necessary technical backstopping to local providers and M&E officers while conducting Computer-Assisted Personal Interviewing (CAPI) and Computer-Assisted Telephone Interviewing (CATI) systems, including questionnaires and dashboards development to visualize the data and results. COSA can also backstop and conduct the data analyses so that real time evidence could be effectively produced for the NPCU and SPCUs and all stakeholders involved.

149. All the programme staff and key stakeholders will be trained to identify their roles in the implementation of the developed MES and MIS, and will be provided the necessary tools to fulfil their responsibilities. The training process will be continuous and repeated for each new member joining the NPCU and SPCUs.

150. *Validation.* All external evaluation processes should include, at a minimum, a validation workshop to present the main deliverables, and acquaint the stakeholders on the activities and results achieved by each evaluation.

151. *Learning, Knowledge Management and Communication.* The knowledge management (KM), learning, and communication activities will adhere to the guidelines outlined in the Knowledge Management and Communication (KMC) Plan. This tool will play a critical role throughout the activity planning process as an integral component of the programme monitoring and evaluation framework.

152. *Learning and KM.* The KMC Plan will incorporate a continuous learning process throughout the implementation of the RLRP. One pivotal activity in this process is the systematisation of all quantitative and qualitative data generated within the programme, including: (i) operational planning activities and the development of the CDPs; (ii) the information collected to construct district profiles which can generate evidence on the context and characteristics of each district and community from which the NPCU and the SPCUs can derive insights; (iii) thematic studies and evaluations conducted during the implementation of the RLRP, to serve as a another source of evidence and lessons learned; and (iv) the experiences and lessons obtained during the implementation of the programme components. The SPCU M&E Officer will systematise the data and submit to the NPCU for the preparation of consolidated documents that can be shared with key stakeholders through the communication mechanisms

defined in the communication strategy. The dissemination of these documents will contribute to the strengthening of public institutions.

153. *Communication*. The RLRP Communication Strategy will be developed within the framework of the KMC Plan and closely aligned with the PME framework. The strategy will be tailored to different audiences and key stakeholders, depending on the messages' objectives and functions. The internal communication will focus on effective coordination between the NPCU, SPCUs and the district implementation teams, while the external communication will address the key stakeholders, including the beneficiaries, financiers, public and private institutions, implementing partners, and civil society. The external communication will also include an advocacy strategy targeting potential programme beneficiaries, with a focus on women and youth. It will promote activities tailored to these groups and encourage their active participation in the programme.

b. Innovation and scaling up

154. Most of the innovations from past and ongoing projects in Somalia are digital technologies that were a response to the multiple shocks the country went through in recent years. The RLRP will adapt these innovations for scaling up, as the fragility situation still persists in Somalia, while exploring opportunities to identify innovations that may come up during implementation. The candidate innovations include:
155. From FSSFS - *the e-FOP digital platform*. This innovation, was created in 2020 by PROCASUR a service provider for KMC under FSSFS, in response to the challenge of effective project coordination between the project management team based in Nairobi and the field teams, during the restricted movement measures of the COVID-19 pandemic. The e-FOP, a database-driven web platform, facilitated management coordination through remote meetings, to monitor field project implementation, and provide technical backstopping to the field teams. It also facilitated knowledge sharing with project partners and the creation of a virtual community of practice. This innovation will be adapted to the RLRP plan for KMC in the context of the current inaccessibility of many proposed programme locations.
156. From FSSFS - *the Biometric Registration, Identification and Management System (BRIMS)* to register all the project beneficiaries and store their records electronically to authenticate that the right targeted beneficiaries are receiving the intended project support, especially in areas with limited access and volatile security. The RLRP will incorporate this best practice in its M&E Plan.
157. From PET - *the use of the pictorial evaluation tools*, developed by FAO for assessment of livestock health and productivity in Somaliland. A Body Condition Score of the livestock is generated by matching the rapid observation of a single site on the body with photo-indicators presented in the manual or app. The tool is also being used by FAO for food security monitoring purposes, including for the assessment of crop harvests, in Ethiopia and South Sudan. The M&E evaluation activities will benefit from collaboration with FAO on the use of the tool, especially in insecure locations, linked with the ICT4D plan of the RLRP.

M. Project Target Group Engagement and Feedback, and Grievance Redress

a. Project Target Group Engagement and Feedback.

158. Objective and responsibility. The purpose of the engagement and feedback process is to achieve effective stakeholder involvement and promote greater awareness and understanding of issues so that the RLRP is implemented effectively within budget and on-time. The goals of the public consultations are to provide the RLRP with: (i) the status of implementation of the identified measures; (ii) a sense of the concerns, priorities, and aspirations of the community members as they implement the measures; (iii) information to shape the programme as it progresses; and (iv) when possible, specific recommendations and proposals. The NPCU will be responsible to ensure effective implementation of the engagement/feedback process by: (a) promoting openness and communication; (b) ensuring effective stakeholder involvement; and (c) evaluating the effectiveness of the engagement plan in accordance with the expected outcomes.
159. Identifying target groups. The stakeholders are defined as all those people and institutions that have an interest in the successful planning and execution of the RLRP activities, including: people that are likely to be positively or negatively affected by the RLRP, people living in the vicinity of the proposed works and activities, special interest groups, and vulnerable, marginalised and disadvantaged individuals or groups. The NPCU's Environmental and Climate Specialist will share information about the subprojects with the public to enable them make meaningful contributions to the implementation of the RLRP. The NPCU will develop a detailed Public Consultation Plan (PCP), identifying all possible stakeholders, their specific information needs, and the appropriate modes of consultation as well as feedback mechanisms.
160. Information disclosure. Depending on their interests, how they will be affected by the RLRP or themselves affect the programme, various communication tools will be utilised to engage the stakeholders, including: local newspapers, radio advertisements, direct mailings to communities, presentations with or without focus group sessions, targeted mail, one-on-one meetings, presentations, seminars, and general use of social media.
161. Stakeholder engagement. The approaches to be used to mobilise participation, build relationships with stakeholders, and obtain feedback from the expected or actual beneficiary communities and stakeholders throughout the programme cycle, include: (i) briefing the stakeholders about the RLRP activities, who are likely to be impacted; (ii) scheduled regular updating meetings with key stakeholders; (iii) suggestion boxes at the PCU offices; (iv) engaging stakeholders in participatory planning, such as through public consultations during the preparation of terms of reference for environmental assessment and its conduct; (v) engaging stakeholders in participatory M&E; (vi) conducting beneficiaries surveys to assess progress, gauge their satisfaction with services delivered, and evaluate programme results at midterm and end-term, or at shorter intervals, as needed; and (vii) including beneficiary representatives as members of the SPSC, to induce a higher degree of beneficiary influence over decision making.

b. Grievance redress.

162. Rationale for grievance mechanism. The grievance redress mechanisms (GRM) provides a formal avenue for affected groups or stakeholders to engage with the project owners or implementers on issues of concern or unaddressed impacts. A grievance is any complaint or suggestion about the way a project is being implemented. IFAD requires that parties adversely or potentially adversely affected by IFAD-supported projects and programmes should be able to bring the issues to the Fund's attention. IFAD's Social, Environmental and Climate Assessment Procedures (SECAP) outline the requirements for GRMs for projects. Below is a summary of the GRM for RLRP. Further details are provided in the SECAP Note and in the PIM.
163. The RLRP GRM. Some communities in Somalia maintain a community-based system for grievance redress through the village leadership and the Elders/Clan Council. The involvement of the village leadership in grievance redress allows for swift resolution given their knowledge of the community and proximity to the members. The RLRP will make efforts to ensure that complaints are resolved at the community level. Residual grievances, which are not resolved within the traditional system, are resolved through a formal GRM. IFAD's GRM provides a complaints procedure for alleged non-compliance with the SECAP. The mandate of the GRM is to: (i) facilitate grievance resolution in a manner that is fair, objective and constructive; (ii) enhance the environmental and social outcomes of projects; and (iii) foster public accountability and learning to enhance the environmental and social performance of IFAD and reduce the risk of harm to people and the environment.
164. The NPCU will establish communication channels at community level to file complaints, providing contact information (including postal code, phone number and/or email) and information on the process to file a complaint, in all meetings, workshops and other related events throughout the life of the RLRP. RLRP will include in the various capacity building activities information on the GRM and will organise consultations to determine the most suitable way for beneficiaries and stakeholders to communicate their concerns and ideas.
165. *Level 1 of the GRM.* Affected beneficiaries and community members will submit their complaints in writing on standard forms. The village leadership may assist the claimants to put their complaints and claims in writing. The complaint should indicate the direct and material harm presently or expected in the future. The received complaints will be registered, investigated and resolved by the relevant SPCU officer and the implementing entity. The SPC, with support from the M&E Officer will be responsible for recording the grievance and how it was addressed, if a resolution was agreed.
166. *Level 2.* If the grievance is not resolved at the FMS level, it will be escalated to the NPCU. Received complaints will be registered, investigated and resolved by the NPCU together with the concerned district and FMS authorities. The PSC should be made aware of the complaint and the measures being taken to address it. The NPC and the Environment and Climate Specialist, with support from the M&E Specialist will be responsible for recording the grievance and how it has been addressed if a resolution was agreed.
167. *Level 3.* A complaint that is not resolved at level 2, must be submitted to IFAD by downloading the complaint form below:
- - (<https://www.ifad.org/documents/38711624/40169860/IFAD+Complaints+Submission+Form+Final+Draft+%28Downloadable%29.docx/52c75cad-439f-4e4a-8a70-45056ebde826>) and sending an email to SECAPcomplaints@ifad.org; or
 - a mail to: *IFAD SECAP Complaints (PMD), Via Paolo di Dono 44 00142 Rome, Italy.*
168. Complaints can be submitted in any language by letter, e-mail and/or web form (available on IFAD's website). Any communication thereafter will be in English with a translation into the Somali language. Processing of complaints not submitted in English may require additional time due to the need for translation. IFAD will timely notify the complainant of any delays caused by translation.

N. Implementation plans

a. Supervision, Mid-term Review and Completion plans.

169. Implementation readiness and start-up plans. RLRP will be presented to the IFAD Executive Board in December 2023. The IFAD-FGS grant agreement will be signed in the first quarter of 2024. In the early stages of implementation, the following activities will take place: (i) recruitment of the key staff; (ii) refinement of the 18-month draft AWPB and PP; and (iii) procurement of goods and services required for programme start-up. With the programme staff in place, a *start-up workshop* will be organised with all stakeholders and implementation partners at the federal, FMS and district levels, to: acquaint the participants with the implementation modalities of the RLRP and the IFAD guidelines and procedures; refine the draft PIM; and, enrol in and train relevant RLRP staff on IFAD corporate systems, such as the Online Project Procurement End-to End System (OPEN) which promotes transparency, competition and value for money. Specific attention will be provided and resources directed to implementing procurement provisions and building procurement capacities during the start-up period.
170. Supervision and implementation support missions will be organised jointly by the FGS and IFAD to address implementation related issues and review progress. An early implementation support mission will be mobilised within the first three months of the programme effectiveness to cover any gaps in the PIM and PDR. In the early stages of implementation, IFAD will aim at conducting annually two supervision and implementation support missions, one remote and one in person. In addition to addressing implementation related issues, each supervision mission will assess the overall physical and financial performance of the RLRP and submit a full supervision report in IFAD corporate systems. Monthly meetings will be organised between the NPCU and the IFAD Country Team to update on implementation progress.
171. An MTR will be undertaken in 2028 to assess whether the RLRP is on course to achieve its goal and project development objective. A midterm outcome survey will be conducted by the NPCU to inform the MTR. The MTR recommendations may lead to adjusting the targets of the RLRP as well as reallocating between the grant categories.
172. A programme completion review (PCR) mission will be conducted in the period between completion and closure to fully capture the programme performance. The mission will focus on issues related to relevance, effectiveness, efficiency and sustainability as well as rural poverty impact (e.g. HHs' income and assets, human and social capital, food security). With IFAD embarking on a revamped partnership with the FGS, the PCR will assess the performance of IFAD and Government in supporting RLRP as a marker for support to future projects, and scaling up for wider development impact. An impact and outcome survey, adhering to the IFAD core outcomes indicators (COI) guidelines, will be conducted to feed into the completion assessment of the RLRP's development effectiveness and implementation performance.

Footnotes

- [1] UNFPA. World Population Dashboard Somalia. <https://www.unfpa.org/data/world-population/SO>
- [2] World Bank Indicators. <https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=SO>
- [3] Countryeconomy.com. <https://countryeconomy.com/gdp/Somalia#:~:text=The%20GDP%20figure%20in%202022,million%20with%20respect%20to%202021>
- [4] World Bank (2023). Somalia Overview. <https://www.worldbank.org/en/country/somalia/overview>
- [5] Ministry of Planning, Investment and Economic Development (2019). Somalia National Development Plan 2020 to 2024. <http://mop.gov.so/wp-content/uploads/2019/12/NDP-9-2020-2024.pdf>
- [6] World Bank (2019). Somali Poverty and Vulnerability Assessment, Findings from Wave 2 of the Somali High Frequency Survey. <https://elibrary.worldbank.org/doi/pdf/10.1596/32323>
- [7] FAO (2022). World Food and Agriculture - Statistical Yearbook 2022. <https://www.fao.org/3/cc2211en/cc2211en.pdf>
- [8] Integrated Food Security Phase Classification (IPC). Somalia: Acute Food Insecurity Situation January-March 2023 and Projection for April-June 2023. <https://www.ipcinfo.org/ipc-country-analysis/details-map/en/c/1156238/>
- [9] Fragile States Index (2023). <https://fragilestatesindex.org/country-data/>
- [10] MoAI (2022). Agricultural Development Strategic Plan 2022-2026. Draft.
- [11] Ministry of Health and Human Services (2020). Somalia Nutrition Strategy. <https://www.unicef.org/somalia/media/1756/file/Somalia-nutrition-strategy-2020-2025.pdf>
- [12] FRS (2015). Draft National Gender Policy. <https://www.mwhrd.gov.so/en/wp-content/uploads/2018/10/Draft-of-National-Gender-Policy-4.pdf>
- [13] FRS (2017). The National Youth Policy of The Federal Government of Somalia. <https://somalia.unfpa.org/sites/default/files/pub-pdf/UNFPA%20Somalia%20National%20Youth%20Policy%20Eng%20fa.pdf>
- [14] FRS (2019). Somali Women's Charter. <https://www.mwhrd.gov.so/en/wp-content/uploads/2019/11/Somali-Womens-Charter-MoWHRD-April-8-2019-1.pdf>
- [15] UNICEF (2021). Somalia Emergency Response and Preparedness Plan. <https://reliefweb.int/report/somalia/somalia-emergency-response-and-preparedness-plan-2021-conflict-floods-drought-april>

[16] FRS (2021). Updated Nationally Determined Contribution.

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

[17] This National Youth Policy defines Somali youth as aged between 15 and[1] 40 years old. But the RLRP will focus on the youth aged 18-35 given the focus of the project interventions and to reduce the risk of encouraging drop out from school for the ones below 18 years.

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[18] National Bureau of Statistics, FGS (2023). 2022 Somalia Integrated Household Budget Survey (SIHBS). February 2023.

[19] Integrated Food Security Phase Classification (IPC). Somalia: Acute Malnutrition Situation March 2023 and Projection for April-June 2023. <https://www.ipcinfo.org/ipc-country-analysis/details-map/en/c/1156309/?iso3=SOM>

[20] Global Nutrition Report (2022). Country Nutrition Profiles.

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

[22] IFAD-CEFA: Food Security and Sustainability in Fragile Situations (FSSFS): June 2019 – June 2023.

[23] 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.

[24] 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.

[25] 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-ffb9-28cb-d0cc0bfd9230?t=1671023226557>

[26] Food Security and Sustainability in Fragile Situations (FSSFS). Grant Supervision Report June 2022

[27] Affirmative actions during the RLRP implementation may include a) use of quotas for young men and women to be represented in CDPs, selected value chains and enterprises; b) setting quantitative targets for participation in project activities; c) using eligibility criteria suited to the resource endowments of the youth target groups; d) conduct of gender, youth and pro-poor sensitisation of third-party stakeholders in value chains and enterprises; and e) youth profiling and mapping before developing value chain and agribusiness plans.

[28] Wikipedia. https://en.wikipedia.org/wiki/List_of_regions_of_Somalia_by_Human_Development_Index. The 5 regions with the lowest indices are: Bakool, Bay, Hiran, Galguduud and Middle Juba, in descending order.

[29] The canals to be rehabilitated are reflected in the CDPs of different communities on existing community-owned irrigation areas that went moribund because of civil unrest etc., and will not entail opening new land which will encourage land grabbing.

[30] <https://reliefweb.int/report/somalia/federal-government-somalia-ministry-energy-and-water-resources-national-water>

[31] <https://www.ifad.org/documents/38714170/46847063/lessons-extension-services.pdf/e7b2bbe5-c1d7-1438-21c7-1fb903efeafb?t=1669635950998#:~:text=Most%20IFAD%20loan%20projects%20invest,climate%20change%2C%20nutrition%20and%20sustainable>

[32] CSA practices include: conservation agriculture, vermicomposting agroforestry, new drought tolerant, high yielding, and early maturing *seed varieties*, sustainable water management, and waste; **for livestock**: introduction of drought and stress tolerant *improved breeds of shoats and pasture species*, building capacity of shoat producers on good animal husbandry, and climate-smart practices like strategic destocking of livestock in anticipation of drought, supplementary feeding (including minerals and vitamins, good quality forages and hay), simple diet formulation, rangeland management, including rotational grazing to recover vegetation, and restoration of degraded areas.

[33] During stakeholder consultative meetings, Microfinance Institutions (MFIs) and Banks actively participated and demonstrated strong interest in working with the project.

[34] The project will only encourage existing or new women/ youth owned enterprises. The grants are not expected to lower market prices for competitors but aimed at enhancing capacity of project supported entrepreneurs. Please note that the scale of this intervention will be small, also with a view to avoiding market disruptions.

[35] Concern Worldwide (2020). Somalia mapping financial services report. <https://www.concernusa.org/wp-content/uploads/2020/08/Concern-Worldwide-Somalia-Mapping-Financial-Services-Report-May-2020.pdf>

[36] World Bank (2023). Somalia Crisis recovery Project (SCR). <https://projects.worldbank.org/en/projects-operations/procurement-detail/OP00230013>. The Institutional Infrastructure and Capacity Development subcomponent of the project aims to build the capacity of the MoAI at the federal and state levels to provide high-quality public services to the agri-food sector by: (i) sponsoring higher education for ministerial staff, recruiting technical specialists, training staff, and establishing knowledge partnerships with relevant organizations in the region; and (ii) building climate-resilient physical government facilities (such as offices).

[37] Dakar 2 - Somalia Country Food and Agriculture Delivery Compact (2023). <https://www.afdb.org/en/documents/somalia-country-food-and-agriculture-delivery-compact>

[38] IFAD (2019). Information and Communication Technology for Development (ICT4D) Strategy 2020-2030. <https://webapps.ifad.org/members/eb/128/docs/EB-2019-128-R-5.pdf>

Somalia

Rural Livelihoods Resilience Programme

Project Design Report

Annex 1: Logframe

Mission Dates: 20/06/2023 - 13/07/2023

Document Date: 31/10/2023

Project No. 2000004325

Report No. 6602-SO

Near East, North Africa and Europe Division
Programme Management Department

Rural Livelihoods Resilience Programme

Logical Framework

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
Outreach Project outreach in terms of beneficiaries receiving project services and corresponding households and HHs members	1 Persons receiving services promoted or supported by the project				M&E system	semester/annual	PMU	No major conflict or climate related incidents causing mass displacement
	Males	0	27	90				
	Females	0	27	90				
	Young	0	21	72				
	Not Young							
	Non-Indigenous people							
	Total number of persons receiving services	0	54	180				
	1.a Corresponding number of households reached				M&E system	semester/annual	PMU	
	Women-headed households	0	4	15				
	Non-women-headed households	0	4	15				
	Households	0	15	30				
	1.b Estimated corresponding total number of households members				M&E system	semester/annual	PMU	
	Household members	0	90	180				
	Internally displaced people (IDPs) receiving services promoted or supported by the project				M&E system	semester/annual	PMU	
	IDPs	0	13	27				
	IDP-headed households		750	1				

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
Project Goal Contribute to improved and resilient livelihoods of rural smallholders in Somalia	HHs reporting increase in income (disaggregated for women and IDPs)				COI HH survey	BL, MT, End	PMU	Political stability maintained. Improved macroeconomic conditions. Change in weather patterns not as drastic as predicted.
	HHs	0	10	20				
	Women	0	10	20				
	IDPs	0	5	10				
	HHs with reduction in Food Insecurity Experience Scale (FIES)				HH survey - FAO FIES methodology (to be added to COI)	BL, MTR/PCR	PMU	
	Households	0	5	10				
	Percentage increase in the Ability to Recover from Shocks (ATR) - Resilience Capacity				COI HH survey	BL, MT, End	PMU	
Increase	0	7	15					
Development Objective sustainably increase productivity, incomes and nutrition security and enhancing resilience of SH families in Somalia	2.2.1 Persons with new jobs/employment opportunities				COI HH survey	Base line study, Mid-term study and PCR	PMU	"Political stability maintained. Improved macroeconomic conditions. Change in weather patterns not as drastic as predicted. "
	Males	0	4	9				
	Females	0	4	9				
	Young	0	3	7				
	Total number of persons with new jobs/employment opportunities	0	8	18				
Outcome Outcome 1: Strengthened resilience and inclusive communities with enhanced social cohesion so that able to define their livelihood development pathways and manage conflict.	SF.2.1 Households satisfied with project-supported services				COI HH outcome survey	BL, MT End	PMU	Political and social stability in community - the CDD approach facilitates social cohesion
	Household members	0	67	135				
	Non-indigenous households							
	Non-women-headed households							
	Households (%)	0	38	75				
	Households (number)	0	11	22				
	SF.2.2 Households reporting they can influence decision-making of local authorities and project-supported service providers				COI HH survey	BL, MTR, End	PMU	
	Household members	0	67	135				

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
	Non-indigenous households							
	Non-women-headed households							
	Households (%)	0	38	75				
	Households (number)	0	11	22				
	3.2.2 Households reporting adoption of environmentally sustainable and climate-resilient technologies and practices				COI HH survey	BL, MT, End	PMU	
	Total number of household members	0	81	162				
	Households	0	45	90				
	Households	0	13	27				
	2.2.6 Households reporting improved physical access to markets, processing and storage facilities				COI HH survey	BL, MT, End	PMU	
	Households reporting improved physical access to markets	0	38	75				
	Size of households	0	67	135				
	Households reporting improved physical access to markets	0	11	22				
	1.2.9 Households with improved nutrition Knowledge Attitudes and Practices (KAP)							
	Indigenous households							
	Non-indigenous households							
	Women-headed households							
	Non-women-headed households							
Households (number)								
Households (%)								
Household members								

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
Output 1.1 Strengthening community governance and services	3.1.1 Groups supported to sustainably manage natural resources and climate-related risks				M&E system	semester/annual	PMU	Political and social stability in community
	Total size of groups	0	6	12				
	Groups supported	0	7	15				
	Males	0	3	6				
	Females	0	3	6				
	Young	0	2	4				
	Number of communities with CDPs developed				M&E system	semester/annual	PMU	
	Communities	0	7	15				
	Number of district profiles developed				MIS/MES	semester/annual	PMU	
	District profiles developed		3	5				
Output 1.2. Community investment support	2.1.6 Market, processing or storage facilities constructed or rehabilitated				M&E system - GIS	semester/annual	PMU	Political and social stability in community
	Total number of facilities	0	17	34				
	Market facilities constructed/rehabilitated	0	3	6				
	Processing facilities constructed/rehabilitated	0	2	4				
	Storage facilities constructed/rehabilitated	0	12	24				
	Number of institutions formed				M&E system	semester/annual	PMU	
	Institutions	0	18	36				
	Number of people trained for O&M				M&E system	semester/annual	PMU	
	individuals trained	0	3	6				

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
Outcome Outcome 2: increased production and productivity of priority crops and animals for resilience, dietary diversity and food security.	1.2.8 Women reporting minimum dietary diversity (MDDW)				COI HH survey	BL, MT, End	PMU	"Improved macroeconomic conditions. Change in weather patterns not as drastic as predicted. "
	Women (%)	0	35	70				
	Women (number)	0	31	63				
	Households (%)	0	35	70				
	Households (number)	0	5	10				
	Household members	0	63	126				
	Women-headed households							
	Non-women-headed households							
	1.2.1 Households reporting improved access to land, forests, water or water bodies for production purposes				COI HH survey	BL, MT, End	PMU	
	Households reporting improved access to water	0	15	30				
	Size of households reporting improved access to water	0	27	54				
	Total no. of households reporting improved access to water	0	4	9				
	1.2.4 Households reporting an increase in production				COI Outcome survey	BL, MTR, completion	PMU	
	Total number of household members	0	45	90				
Households	0	25	50					
Households	0	7	15					
Output Output 2.1: Resilient crop and livestock value chains	1.1.3 Rural producers accessing production inputs and/or technological packages				M&e System	semester/annual	PMU	No significant changes affecting the agriculture and livestock sectors Change in weather patterns not as drastic as predicted.
	Males	0	2	5				
	Females	0	1	3				
	Young	0	1	2				
	Total rural producers	0	3	8				

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
	1.1.4 Persons trained in production practices and/or technologies				M&E system	semester/annual	PMU	
	Total number of attendances to training sessions	0	5	15				
	Men trained in livestock	0	3	9				
	Women trained in livestock	0	2	6				
	Young people trained in livestock	0	1	4				
	Total persons trained in livestock	0	5	15				
	1.1.8 Households provided with targeted support to improve their nutrition				M&E system	semester/annual	PMU	
	Total persons participating	0	12	26				
	Males	0	6	13				
	Females	0	6	13				
	Households	0	13	27				
	Household members benefitted	0	81	162				
	Non-Indigenous people							
	Young	0	5	10				
Not Young								
Non-women-headed households								
Output Output 2.2: Entrepreneurship for value chain development	2.1.2 Persons trained in income-generating activities or business management				M&E system	semester/annual	PMU	
	Males	0	6	11				
	Females	0	4	11				
	Young	0	3	7				
	Persons trained in IGAs or BM (total)	0	10	22				
	Number of feed and fodder production systems implemented				M&E system	semester/annual	PMU	

Results Hierarchy	Indicators				Means of Verification			Assumptions			
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility				
	Hectares of land	0	200	400							
	2.1.1 Rural enterprises accessing business development services				M&E System	semester/annual	PMU				
	Size of enterprises	0	9	18							
	Rural enterprises	0	1	3							
	Women in leadership position	0	2	5							
	1.1.5 Persons in rural areas accessing financial services										
	Total number of accesses to financial services	0	1500	3000	M&E system	semester/annual	PMU				
	Men in rural areas accessing financial services - credit	0	375	750							
	Women in rural areas accessing financial services - credit	0	375	750							
	Young people in rural areas accessing financial services - credit	0	300	600							
	Total persons accessing financial services - credit	0	750	1500							
	Total persons accessing financial services - insurance	0	750	1500							
	Men in rural areas accessing financial services - insurance	0	375	750							
	Women in rural areas accessing financial services - insurance	0	375	750							
	Young people in rural areas accessing financial services - insurance	0	300	600							
	Policy 3 Existing/new laws, regulations, policies or strategies proposed to policy makers for approval, ratification or amendment							Qualitative assessment	BL, MT, End	PMU	"Government leadership Consultation platform set-up "
Outcome Outcome 3: Improved local governance due to a strengthened policy and institutional environment and sustainable local and national policies	Number	0	1	2							

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
Output 3.1 Strengthen institutional capacity - Local policies are developed through support by KMC programme activities.	Number of government members trained				M&E System	Semester/annual	PMU	"Government leadership and effective policy support provided - Consultation platform set-up "
	Males	0	20	100				
	Females	0	5	40				
	Policy 1 Policy-relevant knowledge products completed				KMC reporting and M&E system	annual	PMU	
	Number	0	1	2				

Somalia

Rural Livelihoods Resilience Programme

Project Design Report

Annex 2: Theory of change

Mission Dates: 20/06/2023 - 13/07/2023

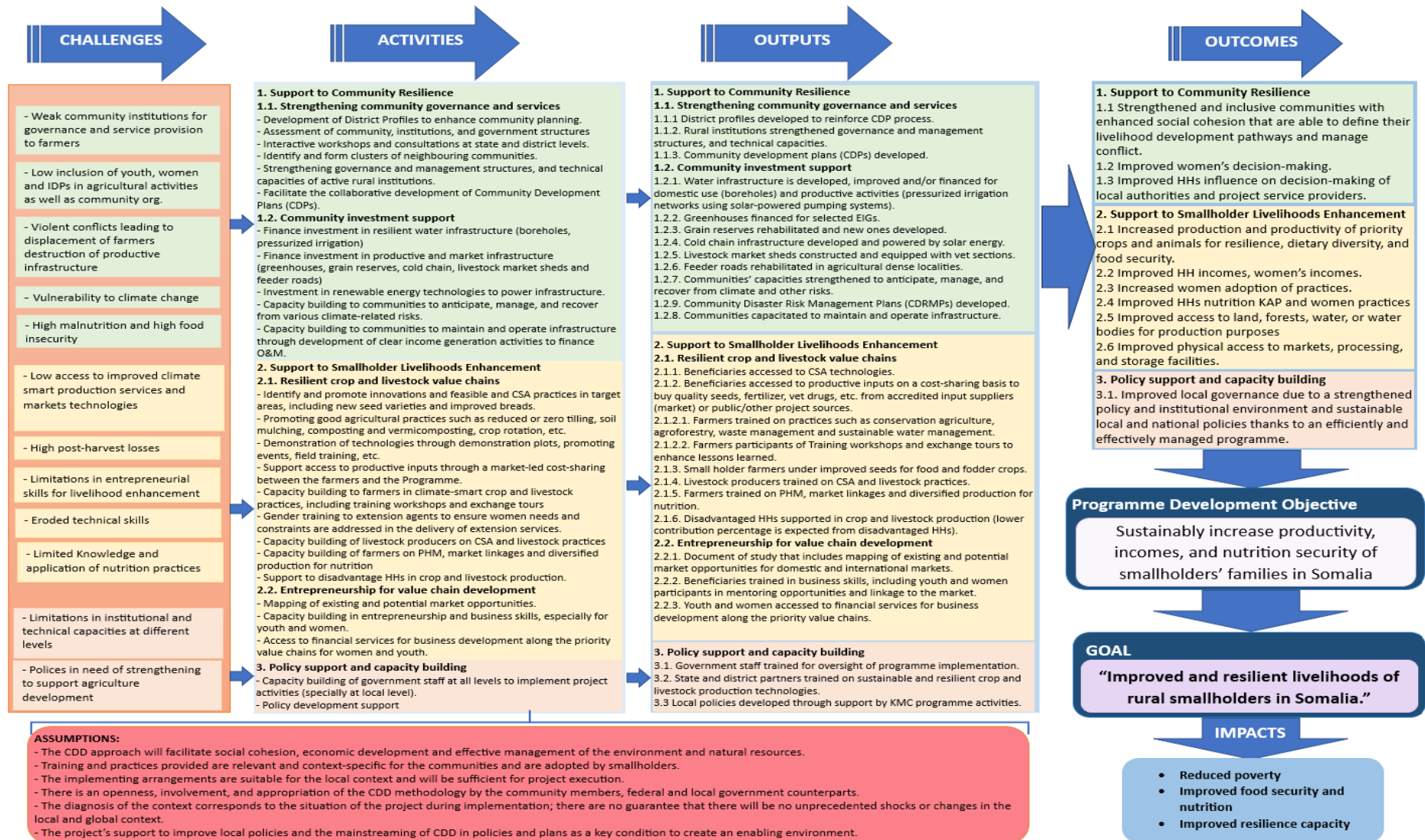
Document Date: 31/10/2023

Project No. 2000004325

Report No. 6602-SO

Near East, North Africa and Europe Division
Programme Management Department

Annex 2: ToC Diagram



Somalia

Rural Livelihoods Resilience Programme

Project Design Report

Annex 3: Project cost and financing: Detailed costs tables

Mission Dates: 20/06/2023 - 13/07/2023

Document Date: 31/10/2023

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Near East, North Africa and Europe Division
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Annex 3: Programme cost and financing: Detailed costs tables

a. Project costs

The investment and recurrent costs for RLRP, including price and physical contingencies, over an 8-year implementation period are estimated at US\$ 31.2 million. The costs include base costs of US\$ 29 million and estimated price and physical contingencies of US\$ 1.8 million.

The financing gap of US\$ 13.9 million may be sourced through co-financing identified during implementation.

The overall investment costs are estimated at US\$ 26.98 million (86 percent of total costs) with recurrent costs at US\$ 4.24 million (14 percent of total costs). The cost allocation by component is as follows: Component 1- Support to Community Resilience Capacity, US\$ 11.61 million, equivalent to 37 percent of the overall project investment; Component 2 - Support to Smallholder Livelihoods Enhancement, US\$ 14.29 million (46 percent); and Component 3 - Programme Coordination and Capacity Building, US\$ 5.3 million, equivalent to 17 percent of the overall project costs.

Table 1: Programme costs by component (and sub-components) and financier

(Thousands of United States dollars)

SOMALIA Rural Livelihoods Resilience Programme (RLRP) Components by Financiers (US\$ '000)														
	Federal FGS		IFAD		Other Co-Financing		FMS		Beneficiaries		Total		For. Exch.	Local (Excl. Taxes)
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%		
A. Support to Community Resilience Capacity														
Strengthening Community Governance and Services			1 571	1 571	2 154	58	-	-	-	-	3 725	12	364	3 361
Community Investment Support			2 828	2 828	2 929	37	1 212	15	924	12	7 892	25	769	7 123
Subtotal			4 399	4 399	5 083	44	1 212	10	924	8	11 617	37	1 133	10 484
B. Support to Smallholder Livelihoods Enhancement														
Resilient Crop and Livestock Value Chains			2 444	2 444	4 378	55	-	-	1 155	15	7 977	26	772	7 206
Entrepreneurship for Value Chain Development			1 815	1 815	2 792	44	788	13	921	15	6 316	20	606	5 709
Contingency, Disaster and Risk Mitigation.			-	0	-	-	-	-	-	-	-	-	-	-
Subtotal			4 259	4 259	7 169	50	788	6	2 077	15	14 293	46	1 378	12 915
C. Programme Coordination and Capacity Building														
Programme Coordination and Capacity Building	700	13	2 942	2 942	1 668	31	-	-	-	-	5 310	17	512	4 799
Total PROJECT COSTS	700	2	11 600	11 600	13 920	45	2 000	6	3 000	10	31 220	100	3 023	28 197

Table 2: Project costs by expenditure category and financier

(Thousands of United States dollars)

SOMALIA Rural Livelihoods Resilience Programme (RLRP) Expenditure Accounts by Financiers (US\$ '000)														
	Federal FGS		IFAD		Other Co-Financing		FMS		Beneficiaries		Total		For. Exch.	Local (Excl. Taxes)
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%		
I. Investment Costs														
A. Works			2 416	38	2 198	35	962	15	749	12	6 326	20	618	5 708
B. Training and Capacity Building	40	1	1 519	24	3 432	55	476	8	803	13	6 271	20	601	5 670
C. Consultancies, Studies & TA	659	9	2 804	39	2 866	40	365	5	449	6	7 143	23	697	6 446
D. Goods and Inputs			1 332	25	3 026	58	144	3	746	14	5 248	17	505	4 743
E. Services			647	37	793	45	53	3	253	15	1 747	6	169	1 578
F. Equipment and Materials			247	100	-	-	-	-	-	-	247	1	24	223
Total Investment Costs	700	3	8 966	33	12 316	46	2 000	7	3 000	11	26 982	86	2 614	24 368
II. Recurrent Costs														
A. Salaries and allowances			2 457	64	1 406	36	-	-	-	-	3 863	12	373	3 490
B. Office Operating Costs			178	47	198	53	-	-	-	-	375	1	36	339
Total Recurrent Costs			2 634	62	1 604	38	-	-	-	-	4 238	14	409	3 830
Total PROJECT COSTS	700	2	11 600	37	13 920	45	2 000	6	3 000	10	31 220	100	3 023	28 197

Table 3: Project costs by component and year
(Thousands of United States dollars)

SOMALIA Rural Livelihoods Resilience Programme (RLRP) Project Components by Year -- Totals Including Contingencies (US\$ '000)	Totals Including Contingencies								
	2024	2025	2026	2027	2028	2029	2030	2031	Total
A. Support to Community Resilience Capacity									
Strengthening Community Governance and Services	935	1 411	294	302	311	320	76	78	3 725
Community Investment Support	697	2 259	1 618	1 853	1 028	296	66	76	7 892
Subtotal	1 632	3 670	1 912	2 155	1 338	615	142	154	11 617
B. Support to Smallholder Livelihoods Enhancement									
Resilient Crop and Livestock Value Chains	1 166	1 692	1 482	867	754	818	639	558	7 977
Entrepreneurship for Value Chain Development	930	770	788	811	852	701	721	742	6 316
Contingency, Disaster and Risk Mitigation.	0	-	-	-	-	-	-	-	0
Subtotal	2 096	2 462	2 271	1 678	1 606	1 520	1 361	1 300	14 293
C. Programme Coordination and Capacity Building									
Programme Coordination and Capacity Building	946	709	726	747	652	463	476	591	5 310
Subtotal	946	709	726	747	652	463	476	591	5 310
Total PROJECT COSTS	4 673	6 841	4 909	4 580	3 596	2 598	1 978	2 045	31 220

b. Programme financing/ co-financing strategy and plan

- The programme financing has been arranged as follows: IFAD financing has been estimated at US\$ 11.6 million and this will be financed all over the programme implementation period. Domestic co-financing from the FGS and the participating FMS has been estimated at US\$ 2.7 million (US\$ 0.7 million & US\$ 2 million respectively) in the form of in-kind contribution. Beneficiary contribution has been estimated at US\$ 3 million, and this will be in the form of in-kind contribution to the project. An amount of US\$13.9 million will be financed through other potential co-financiers.

SOMALIA Rural Livelihoods Resilience Programme (RLRP) Financing Plan (US\$ '000)	Foreign	Local	Total	Percent
Federal FGS	67	633	700	2
IFAD	1 146	10 454	11 600	37
Other Co-Financing	1 325	12 595	13 920	45
FMS	195	1 805	2 000	6
Beneficiaries	290	2 710	3 000	10
Total	3 023	28 197	31 220	100

c. Start-up Advance:

- There is provision for start-up advance of up to USD 300,000. This will be limited in purpose to allow RLRP meet its first disbursement conditions. The budget for the start-up activities is presented below.

Rural Livelihoods Resilience Programme (RLRP) Project Start-up Costs	US\$ '000		
	Unit	Quantities	Amount
1. Monitoring and Evaluation			
Start-Up Workshops	Workshop	1	11
2. Knowledge Management			
Staff Training & Workshops	Lumpsum	2	1
3. Hire Firm to Competitively Recruit Key Staff	Lumpsum		40
4. Salaries and Allowances - NPCU			
National Programme Coordinator	Person-Month	5	26
Financial Controller /b	Person-Month	5	21
Project Accountant /c	Person-Month	5	21
5. Salaries and Allowances - 2 FMS			
State Programme Coordinator	Person-Month	10	31
Accounts Assistant /d	Person-Month	10	12
Total			162

- The start-up advance will include preparatory activities among them being a competitively engaged firm with Human Resources competencies to in turn recruit RLRP staff. In the process of recruitment of staff, the firm will invite representatives to participate in key stages like interviews if shortlisted Staff.

Summary Cost Tables

Summary by Components/Sub-components – Baseline and contingencies

SOMALIA Rural Livelihoods Resilience Programme (RLRP) Components Project Cost Summary		(Local '000)			(US\$ '000)			%	% Total
	Local	Foreign	Total	Local	Foreign	Total	Foreign Exchange	Base Costs	
A. Support to Community Resilience Capacity									
Strengthening Community Governance and Services	2 952	328	3 280	2 952	328	3 280	10	12	
Community Investment Support	6 119	680	6 799	6 119	680	6 799	10	25	
Subtotal	9 071	1 008	10 079	9 071	1 008	10 079	10	38	
B. Support to Smallholder Livelihoods Enhancement									
Resilient Crop and Livestock Value Chains	6 089	677	6 765	6 089	677	6 765	10	25	
Entrepreneurship for Value Chain Development	4 748	528	5 275	4 748	528	5 275	10	20	
Contingency, Disaster and Risk Mitigation.	-	-	-	-	-	-	-	-	
Subtotal	10 836	1 204	12 040	10 836	1 204	12 040	10	45	
C. Programme Coordination and Capacity Building									
Programme Coordination and Capacity Building	4 134	459	4 594	4 134	459	4 594	10	17	
Subtotal	4 134	459	4 594	4 134	459	4 594	10	17	
Total BASELINE COSTS	24 041	2 671	26 713	24 041	2 671	26 713	10	100	
Physical Contingencies	2 243	249	2 492	2 243	249	2 492	10	9	
Price Contingencies	1 913	102	2 015	1 913	102	2 015	5	8	
Total PROJECT COSTS	28 197	3 023	31 220	28 197	3 023	31 220	10	117	

Summary by Expenditure Category – Baseline and contingencies

SOMALIA Rural Livelihoods Resilience Programme (RLRP) Expenditure Accounts Project Cost Summary		(Local '000)			(US\$ '000)			%	% Total
		Local	Foreign	Total	Local	Foreign	Total	Foreign	Base
								Exchange	Costs
I. Investment Costs									
A. Works	4 932	548	5 480	4 932	548	5 480	10	21	
B. Training and Capacity Building	4 708	523	5 231	4 708	523	5 231	10	20	
C. Consultancies, Studies & TA	5 597	622	6 219	5 597	622	6 219	10	23	
D. Goods and Inputs	3 960	440	4 401	3 960	440	4 401	10	16	
E. Services	1 341	149	1 490	1 341	149	1 490	10	6	
F. Equipment and Materials	199	22	222	199	22	222	10	1	
Total Investment Costs	20 738	2 304	23 042	20 738	2 304	23 042	10	86	
II. Recurrent Costs									
A. Salaries and allowances	3 015	335	3 350	3 015	335	3 350	10	13	
B. Office Operating Costs	288	32	320	288	32	320	10	1	
Total Recurrent Costs	3 303	367	3 670	3 303	367	3 670	10	14	
Total BASELINE COSTS	24 041	2 671	26 713	24 041	2 671	26 713	10	100	
Physical Contingencies	2 243	249	2 492	2 243	249	2 492	10	9	
Price Contingencies	1 913	102	2 015	1 913	102	2 015	5	8	
Total PROJECT COSTS	28 197	3 023	31 220	28 197	3 023	31 220	10	117	

Summary of Components by year

SOMALIA Rural Livelihoods Resilience Programme (RLRP) Project Components by Year -- Totals Including Contingencies (US\$ '000)		Totals Including Contingencies								
		2024	2025	2026	2027	2028	2029	2030	2031	Total
		A. Support to Community Resilience Capacity								
Strengthening Community Governance and Services	935	1 411	294	302	311	320	76	78	3 725	
Community Investment Support	697	2 259	1 618	1 853	1 028	296	66	76	7 892	
Subtotal	1 632	3 670	1 912	2 155	1 338	615	142	154	11 617	
B. Support to Smallholder Livelihoods Enhancement										
Resilient Crop and Livestock Value Chains	1 166	1 692	1 482	867	754	818	639	558	7 977	
Entrepreneurship for Value Chain Development	930	770	788	811	852	701	721	742	6 316	
Contingency, Disaster and Risk Mitigation.	0	-	-	-	-	-	-	-	0	
Subtotal	2 096	2 462	2 271	1 678	1 606	1 520	1 361	1 300	14 293	
C. Programme Coordination and Capacity Building										
Programme Coordination and Capacity Building	946	709	726	747	652	463	476	591	5 310	
Subtotal	946	709	726	747	652	463	476	591	5 310	
Total PROJECT COSTS	4 673	6 841	4 909	4 580	3 596	2 598	1 978	2 045	31 220	

SOMALIA Rural Livelihoods Resilience Programme (RLRP) Expenditure Accounts by Years -- Totals Including Contingencies (US\$ '000)		Totals Including Contingencies								
		2024	2025	2026	2027	2028	2029	2030	2031	Total
		I. Investment Costs								
A. Works	620	1 866	1 450	1 598	791	-	-	-	6 326	
B. Training and Capacity Building	660	834	875	821	797	803	737	744	6 271	
C. Consultancies, Studies & TA	1 939	2 003	665	684	756	617	185	293	7 143	
D. Goods and Inputs	519	916	921	615	614	632	547	483	5 248	
E. Services	144	574	334	178	158	150	103	106	1 747	
F. Equipment and Materials	152	-	-	-	95	-	-	-	247	
Total Investment Costs	4 035	6 193	4 245	3 896	3 212	2 202	1 572	1 627	26 982	
II. Recurrent Costs										
A. Salaries and allowances	596	605	619	637	337	346	356	367	3 863	
B. Office Operating Costs	43	44	45	46	47	49	50	52	375	
Total Recurrent Costs	639	649	664	683	384	395	406	418	4 238	
Total PROJECT COSTS	4 673	6 841	4 909	4 580	3 596	2 598	1 978	2 045	31 220	

Financing Plan Cost Tables

Detailed Cost Tables

SOMALIA Rural Livelihoods Resilience Programme (RLRP) Table 1.1. Strengthening Community Governance and Services Detailed Costs																				
Unit	Quantities									Unit Cost (US\$)	Totals Including Contingencies (US\$ '000)									
	2024	2025	2026	2027	2028	2029	2030	2031	Total		2024	2025	2026	2027	2028	2029	2030	2031	Total	
I. Investment Costs																				
A. Strengthening Community Governance and Services																				
1. Conduct district level assessments of the communities and community based organisations (CBOs),	Number of COBs	-	20	20	20	20	20	-	-	100	10,000	-	221	226	232	239	246	-	-	1,164
2. Conduct community capacity building workshops /a	Workshop	3	3	3	3	3	3	3	3	24	20,000	65	66	68	70	72	74	76	78	568
3. Develop an inventory of existing community action plans, disaster preparedness strategic investment plans	Analysis	1	-	-	-	-	-	-	-	1	400,000	435	-	-	-	-	-	-	-	435
4. Facilitate the formulation of a participatory CDP by the umbrella CDA	Number of CDP	-	1	-	-	-	-	-	-	1	1,000,000	-	1,124	-	-	-	-	-	-	1,124
5. Set up a community-level monitoring system of implementation progress and emerging best practices	Unit	1	-	-	-	-	-	-	-	1	400,000	435	-	-	-	-	-	-	-	435
Total												935	1,411	294	302	311	320	76	78	3,725

1a To educate community members on the formulation and implementation of the CDPs including on the significance of mainstreaming gender, climate and environment issues into CDP.

SOMALIA Rural Livelihoods Resilience Programme (RLRP) Table 1.2. Community Investment Support Detailed Costs																					
Unit	Quantities									Unit Cost (US\$)	Totals Including Contingencies (US\$ '000)										
	2024	2025	2026	2027	2028	2029	2030	2031	Total		2024	2025	2026	2027	2028	2029	2030	2031	Total		
I. Investment Costs																					
A. Support access to water for productions																					
Conduct a mapping exercise on irrigation infrastructure and needs	Study	1	-	-	-	-	-	-	-	-	1	25,000	28	-	-	-	-	-	-	-	28
Rehabilitate 50 km of primary and secondary canals to irrigate 10,000 ha of smallholder-owned farms.	Number	10	10	10	10	10	-	-	-	-	50	47,000	520	528	541	556	572	-	-	-	2,718
Finance the migration to pressurized irrigation (drip or sprinkler) /a	Lumpsum	-	100	100	100	100	100	-	-	-	500	800	-	90	92	95	97	100	-	-	474
Construct surface water harvesting process, including constructing 2 water dams supported by dam liners to enhance water conservation.	Lumpsum	-	1	1	-	-	-	-	-	-	2	460,000	-	517	523	-	-	-	-	-	1,046
Subtotal													548	1,135	1,162	651	670	100	-	-	4,266
B. Support access to market infrastructure																					
Conduct a mapping study of existing market infrastructure and needs assessment in the project districts.	Study	1	-	-	-	-	-	-	-	-	1	120,000	133	-	-	-	-	-	-	-	133
Strengthen existing PHM systems and technical, managerial, and organizational capacities for PHM and processing units.	Training	-	3	3	2	1	3	1	2	-	15	21,000	-	71	73	50	26	79	27	56	380
Rehabilitate 2 Community-owned and managed grain reserves and establish 2 new ones in new districts equipped with mobile grain drying technology.	Number	-	1	-	1	-	-	-	-	-	2	400,000	-	450	-	473	-	-	-	-	923
Co-invest with selected cooperatives at least four cold chain infrastructures in major rural markets to benefit at least 2,000 agro-pastoral communities.	Number	-	1	1	2	-	-	-	-	-	4	150,000	-	169	173	355	-	-	-	-	696
Construction of 6 livestock market sheds which will improve trading conditions, particularly on health and safety	Number	-	1	1	2	2	-	-	-	-	6	30,000	-	101	104	213	219	-	-	-	637
Develop an action plan for the activation of livestock markets in the project areas	Strategy	-	1	-	-	-	-	-	-	-	1	180,000	-	202	-	-	-	-	-	-	202
Facilitate training workshops focused on disaster risk reduction, climate change adaptation, early warning systems, and emergency response strategies.	Workshop	1	2	2	2	2	2	2	1	14	15,000	17	34	35	36	37	36	39	20	253	
Support the development of early warning systems at the community level that are appropriate to the identified hazards.	Lumpsum	-	1	-	-	-	-	-	-	-	1	24,000	-	27	-	-	-	-	-	-	27
Conduct comprehensive environmental, social, and climate impact assessments for each infrastructure project	Study	-	3	3	3	3	3	-	-	-	15	21,000	-	71	73	75	77	79	-	-	373
Subtotal													149	1,124	456	1,201	358	195	66	76	3,625
Total													697	2,253	1,618	1,853	1,028	296	66	76	7,892

1a for 500 Ha farmer's networks using solar-powered pumping systems for improved water management and efficiency

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Rural Livelihoods Resilience Programme (RLRP)
Table 2.1. Strengthening Resilience in Crop and livestock value Chains
Detailed Costs

	Unit	Quantities									Unit Cost (US\$)	Totals Including Contingencies (US\$ '000)									
		2024	2025	2026	2027	2028	2029	2030	2031	Total		2024	2025	2026	2027	2028	2029	2030	2031	Total	
Establish four demonstration plots, promotion events, short and longer practical field training	Site	-	4	-	-	-	-	-	-	-	4	90,000	-	405	-	-	-	-	-	-	405
Introduce two new, improved goat breeds that are drought and stress tolerant. The improved breeds will have traits including increased milk and meat production.	Number	-	1	1	-	-	-	-	-	-	2	160,000	-	160	184	-	-	-	-	-	364
Comprehensive training program will be conducted for both the selected farmers cooperatives and individual smallholder farmers and MoA staff.	Workshop	2	2	2	2	2	2	2	-	-	12	9,000	20	20	21	21	22	23	-	-	127
Promote rotational grazing to allow vegetation recovery, implement restoration activities in degraded areas, and introduce drought-resistant pasture species.	Event	2	2	2	2	2	2	1	1	1	13	10,000	22	22	23	24	24	13	13	13	154
Subtotal													280	748	372	193	79	91	71	73	1908
B. Promotion of pluralistic approach of agricultural extension services																					
Promotion of pluralistic approach of agricultural extension services	Event	1	1	1	1	1	1	1	1	1	8	30,000	33	34	35	36	37	38	39	40	290
Strengthen the capacity of both public and private sector extension service providers (PESP) including NGOs and village based advisors, to enhance service delivery through digital platform where possible to increase farmer's access to critical advisory services.	Training	2	1	1	1	1	1	1	1	1	9	10,000	22	11	12	12	12	13	13	13	108
Subtotal	Number	-	-	1	-	-	-	-	-	-	1	140,000	-	-	161	-	-	-	-	-	161
													55	45	207	47	49	50	52	53	558
C. Promotion of improved climate and pest-resistant varieties of key crops																					
Distribute high-quality and locally certified seeds of the introduced varieties (2.1.1) to agro-pastoral communities to 14,000 Ha owned by smallholder farmers.	Session	2	2	2	1	1	1	1	1	1	11	120,000	266	270	276	142	146	150	155	159	1565
Strengthen animal feed production through Farmer field demonstration sites using improved and drought tolerance seeds integrated with other crop production activities.	On Farm Demo	2	2	2	1	1	1	1	1	1	11	15,000	33	34	35	18	18	19	19	20	196
Subtotal													299	304	311	160	164	169	174	179	1760
D. Build the capacity of livestock producers on CSA and livestock practices and increase the use of services																					
Support improving animal health services delivery in project sites by strengthening the capacity of state veterinary departments	Training	1	2	2	-	1	1	1	-	-	8	15,000	17	34	35	-	18	19	19	-	141
Establish 3 Veterinary Mobile Clinics with the aim of improving animal healthcare services, ensuring that livestock receive timely and accessible medical services.	Number	1	1	1	-	-	-	-	-	-	3	90,000	100	101	104	-	-	-	-	-	305
Subtotal													116	135	138	-	18	19	19	-	446
E. Build the capacity of farmers on PHM, market linkages, and nutrition-sensitive cooking techniques.																					
RLRP will conduct a rapid study on agr-nutrition status and practices in the project areas.	Study	1	-	-	-	-	1	-	-	-	2	90,000	100	-	-	-	-	113	-	-	212
Promote sack gardening for leafy vegetables - such as spinach and lettuce because of the short cycle and nutrient density.	Number	200	400	400	400	500	500	100	100	100	2,600	100	22	45	46	47	61	63	13	13	310
RLRP will partner with public and private research institutions to introduce biofortified sorghum in the project areas as a broader intervention.	Research	1	2	1	1	-	-	-	-	-	5	15,000	17	34	17	18	-	-	-	-	85
Build capacity at the community and household level for training on nutrition-sensitive post-harvest practices	Training	1	2	2	2	1	1	-	-	-	9	25,000	28	56	59	59	30	31	-	-	263
Promote environmentally friendly cooking methods that minimize fuel use and reduce greenhouse gas emissions.	Training	-	4	4	4	4	-	1	1	1	18	16,000	-	72	74	76	78	-	21	21	341
Subtotal													166	207	195	200	169	207	34	34	1,212
F. Support to disadvantaged HHs in crop and livestock production.																					
Distribution of 1,000 goats to IDPs and poor HHs, along with capacity building on managing the crops and animals.	Number	200	200	200	200	200	200	200	100	1,500	600	133	135	138	142	146	150	155	80	1079	
Distributions of Small solar-powered irrigation kits to support crop farming to at least 500 HHs and IDPs with access to water.	Kit	62	62	62	62	62	62	62	62	496	1,500	103	105	107	110	113	117	120	123	898	
Conduct training for disadvantaged households (HHs) in crop and livestock production	Per Year	1	1	1	1	1	1	1	1	8	12,000	13	13	14	14	15	15	15	16	116	
Subtotal													249	253	259	267	274	282	290	219	2,093
Total													1,166	1,632	1,482	867	754	816	639	958	7,977

1a Including 4 new seed varieties that are drought tolerant, high yielding, and early maturing to small holder farmers.

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Rural Livelihoods Resilience Programme (RLRP)
Table 2.2. Entrepreneurship for Value Chain Development

Detailed Costs

	Unit	Quantities									Unit Cost (US\$)	Totals Including Contingencies (US\$ '000)								
		2024	2025	2026	2027	2028	2029	2030	2031	Total		2024	2025	2026	2027	2028	2029	2030	2031	Total
I. Investment Costs																				
A. Support entrepreneurship development through capacity development, including mentoring opp																				
Mapping of existing and potential market opportunities and key bottlenecks with focus on domestic markets	Study	1	-	-	-	1	-	-	-	2	140,000	155	-	-	-	170	-	-	-	325
Support access to financial services for business development along the priority VCs value chains for women and youth	Number	2	2	2	2	1	1	1	1	12	80,000	177	180	184	189	97	100	103	106	1137
Creation and strengthening of community savings and lending groups	Number	5	5	5	5	5	5	5	5	40	60,000	332	337	345	355	365	376	386	397	2,894
Subtotal												664	517	529	545	633	476	489	503	4,357
B. Capacity building in entrepreneurship, including youth linkages to market																				
Recruit Consultant to conduct a baseline study that will include training needs assessment	Study	1	-	-	-	-	-	-	-	1	120,000	133	-	-	-	-	-	-	-	133
Identify and support solutions to address women's constraints for accessing market.	Lumpsum	1	2	2	2	1	1	1	1	11	15,000	17	34	35	36	18	19	19	20	137
Support to the creation and strengthening of community savings and lending	Number	5	5	5	5	5	5	5	5	40	9,000	50	51	52	53	55	56	58	60	434
Conduct 5 district level agribusiness B2B events to provide linkages between producers, aggregators, and processors.	Events	2	2	2	2	1	1	1	1	12	30,000	66	67	69	71	37	38	39	40	426
Provide grant/in kind support to new innovative agri-business ideas by women or youth in the project districts	Grant	-	3	3	3	3	3	3	3	21	30,000	-	101	104	107	110	113	116	119	769
Subtotal												266	253	253	266	219	225	232	238	1,959
Total												930	770	788	811	852	701	721	742	6,316

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Rural Livelihoods Resilience Programme (RLRP)																					
Table 3.1. Programme Coordination and Capacity Building																					
Detailed Costs																					
Unit	Quantities									Unit Cost		Totals Including Contingencies (US\$ '000)									
	2024	2025	2026	2027	2028	2029	2030	2031	Total	(US\$)	2024	2025	2026	2027	2028	2029	2030	2031	Total		
National Programme Coordinator	Person-Month	12	12	12	12	12	12	12	12	96	5,000	65	66	67	69	71	73	75	77	563	
Financial Controller /b	Person-Month	12	12	12	12	-	-	-	-	48	4,000	52	52	54	55	-	-	-	-	213	
Project Accountant /c	Person-Month	12	12	12	12	-	-	-	-	48	4,000	52	52	54	55	-	-	-	-	213	
Procurement Specialist	Person-Month	12	12	12	12	-	-	-	-	48	4,000	52	52	54	55	-	-	-	-	213	
Agro-pastoralist & Rural Dev, Specialist	Person-Month	12	12	12	12	-	-	-	-	48	4,000	52	52	54	55	-	-	-	-	213	
M&E Specialist	Person-Month	12	12	12	12	12	12	12	12	96	4,000	52	52	54	55	57	58	60	62	450	
Gender Specialist	Person-Month	12	12	12	12	-	-	-	-	48	4,000	52	52	54	55	-	-	-	-	213	
Environment & Climate Change Specialist (seconded)	Person-Month	12	12	12	12	12	12	12	12	96	100	1	1	1	1	1	1	2	2	11	
Other seconded staff - 6	Person-Month	72	72	72	72	72	72	72	72	576	100	8	8	8	8	9	9	9	9	68	
Subtotal												384	390	399	410	138	142	146	150	2 158	
B. Salaries and Allowances - 2 FMS																					
State Programme Coordinator	Person-Month	24	24	24	24	24	24	24	24	192	3,000	78	79	81	83	85	88	90	93	676	
Accounts Assistant /d	Person-Month	24	24	24	24	-	-	-	-	96	1,200	31	31	32	33	-	-	-	-	128	
Agro-pastoralist & Rural Dev, Officer	Person-Month	24	24	24	24	24	24	24	24	192	2,000	52	52	54	55	57	58	60	62	450	
M&E Officer	Person-Month	24	24	24	24	24	24	24	24	192	2,000	52	52	54	55	57	58	60	62	450	
Subtotal												212	215	220	227	199	205	210	217	1 705	
C. Office operating costs and other utilities	Lumpsum	1	1	1	1	1	1	1	1	8	40,000	43	44	45	46	47	49	50	52	375	
Total Recurrent Costs												639	649	664	683	384	395	406	418	4 238	
Total												946	709	726	747	652	463	476	591	5 310	

la The Supreme Audit Office of Somalia will appoint private audit firm to undertake the project audit at their discretion.
 lb All FM Specialists will be phased out around MTR period as they will have infused capacity into the public sector officers they would be working with
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Somalia

Rural Livelihoods Resilience Programme

Project Design Report

Annex 4: Economic and Financial Analysis

Mission Dates: 20/06/2023 - 13/07/2023

Document Date: 31/10/2023

Project No. 2000004325

Report No. 6602-SO

Near East, North Africa and Europe Division
Programme Management Department

Annex 4: Economic and Financial Analysis

I. Introduction

3. Overview: This annex reports the results of the financial and economic analysis related to Rural Livelihoods Resilience Programme (RLRP). The Economic and Financial Analysis is aligned to the project development objective (PDO) which is: "sustainably increase productivity, incomes and nutrition security and enhance the resilience of rural smallholder families in Somalia".
4. The analysis aims at proving the financial and economic viability of the proposed investment of the selected value chains (VCs) in the project target areas (South West State, Jubaland State, Hirshabelle State, Hiiran & Middle Shabelle Districts). The financial analysis including Household (HH) financial production models of the selected value chains is presented in section II of this annex. The economic analysis, which includes description of the expected project benefits at the overall economy level, is described in section III. The net benefits derived from the individual crop models in form of incremental benefits have been aggregated in the economic analysis considering the scale of the project and its targets to assess the overall benefits generated from the proposed investment. The aggregated benefits have been compared with the overall project economic costs (derived from the costab software) to assess the project performance indicators.

II. Financial Analysis

5. The objectives of the financial analysis are: (i) to assess the financial viability of the project intervention at household level for the selected value chains. (ii) Establish the framework of the economic analysis, which will complement the financial analysis to assess the project benefits from the overall economy perspective. The analysis is based on the quantifiable incremental benefits that will accrue from the proposed investment. The quantifiable benefits for RLRP include among others:
 - a) Increased production and productivity of the target HH, as a result of new irrigation schemes along the selected value chains, improved farming technologies and capacity building.
 - b) Reduction of input costs such as transport costs as a result of improved road network, access to cold storage facilities, and market facilities that will complement the reduction in post-harvest losses.
6. Methodological approach: The method used for the analysis is based on the household (HH) models which simulates the implementation of farming practices for the crops grown in the project target areas. The individual HH models present the financial budgets and estimates key performance indicators like; financial net present value, financial internal rate of return, returns to family labour and benefits/costs ratios which are the instruments for assessing the impact of project intervention at HH level.
7. The total revenue is computed considering all farm gate production which is valued using farm gate market prices. The operating costs for individual models include the costs for running activities conducted every year during the intervention period, and thereafter during the operational phase of the project. They include both family labour and hired labour. Net margin is derived by subtracting the total production costs from the gross margin. Returns to family labour are computed as the ratio between the gross margin and the quantity of family labour days involved in the production activity.
8. The financial net incremental benefits have been derived from the activity level models, by computing the difference between the with-project (WP) and the without project (WOP) gross margins (baseline). The gross margins have been computed as a difference between the annual revenue and the production costs.
9. The WOP models are representative of the current situation farmers do not adopt suitable technologies and improved agricultural practices, and yields are below the potential. The WP scenario simulates the impact on the project beneficiaries of the activities funded through the project. In such a scenario, beneficiaries will adopt improved agricultural practices, e.g. use of organic fertilisers (NPK, Basal, pesticides & improved seeds). The source of data for both WOP and WP scenarios is presented in paragraph 9 below.

10. The financial net incremental benefits have been derived from the activity level models, by computing the difference between the with-project (WP) and the without project (WOP) gross margins (baseline). The gross margins have been computed as a difference between the annual revenue and the production costs.
11. Data: The data used for this analysis, including quantities like the without project (WOP) and with project (WP) yields, input and output costs, has been obtained from the secondary data provided by FAO. This is because the project has been designed virtually and there was no room for physical discussions with the beneficiaries since there has been no field visits conducted. Other data used in this analysis has been obtained from current projects of the similar nature in Somalia that are supported by international organizations.
12. Financial Value Chain Models: The VCs used for financial analysis include; Maize, Sorghum, Rice and Sesame. Other VCs that will be supported by the project and have not been included in the analysis at this stage include; vegetables, fruits and shoats. There is a chance to include these models in the analysis as part of the MTR or PCR when there is sufficient required information. Vegetables/fruits will be supported where a farmer or group has a functioning irrigation system, or only minor irrigation support or upgrading to pressurized systems that need to be provided by RLRP. The financial models are presented in the table below:

Financial models

		Farm models' net incremental financial benefits (in USD)			
		Sorghum	Maize	Rice	Sesame
	PY1	(71)	(187)	(171)	(102)
	PY2	(50)	(106)	(121)	(56)
	PY3	30	(26)	39	(13)
	PY4	67	135	167	66
	PY5	67	135	167	66
	PY6	67	135	167	66
	PY7	67	135	167	66
	PY8	67	135	167	66
	PY9	67	135	167	66
	PY10	67	135	167	66
	IRR	35%	24%	34%	21%
	NPV (US\$)	208	307	501	135
	Return to family labour	12	27	38	10
	B/C Ratio	5.8	8.9	4.8	4.4

13. Results of the financial analysis: The selected VCs present positive financial viability in terms of measurement using financial internal rate of return (FIRR) and net present value (FNPV) discounted for 10 years using a rate of 7 percent.
14. Self Consumption: Self consumption has been computed for all individual models that have been used for this analysis. This has been included in the models purposely to indicate how income is spent on food for various enterprises, but has not been deducted from the overall revenue as it is also part of the incremental benefits according to the IFAD guidelines for the EFA.
15. Post harvest losses: An average percentage has been applied to different VCs for post-harvest losses depending on the nature of the farm model. This can be attributed to lack of advanced farming technologies, access to market, access to grain reserves which is a result of low-quality products for public consumption. As a result of the project intervention, with the above challenges addressed/fixed, the post harvest losses are expected to draw down to an average percentage of 4 for the indicative VCs used in this analysis.
16. Beneficiary aggregation and adoption rate: The direct target household (HH) beneficiaries for RLRP in the selected target areas are 30,000HHs translating into 180,000 household members. The EFA has applied an adoption rate of 50 percent which is in line with the log-

frame indicator no. CI 1.2.4. The rate of 50 percent corresponds to 15,000HHs adopting the proposed investment. The aggregation and phasing of HHs is presented in the table below:

Aggregated Economic Benefits											
Total Project Beneficiaries 30,000											
	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Total		
Phasing of Households	4,794	5,564	4,610	4,406	3,921	2,415	2,115	2,175	30,000		
Cummulative	4,794	10,358	14,968	19,374	23,295	25,710	27,825	30,000	30,000		
Adoption Rate	50%										
Aggregation											
	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	
Beneficiaries in their Y1	2,397	2,782	2,305	2,203	1,960	1,208	1,057	1,088			
Beneficiaries in their Y2		2,397	2,782	2,305	2,203	1,960	1,208	1,057	1,088		
Beneficiaries in their Y3			2,397	2,782	2,305	2,203	1,960	1,208	1,057	1,088	
Beneficiaries in their Y4				2,397	2,782	2,305	2,203	1,960	1,208	1,057	1,088
Beneficiaries in their Y5					2,397	2,782	2,305	2,203	1,960	1,208	1,057
Beneficiaries in their Y6						2,397	2,782	2,305	2,203	1,960	1,208
Beneficiaries in their Y7							2,397	2,782	2,305	2,203	1,960
Beneficiaries in their Y8								2,397	2,782	2,305	2,203
Beneficiaries in their Y9									2,397	2,782	2,305
Beneficiaries in their Y10										2,397	2,782
Beneficiaries in their Y11											2,397
Total Incremental Beneficiaries	2,397	5,179	7,484	9,687	11,647	12,855	13,912	15,000	15,000	15,000	15,000

17. Cost per beneficiary: With the overall project investment of US\$31.2 million, the cost per beneficiary household has been computed at US\$1,041 and US\$ 173 for each HH member. This analysis is presented in the summary table below.

Programme Costs and Log-Frame Indicators.

PROGRAMME COSTS AND INDICATORS FOR LOGFRAME					
TOTAL PROGRAMME COSTS (in million USD)				31	
Beneficiaries	180,000	people	30,000	Households	
Cost per beneficiary	173	USD x person	USD	1,041	
Components and Cost (USD million)					
A. Support to Community Resilience Capacity	14.2	Average increase in income per HH per year			
B. Support to Smallholder Livelihoods Enhancement	11.7				
C. Programme Coordination and Capacity Building	5.3				
Total	31.2				

II. Economic Analysis

18. Objectives of the economic analysis: The economic analysis objectives are to: (i) assess the economic viability and overall cost effectiveness of the project, estimated from the perspective of the overall economy rather than at individual level. The analysis has been carried out through the comparison of aggregated incremental economic benefits and the total project economic costs. (ii) Perform sensitivity analysis to measure the robustness of the proposed investment and measure the variations in the overall Economic Rate of Return (ERR) and Net Present Value (NPV) due to risks and unforeseen factors.
19. Methodological approach: Economic analysis used the same methodology used for financial analysis. Economic analysis has adopted the VCs used for financial analysis and converted them to economic terms. The incremental economic benefit have been derived by calculating the difference between the with-project (WP) and the without project (WOP) gross margins (baseline), using the Cost Benefits Analysis (CBA). These benefits have been aggregated with the phased number of HHs to be supported by the project. All financial market prices and costs have been adjusted using appropriate coefficients/Standard Conversion Factors (SCF) to calculate the economic value using standard IFAD guidelines [1] (data source: World Bank statistics).
20. Economic results: RLRP is projected to yield a baseline Economic Rate of Return (ERR) of 19 percent and Net Present Value (NPV) of US\$30.5 million. All quantifiable benefits have been discounted over a period of 20 years including 8 years of project implementation period using a rate of 8 percent. The ERR of 19 per cent is higher than the discount rate used for economic analysis which confirms the justification of the proposed investment. The benefits/cost ratio for the whole investment is estimated at 5.2. The overall project economic analysis is summarised in the table below:

Overall economic analysis

Project year	Economic Net Inc. Benefits (USD 000)	Total Incremental Costs (USD 000)			CASH FLOW
		Investment Costs	Recurrent Costs	Total Costs	
PY1	(1,566)	3,766	635	4,401	(5,967)
PY2	(2,334)	4,322	635	4,957	(7,291)
PY3	(1,638)	3,377	635	4,011	(5,649)
PY4	334	3,299	635	3,934	(3,600)
PY5	2,426	3,114	347	3,461	(1,034)
PY6	4,612	1,595	347	1,942	2,670
PY7	6,413	1,378	347	1,725	4,688
PY8	7,691	1,460	347	1,807	5,884
PY9	9,236		104	104	9,132
PY10	10,239		104	104	10,135
PY11	10,810		104	104	10,706
PY12	10,810		104	104	10,706
PY13	10,810		104	104	10,706
PY14	10,810		104	104	10,706
PY15	10,810		104	104	10,706
PY16	10,810		104	104	10,706
PY17	10,810		104	104	10,706
PY18	10,810		104	104	10,706
PY19	10,810		104	104	10,706
PY20	10,810		104	104	10,706
NPV USD (000) @8%					30.52
EIRR					19%
BCR	143,517			27,488	5.22

21. Aggregation No Phasing: The phasing and aggregation of the project benefits has been carried out using the beneficiary households as the basis, thus having the household focus in the EFA. The total outreach for RLRP is 30,000HH. The phasing is aligned to the project annual budget allocation. The nature of the project is such that it will need heavy investments in the initial years. Adoption rate is 50% which corresponds to about 15,000 households adopting the proposed innovations of the project, and this is in line with the log-frame indicators no. CI 1.2.4. This is presented in a summary table below.

Aggregated Economic Benefits											
Total Project Beneficiaries 30,000											
	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Total		
Phasing of Households	4,794	5,564	4,610	4,406	3,921	2,415	2,115	2,175	30,000		
Cummulative	4,794	10,358	14,968	19,374	23,295	25,710	27,825	30,000	30,000		
Adoption Rate	50%										
Aggregation	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	
Beneficiaries in their Y1	2,397	2,782	2,305	2,203	1,960	1,208	1,057	1,088			
Beneficiaries in their Y2		2,397	2,782	2,305	2,203	1,960	1,208	1,057	1,088		
Beneficiaries in their Y3			2,397	2,782	2,305	2,203	1,960	1,208	1,057	1,088	
Beneficiaries in their Y4				2,397	2,782	2,305	2,203	1,960	1,208	1,057	
Beneficiaries in their Y5					2,397	2,782	2,305	2,203	1,960	1,208	
Beneficiaries in their Y6						2,397	2,782	2,305	2,203	1,960	
Beneficiaries in their Y7							2,397	2,782	2,305	1,960	
Beneficiaries in their Y8								2,397	2,782	2,305	
Beneficiaries in their Y9									2,397	2,782	
Beneficiaries in their Y10										2,397	
Beneficiaries in their Y11										2,397	
Total Incremental Beneficiaries	2,397	5,179	7,484	9,687	11,647	12,855	13,912	15,000	15,000	15,000	
Aggregated Economic Benefits											
Incremental income by Farm Year	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11
Incremental Farm Income Year 1	(653)	(1,566,346)	(1,817,815)	(1,506,194)	(1,439,641)	(1,281,057)	(789,100)	(691,004)	(710,762)		
Incremental Farm Income Year 2	(215)		(516,509)	(599,432)	(496,673)	(474,727)	(422,434)	(260,209)	(227,861)	(234,377)	
Incremental Farm Income Year 3	195			467,737	542,830	449,774	429,901	382,545	235,638	206,345	212,245
Incremental Farm Income Year 4	721				1,727,509	2,004,851	1,661,167	1,587,767	1,412,866	870,292	762,102
Incremental Farm Income Year 5	721					1,727,509	2,004,851	1,661,167	1,587,767	1,412,866	870,292
Incremental Farm Income Year 6	721						1,727,509	2,004,851	1,661,167	1,587,767	1,412,866
Incremental Farm Income Year 7	721							1,727,509	2,004,851	1,661,167	1,412,866
Incremental Farm Income Year 8	721								1,727,509	2,004,851	1,661,167
Incremental Farm Income Year 9	721									1,727,509	2,004,851
Incremental Farm Income Year 10	721										1,727,509
Incremental Farm Income Year 11	721										1,727,509
Net Incremental Farm Benefits (USD)	(1,566,346)	(2,334,324)	(1,637,889)	334,024	2,426,350	4,611,894	6,412,627	7,691,176	9,236,421	10,238,800	10,810,447

22. **Double counting of costs:** In order to avoid double counting of costs in the economic analysis, input costs foreseen in individual VCs to be incurred by the project have been excluded in the overall analysis as they are already incorporated in the activity models.
23. **Sensitivity analysis, Risks and Assumptions:** To test the robustness of the overall project analysis, a sensitivity analysis has been carried out to measure variations due to unforeseen factors and relevant risks.
24. A change in project benefits by 20 per cent increase in costs and decrease in benefits using the same proportion yields an ERR of 17 per cent and 16 per cent with a positive NPV of US\$26.4 million and US\$20.3 million respectively. An increase in project benefits by either 10 per cent & 20 per cent yields a higher of 20 percent & 21 per cent respectively both with positive NPV. A delay in project benefits by 1 & 2 years still yields positive results as it yields 17 per cent and 15 per cent both posting positive net present values. Results of the sensitivity analysis indicate that the project remains economically viable under the various assumptions considered. The detailed and summary of the sensitivity analysis is presented in the tables below.

Sensitivity analysis matrix:

Sensitivity analysis matrix				
	%	IRR	NPV (US\$)	Indicative unforeseen Risks
Base Scenario		19%	30,524	
Decrease of Project benefits	-10%	18%	25,433	The uncertainty of the selected value chains.
	-20%	16%	20,342	
	-30%	15%	15,251	
Cost Increase	10%	18%	28,486	Increase in input costs as a result of inflation
	20%	17%	26,447	
	50%	14%	21,057	
Delay of benefits	1 Year	17%	24,605	Delay in disbursement of funds. Delay in project implementation due to the time required to train and orient new project staff
	2 Years	15%	19,125	
Increase of benefits	10%	20%	35,615	High adoption rate compared to the EFA assumption as a result of high uptake of proposed interventions
	20%	21%	40,706	

Detailed sensitivity analysis:

Year	1	2	3	4	5	6	7	8	9	10	20	12	13	14
Incremental Benefits (Base case)	(1,566)	(2,334)	(1,638)	334	2,426	4,612	6,413	7,691	9,236	10,239	10,810	10,810	10,810	10,810
Incremental Benefits (Financing Gap not covered)	(868)	(1,294)	(908)	185	1,345	2,556	3,553	4,262	5,118	5,674	5,990	5,990	5,990	5,990
benefits +10%	(1,723)	(2,568)	(1,802)	367	2,669	5,073	7,054	8,460	10,160	11,263	11,891	11,891	11,891	11,891
benefits +20%	(1,880)	(2,801)	(1,965)	401	2,912	5,534	7,695	9,229	11,084	12,287	12,973	12,973	12,973	12,973
Mild scenario	(1,410)	(2,101)	(1,474)	301	2,184	4,151	5,771	6,922	8,313	9,215	9,729	9,729	9,729	9,729
Medium scenario	(1,253)	(1,867)	(1,310)	267	1,941	3,690	5,130	6,153	7,389	8,191	8,648	8,648	8,648	8,648
High scenario	(1,096)	(1,634)	(1,147)	234	1,698	3,228	4,489	5,384	6,465	7,167	7,567	7,567	7,567	7,567
Project Costs	4,401	4,957	4,011	3,934	3,461	1,942	1,725	1,807	104	104	104	104	104	104
Costs without FG	4,850	5,682	3,659	1,352	811	299	273	374	112	112	112	112	112	112
costs +10%	4,841	5,453	4,412	4,328	3,807	2,136	1,897	1,988	115	115	115	115	115	115
costs +20%	5,281	5,949	4,813	4,721	4,153	2,331	2,070	2,169	125	125	125	125	125	125
costs +30%	6,601	7,436	6,017	5,901	5,191	2,525	2,242	2,349	135	135	135	135	135	135
Net cash flow														
base scenario	(5,967)	(7,291)	(5,649)	(3,600)	(1,034)	2,670	4,688	5,884	9,132	10,135	10,706	10,706	10,706	10,706
Benefits - Financing Gap not covered	(5,718)	(6,975)	(4,567)	(1,167)	533	2,257	3,281	3,888	5,006	5,561	5,878	5,878	5,878	5,878
costs +10%	(6,407)	(7,787)	(6,050)	(3,994)	(1,380)	2,476	4,515	5,703	9,122	10,124	10,696	10,696	10,696	10,696
costs +20%	(6,847)	(8,283)	(6,451)	(4,387)	(1,727)	2,281	4,343	5,522	9,111	10,114	10,685	10,685	10,685	10,685
costs +30%	(8,167)	(9,770)	(7,655)	(5,567)	(2,765)	2,087	4,170	5,342	9,101	10,103	10,675	10,675	10,675	10,675
benefits +10%	(6,124)	(7,525)	(5,813)	(3,567)	(792)	3,131	5,329	6,653	10,056	11,159	11,787	11,787	11,787	11,787
benefits +20%	(6,280)	(7,758)	(5,977)	(3,533)	(549)	3,592	5,970	7,422	10,980	12,182	12,868	12,868	12,868	12,868
benefits -10%	(5,810)	(7,058)	(5,485)	(3,634)	(1,277)	2,209	4,046	5,115	8,209	9,111	9,625	9,625	9,625	9,625
benefits -20%	(5,654)	(6,825)	(5,322)	(3,667)	(1,520)	1,747	3,405	4,346	7,285	8,087	8,544	8,544	8,544	8,544
benefits -30%	(5,497)	(6,591)	(5,158)	(3,700)	(1,762)	1,286	2,764	3,577	6,361	7,063	7,463	7,463	7,463	7,463
benefits delayed 1 year	(4,401)	(6,523)	(6,346)	(5,572)	(3,127)	484	2,887	4,605	7,587	9,132	10,135	10,706	10,706	10,706
benefits delayed 2 years	(4,401)	(4,957)	(5,578)	(6,269)	(5,099)	(1,608)	701	2,805	6,308	7,587	9,132	10,135	10,706	10,706
Discount rate	8%													
Sensitivity Analysis	Base case	Costs Increase			Increase of		Decrease of Benefits			Delay of Benefits		Financing Gap Not Covered		
		+10%	+20%	+50%	+10%	+20%	-10%	-20%	-30%	1 year	2 years			
IRR	19%	18%	17%	14%	20%	21%	18%	16%	15%	17%	15%	14.9%		
NPV (USD) '000	30,524	28,486	26,447	21,057	35,615	40,706	25,433	20,342	15,251	24,605	19,125	13,392		

25. The baseline results of RLRP indicate that the project is able to yield ERR of 19 per cent with a positive NPV of US\$30.5 million. The ERR of 19 per cent is higher than the discount rate used for economic analysis which confirms the justification of the proposed RLRP investment.

[1] https://tcdata360.worldbank.org/indicators/good.ex?country=BRA&indicator=45026&viz=line_chart&years=1948,2020
https://tcdata360.worldbank.org/indicators/good.im.cif?country=BRA&indicator=45025&viz=line_chart&years=1948,2020

26. Attachments to this annex: The EFA models developed for this analysis are presented below. The detailed workings can be found in the EFA worksheet attached to this annex.

Sorghum Crop Model		Without Project (WOP)						With-Project (WP)														
Year	Unit	Y0			Y1			Y2			Y3			Y4			Y5	Y6	Y7	Y8	Y9	Y10
		Quantity	Unit Cost	USD	Quantity	Unit Cost	USD	Quantity	Unit Cost	USD	Quantity	Unit Cost	USD	Quantity	Unit Cost	USD	USD	USD	USD	USD	USD	
Yields Per Year																						
Yields	Kg	2,400	0.32	777	2,544	0.32	823	2,616	0.32	847	2,880	0.32	932	3,000	0.32	971	971	971	971	971	971	
Self-consumption	Kg	120	0.32	39	127	0.32	41	131	0.32	42	144	0.32	47	150	0.32	49	49	49	49	49	49	
Post-Harvest losses	Kg	240	0.32	78	127	0.32	41	131	0.32	42	144	0.32	47	150	0.32	49	49	49	49	49	49	
Sorghum stalks selling	Heap	5	40	200	5	40	200	5	40	200	5	40	200	5	40	200	200	200	200	200	200	
Revenue																						
Sorghum Sales	Kg			660			741			762			839			874	874	874	874	874	874	
Sorghum stalks Sales	Heap			200			200			200			200			200	200	200	200	200	200	
NET VALUE OF PRODUCTION				860			941			962			1,039			1,074	1,074	1,074	1,074	1,074	1,074	
Production costs :																						
Operating/Input Costs																						
Land preparation - Ploughing	Hrs	3	18	54	3	18	54	3	18	54	3	18	54	3	18	54						
Land preparation - Harrowing	Hrs	2	18	27	2	18	27	2	18	27	2	18	27	2	18	27						
Land preparation - Ridging	Hrs	2	18	27	2	18	27	2	18	27	2	18	27	2	18	27						
Sub-Total Operating costs				86			86			86			86			86						
Seeds	Kg	10	0	4	10	0	4	10	0	4	10	0	4	10	0	4						
Fertilizers																						
Urea (50kg Nitrogen per Ha)	Kg	1	-		108	1	119	108	1	119	108	1	119	108	1	119						
Insecticide	Ltrs	6	-		1	6	6	1	6	6	1	6	6	1	6	6						
Packaging bags (80-85kg per bag)	Pcs	48	0	14	51	0	15	52	0	16	58	0	17	60	0	18						
Harvesting knives	Pcs	4	4	16	4	4	16	4	4	16	4	4	16	4	4	16						
fuel	Ltrs	20	1	18	40	1	36	40	1	36	40	1	36	40	1	36						
Total Operating/Input Costs				135			268			268			269			270	270	270	270	270	270	
Labour Costs																						
Land clearing	Man days	4	3	12	4	3	12	4	3	12	4	3	12	4	3	12						
Planting	Man days	6	3	18	6	3	18	6	3	18	6	3	18	6	3	18						
Fertilizer application	Man days	3	-		2	3	5	2	3	5	2	3	5	2	3	5						
First weeding	Man days	12	3	30	12	3	30	12	3	30	12	3	30	12	3	30						
Second weeding	Man days	12	2	24	12	2	24	12	2	24	12	2	24	12	2	24						
Irrigation1	Man days	2	4	8	2	4	8	2	4	8	2	4	8	2	4	8						
Irrigation2	Man days	4	-		2	4	8	2	4	8	2	4	8	2	4	8						
Harvesting	Man days	6	4	24	6	4	24	6	4	24	6	4	24	6	4	24						
Drying	Man days	5	3	15	5	3	15	5	3	15	5	3	15	5	3	15						
Sorting & Threshing	Man days	3	2	6	3	2	6	3	2	6	3	2	6	3	2	6						
Packaging	Man days	4	2	8	5	2	10	6	2	11	6	2	13	6	2	13						
Transportation to store	Man days	1	30	30	1	30	30	1	30	30	1	30	30	1	30	30						
Total Labour Costs				140			152			153			154			154	154	154	154	154	154	
Hired Labour		3			7			7			7			7								
Family Labour		52			53			54			54			54								
TOTAL OUTFLOWS				275			419			421			424			424	424	424	424	424	424	
Incremental Costs							145			146			149			150	150	150	150	150	150	
Net Cashflow before Labour costs				725			673			694			769			804	804	804	804	804	804	
Net Cashflow after Labour costs				585			522			541			615			649	649	649	649	649	649	
Incremental Net Benefit							- 64			- 44			30			64	64	64	64	64	64	

Returns to family labour	12.30
Discount rate	8%
Net Present Value (NPV)	191
Internal Rate of Return (IRR)	38%
NPV/b	6,958
NPV/c	1,031
B/C Ratio	6.7

Rice				Without Project (WOP)																					With-Project (WP)											
Year	Unit	Y0			Y1			Y2			Y3			Y4			Y5	Y6	Y7	Y8	Y9	Y10														
		Quantity	Unit Cost	USD	Quantity	Unit Cost	USD	Quantity	Unit Cost	USD	Quantity	Unit Cost	USD	Quantity	Unit Cost	USD	USD	USD	USD	USD	USD															
Yields Per Year																																				
Yields	Kg	7,000	0.81	5,695	7,200	0.81	5,858	7,400	0.81	6,021	7,700	0.81	6,265	8,000	0.81	6,509	6,509	6,509	6,509	6,509	6,509															
Self-consumption	Kg	150	0.81	122	150	0.81	122	150	0.81	122	150	0.81	122	150	0.81	122	122	122	122	122	122															
Post-Harvest losses	Kg	560	0.81	456	360	0.81	293	370	0.81	301	385	0.81	313	400	0.81	325	325	325	325	325	325															
Revenue																																				
Gross Revenue	Kg			5,118			5,443			5,598			5,830			6,062	6,062	6,062	6,062	6,062	6,062															
NET VALUE OF PRODUCTION				5,118		5,443			5,598			5,830			6,062	6,062	6,062	6,062	6,062	6,062	6,062															
Production costs :																																				
Operating/Input Costs																																				
Land preparation - Ploughing	Hrs	2	18	27	3	18	54	3	18	54	3	18	54	3	18	54																				
Land preparation - Harrowing	Hrs	1	18	14	2	18	27	2	18	27	2	18	27	2	18	27																				
Land preparation - Ridging	Hrs	1	18	14	2	18	27	2	18	27	2	18	27	2	18	27																				
Sub-Total Operating costs				43		86			86			86			86																					
Seeds	Kg	150	1	75	150	1	150	150	1	150	150	1	150	150	1	150																				
Fertilizers																																				
Fertilizer NPK	Kg	-	1	-	50	1	50	50	1	50	50	1	50	50	1	50																				
Hoes	pcs	5	4	20	5	4	20	5	4	20	5	4	20	5	4	20																				
Packaging bags	pcs	140	0	42	144	0	43	148	0	44	154	0	46	160	0	48																				
Harvesting knives	pcs	5	2	10	5	2	10	5	2	10	5	2	10	5	2	10																				
Fuel for irrigation 1	Ltrs	20	1	18	40	1	36	40	1	36	40	1	36	40	1	36																				
Total Operating/Input Costs				196		372			373			375			377	377	377	377	377	377	377															
Labour Costs																																				
Land clearing	Man days	2	3	6	2	3	6	2	3	6	2	3	6	2	3	6																				
Planting	Man days	1	-	-	1	-	-	1	-	-	1	-	-	1	-	-																				
Fertilizer application (Urea, NPK, Insec)	Man days	3	-	8	3	24	8	3	24	8	3	24	8	3	24	8																				
Pesticide application	Man days	4	-	13	4	52	13	4	52	13	4	52	13	4	52	13																				
Irrigation	Man days	10	4	40	20	4	80	20	4	80	20	4	80	20	4	80																				
First weeding	Man days	6	4	24	6	4	24	6	4	24	6	4	24	6	4	24																				
Second weeding	Man days	6	4	24	6	4	24	6	4	24	6	4	24	6	4	24																				
Birds scaring	Man days	30	4	120	60	4	240	72	4	288	78	4	312	90	4	360																				
Harvesting	Man days	16	5	80	22	5	112	29	5	144	32	5	160	38	5	192																				
Drying	Man days	5	5	25	7	5	35	9	5	45	11	5	55	13	5	65																				
Threshing and packaging	Man days	16	5	80	21	5	104	24	5	120	29	5	144	32	5	160																				
Milling	Bag	137	1	137	141	1	141	145	1	145	151	1	151	157	1	157																				
Transportation to milling base	Bag	137	1	137	141	1	141	145	1	145	151	1	151	157	1	157																				
Transportation from milling base to sto	Bag	137	0	27	141	0	28	145	0	29	151	0	30	157	0	31																				
Tax	Bag	35	0	13	70	0	26	70	0	26	70	0	26	70	0	26																				
Total Labour Costs				603		863			955			1,026			1,123	1,123	1,123	1,123	1,123	1,123	1,123															
Hired Labour		10			41			41			41			41																						
Family Labour		82			125			149			165			188																						
TOTAL OUTFLOWS				799		1,235			1,329			1,401			1,500	1,500	1,500	1,500	1,500	1,500	1,500															
Incremental Costs						436			530			603			701	701	701	701	701	701	701															
Net Cashflow before Labour costs				4,922		5,071			5,225			5,455			5,685	5,685	5,685	5,685	5,685	5,685	5,685															
Net Cashflow after Labour costs				4,319		4,209			4,269			4,428			4,562	4,562	4,562	4,562	4,562	4,562	4,562															
Incremental Net Benefit						- 111			- 50			109			242	242	242	242	242	242	242															

Returns to family labour	36.44
Discount rate	8%
Net Present Value (NPV)	944
Internal Rate of Return (IRR)	75%
NPV/b	39,520
NPV/c	7,074
B/C Ratio	5.6

Somalia

Rural Livelihoods Resilience Programme

Project Design Report

Annex 5: Social Environment and Climate Assessment (SECAP) Review Note

Mission Dates: 20/06/2023 - 13/07/2023

Document Date: 31/10/2023

Project No. 2000004325

Report No. 6602-SO

Near East, North Africa and Europe Division
Programme Management Department

The SECAP Review note should build on the preliminary note mentioned above, draw on the results of the screening exercise and be informed by the issues raised during the design mission, the stakeholders interviews, publicly available tools and dataset, and environmental, social or climate-related studies that inform on the characteristics of the project location. The SECAP review note includes the revised ESMP and should be attached to the Project Design Report, integrated in Draft Project Implementation Manual (PIM) and COSTAB and shall be submitted to Design Review Meeting (DRM) or IRC (for NSOs).

1. Introduction

1. SECAP Review Note is added as an annex with the Main PDR. Please refer to it.

2. Situational analysis and potential project impacts

2. SECAP Review Note is added as an annex with the Main PDR. Please refer to it.

2.1 Socio-economic assessment

a. Overall poverty situation

3. SECAP Review Note is added as an annex with the Main PDR. Please refer to it.

b. Gender

4. SECAP Review Note is added as an annex with the Main PDR. Please refer to it.

c. Youth

5. SECAP Review Note is added as an annex with the Main PDR. Please refer to it.

d. Indigenous peoples

6. SECAP Review Note is added as an annex with the Main PDR. Please refer to it.

e. Marginalised groups

7. SECAP Review Note is added as an annex with the Main PDR. Please refer to it.

f. Nutrition

8. SECAP Review Note is added as an annex with the Main PDR. Please refer to it.

2.2 Environment and climate context, trends and implications

9. SECAP Review Note is added as an annex with the Main PDR. Please refer to it.

a. Environmental assessment

10. SECAP Review Note is added as an annex with the Main PDR. Please refer to it.

b. Climate trends and impacts

11. SECAP Review Note is added as an annex with the Main PDR. Please refer to it.

c. Climate change mitigation

12. SECAP Review Note is added as an annex with the Main PDR. Please refer to it.

2.3 Target group profiles

13. SECAP Review Note is added as an annex with the Main PDR. Please refer to it.

3. Institutional analysis

14. SECAP Review Note is added as an annex with the Main PDR. Please refer to it.

4. Environmental and social category

15. SECAP Review Note is added as an annex with the Main PDR. Please refer to it.

5. Climate risk category

16. SECAP Review Note is added as an annex with the Main PDR. Please refer to it.

6. Recommendations for project design and implementation

17. SECAP Review Note is added as an annex with the Main PDR. Please refer to it.

7. Further studies needed

18. SECAP Review Note is added as an annex with the Main PDR. Please refer to it.

8. Monitoring and evaluation

19. SECAP Review Note is added as an annex with the Main PDR. Please refer to it.

9. References

20. SECAP Review Note is added as an annex with the Main PDR. Please refer to it.

ESCMP Matrix

21. SECAP Review Note is added as an annex with the Main PDR. Please refer to it.

Footnotes

SECAP Review Note is added as an annex with the Main PDR. Please refer to it.

Environmental and Social Safeguards Classification: Substantial

Environmental and Social Safeguards				
Biodiversity conservation	Yes/No	Likelihood	Consequence	Risk Rating
1.1 Could the project potentially involve or lead to conversion or degradation of biodiversity, habitats (including modified habitat, natural habitat and critical natural habitat) and/or ecosystems and ecosystem services?	No			Low
1.2 Could the project involve or potentially lead to activities involving habitats that are legally protected, officially proposed for protection, or recognized as protected by traditional local communities and/or authoritative sources (e.g. National Park, Nature Conservancy, Indigenous Community Conserved Area, ICCA, etc.)?	No			Low
1.3 Could the project potentially involve or lead to an increase in the chance of human-wildlife encounters/conflict?	No			Low
1.4 Could the project potentially involve or lead to risks to endangered species (e.g. reduction, encroachment on habitat)?	No			Low
1.5 Could the project potentially involve or lead to impacts/risks to migratory wildlife?	No			Low
1.6 Could the project potentially involve or lead to introduction or utilization of any invasive alien species of flora and fauna, whether accidental or intentional?	No			Low
1.7 Could the project involve or lead to the handling or utilization of genetically modified organisms?	No			Low
1.8 Could the project involve or lead to procurement through primary suppliers of natural resource materials?	Yes	Possible	Minor Project may possibly require procurement of natural resources through primary suppliers, and resource extraction is tightly regulated. Alternatives to procurement of natural resources through primary suppliers exists.	Moderate
Resource Efficiency and Pollution Prevention	Yes/No	Likelihood	Consequence	Risk Rating
2.1 Could the project involve or lead to the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts?	No			Low
2.2 Could the project involve or lead to primary not environmentally sustainable production of living natural resources? (Note: this includes the cultivation or rearing of plants or animals, including annual and perennial crop farming, animal husbandry (including livestock), aquaculture, plantation forestry, etc)	No			Low
2.3 Could the project involve or lead to engagement in areas of forestry, including the harvesting of natural forests, plantation development, and/or reforestation?	No			Low
2.4 Could the project involve or lead to significant consumption of raw materials, energy, and/or water?	No			Low

Environmental and Social Safeguards				
2.5 Could the project involve or lead to significant extraction, diversion or containment of surface or ground water (e.g. construction of dams, reservoirs, river basin developments, groundwater extraction)?	Yes	Likely	Moderate The project needs a considerable amount of groundwater or surface water. This will require a minor extension of existing sources. It includes construction of large-scale irrigation schemes rehabilitation/development – below 300 ha per scheme	Substantial
2.6 Could the project involve inputs of fertilizers and other modifying agents?	Yes	Likely	Minor The project only requires minimal amounts of fertilizer	Moderate
2.7 Could the project involve or lead to procurement, supply and/or result in the use of pesticides on crops, livestock, aquaculture or forestry?	Yes	Possible	Minor The project only requires minimal amounts of pesticide.	Moderate
2.8 Could the project be located in an area which is being, or has been, polluted by an external source (e.g. a mine, smelter, industry)?	No			Low
2.9 Could the project involve livestock – extensive and intensive systems and animal products (dairy, skins, meat, etc.)?	Yes	Likely	Moderate Intensive/extensive livestock/aquaculture systems are in place, but these are only one component of the project.	Substantial
Cultural Heritage	Yes/No	Likelihood	Consequence	Risk Rating
3.1 Could the project be located in areas that are considered to have archaeological (prehistoric), paleontological, historical, cultural, artistic, and religious values or contains features considered as critical cultural heritage?	No			Low
3.2 Could the project directly or indirectly affect indigenous peoples' rights, lands, natural resources, territories, livelihoods, knowledge, social fabric, traditions, governance systems, and culture or heritage (tangible and intangible)?	No			Low
3.3 Could the project involve or lead to significant excavations, demolitions, movement of earth, flooding or other environmental changes?	No			Low
3.4 Could the project involve or lead to adverse impacts to sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts)	No			Low
3.5 Could the project involve or lead to alterations to landscapes and natural features with cultural significance?	No			Low
3.6 Could the project involve or lead to utilization of tangible and/or intangible forms (e.g. practices, traditional knowledge) of Cultural Heritage for commercial or other purposes?	No			Low

Environmental and Social Safeguards				
indigenous peoples	Yes/No	Likelihood	Consequence	Risk Rating
4.1 Could the project be sited in areas where indigenous peoples are present (including the project area of influence)?	No			Low
4.2 Could the project result in activities located on lands and territories claimed by indigenous peoples?	No			Low
4.3 Could the project result in impacts on the rights of indigenous peoples or to the lands, territories and resources claimed by them?	No			Low
4.4 Could the project result in the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?	No			Low
4.5 Could the project lead to impacts on the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices?	No			Low
Labour and Working Conditions	Yes/No	Likelihood	Consequence	Risk Rating
5.1 Could the project operate in sectors or value chains that are characterized by working conditions that do not meet national labour laws or international commitments? (Note: this may include discriminatory practices, high gender inequality and the lack of equal opportunities, denial of freedom of association and collective bargaining, labour migrants)	Yes	Possible	Moderate The project operates in sectors or value chains that have, in the past, not met national labour laws, or international commitments, but is now adequately nationally regulated. However, international value chains are not regularly audited for environmental or social performance.	Moderate
5.2 Could the project use or operate in a value chain where there have been reports of forced labour? (Note: Risks of forced labour may be increased for projects located in remote places or where the status of migrant workers is uncertain)	No			Low
5.3 Could the project involve children (a) below the nationally-defined minimum employment age (usually 15 years old) or (b) above the nationally-defined minimum employment age but below the age of 18 in supported activities or in value chains?	Yes	Possible	Moderate The project does not operate in sectors or value chains where child labour was evident in the past. The status of forced labour regulation is currently unclear.	Moderate
5.4 Could the project: (a) operate in a sector, area or value chain where producers and other agricultural workers are typically exposed to significant occupational and safety risks, and/or (b) promote or use technologies or practices that pose occupational safety and health (OSH) risks for farmers, other rural workers or rural populations in general? (Note: OSH risks in agriculture might include: dangerous machinery and tools; hazardous chemicals; toxic or allergenic agents; carcinogenic substances or agents; parasitic diseases; transmissible animal diseases; confined spaces; ergonomic hazards; extreme temperatures; and contact with dangerous and poisonous animals, reptiles and insects. Psychosocial hazards might include violence and harassment.)	No			Low
Community Health, Safety and Security	Yes/No	Likelihood	Consequence	Risk Rating

Environmental and Social Safeguards				
6.1 Could the project be at risk from water-borne or other vector-borne diseases (e.g. temporary breeding habitats), and/or communicable and non-communicable diseases?	No			Low
6.2 Could the project lead to unintended negative impacts on nutrition?	No			Low
6.3 Is there a possibility of harm or losses due to failure of structural elements of the project (e.g. collapse of buildings or infrastructure)?	No			Low
6.4 Could the project involve or lead to the construction or rehabilitation of dams?	Yes	Likely	Moderate The project involves the construction/ rehabilitation/upgrade of dam(s) and/or reservoir(s) meeting at least one of the following criteria: - between 5metres and 9 metres high wall, and/or with a reservoir below 100,000 m3.	Substantial
6.5 Could the project involve or lead to transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?	No			Low
6.6 Could the project lead to adverse impacts on ecosystems and ecosystem services relevant to communities' health (e.g. food, surface water purification, natural buffers from flooding)?	No			Low
6.7 Could the project lead to the potential for gender-based violence, including sexual harassment, exploitation and abuse, as a result of labour influx, land redistribution, or other actions that alter community dynamics?	Yes	Possible	Major Significant changes to community dynamics as a result of either labour influx, land redistribution, or other actions that alter community dynamics. Resulting serious recorded cases of gender-based violence and/or sexual exploitation.	Substantial
6.8 Could the project lead to increases in traffic or alteration in traffic flow?	No			Low
6.9 Could the project lead to an influx of project workers?	Yes	Possible	Moderate The project is partly dependent on an influx of project workers, but the majority of workers are local. Risks of impacts have been planned for, and protocols are in place	Moderate
6.10 Could the project involve or lead to the engagement of security personnel to protect facilities and property or to support project activities?	No			Low
Physical and economic resettlement	Yes/No	Likelihood	Consequence	Risk Rating
7.1 Could the project result in temporary or permanent and full or partial physical displacement (including people without legally recognizable claims to land)?	No			Low

Environmental and Social Safeguards				
7.2 Could the project result in economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)?	No			Low
7.3 Could the project present a risk of forced evictions?	No			Low
7.4 Could the project result in impacts on or changes to land tenure arrangements and/or community-based property rights/customary rights to land, territories and/or resources?	No			Low
Financial intermediaries and direct investments	Yes/No	Likelihood	Consequence	Risk Rating
8.1 Could the investment be granted to an institution that does not have an environmental and social policies and an associated environmental and social management system (ESMS) in place (transparent, publicly available)?	No			Low
8.2 Could the investment be granted to an institution with insufficient capacities (i.e. unqualified personnel e.g. ES Officer) to implement the ESMS?	No			Low
8.3 Could the investment be granted to an institution that does not have an Exclusion List?	No			Low
8.4 According to the institution's portfolio classification: Could the institution have potential high-risk projects in their portfolio?	No			Low
8.5 Is there evidence that the institution does not comply with the local legal framework?	No			Low
8.6 Does the institution provide a stable communication channel with stakeholders and local communities (e.g. a Grievance Redress Mechanism)?	No			Low
8.7 Does the organization provide auxiliary or capacity building support services.	No			Low

Climate Risk Classification: Substantial

Step 1: Hazard identification	
What are the expected hazards in the project intervention area?	No, Yes, TBD
River flood	Yes
Costal Flood	Yes
Urban Flood	Yes
Landslide	Yes
Cyclone	No
Water Scarcity (agricultural droughts and/or dry spells)	Yes
Extreme Heat	Yes
Wildfires	Yes
Future climate scenarios foreseen (period 2040-2059) - Change in frequency and intensity	No, Yes, TBD
Change in temperature (increase or decrease)	Yes
Change in rainfall (increase or decrease)	No
Climate variability (larger or smaller)	Yes
Intensity and frequency of extreme events (larger or smaller)	Yes
Is the project expected to have an impact on climate?	No, Yes, TBD
Is the project expected to be a significant emitter of greenhouse gases?	No
Step 2: Exposure Assessment	
Is the project located in exposed areas to weather-related natural hazards?	No, Yes, TBD
Low-lying areas (valleys, coastal zones, and small islands)	No
Very warm areas (subtropical)	No
Tropical areas (rainforests)	No
Arid and semi-arid areas (deserts)	Yes
Mountains zones and permafrost areas (tundra)	No
River banks	Yes
Does the project target agricultural systems, ecosystems or livelihoods exposed to weather-related hazards?	No, Yes, TBD
Is crop production frequently affected by rainfall variability, prolonged droughts, changes in temperature or pests and diseases?	Yes
Is livestock productivity frequently affected by rainfall variability, prolonged droughts, changes in temperature or diseases?	Yes
Are fisheries frequently affected by ocean acidification, water salinity and changes in sea surface temperature due to ocean-atmospheric oscillations or climate change?	No
Is forest productivity frequently affected by wildfires, diseases, rainfall variability, prolonged droughts, or changes in temperature?	No
Is the biodiversity in the project area likely to be affected by changes in climate variables?	Yes
Is any stage of the agricultural value chain (production, storage, processing and marketing) exposed to climate related hazards?	Yes
Is any rural infrastructure likely to be affected by flooding, landslides, changes in temperatures, and extreme winds.	Yes
Step 3: Sensitivity Assessment	
What are key sensitivities for the populations in the project's areas of intervention?	No, Yes, TBD
Is conflict exacerbating the population's sensitivity to weather related hazards?	Yes
Is population displacement being exacerbated by climate change impacts?	Yes

Are diseases (e.g. COVID-19, malaria, cholera) increasing the population's vulnerability and affecting their capacity to address potential weather-related hazards?	No
Is the income of the target population predominately coming from agriculture?	Yes
Are social inequalities (e.g. based on gender, youth, indigenous persons and other marginalized groups) being exacerbated by climate change?	Yes
Is the Human Development Index (HDI) equal to or below 0.6?	Yes
Is the Multidimensional Poverty Index (MPI) equal to or above 0.1?	N/A
Step 4: Adaptive capacity and climate resilience	
What are key adaptive capacities in the areas of project intervention?	No, Yes, TBD
Is the country well ranked in the Disaster risk reduction progress score?	No
Are climate and weather information services (real-time weather data, seasonal forecasts etc.) effectively being delivered (through radio, TV, SMS, extension services etc.) to farmers, rural dwellers, and end users?	No
Does the project country have an early action plan (preparedness and emergency response) to mitigate the impacts of weather-related hazards once the shock occurs?	Yes
Does the government or other institutions support the target population/communities with the necessary social and economic resources to prepare for or respond to climate-related events?	No
Is the target community carrying out (using their own means) agricultural adaptation?	No
Does the target population have the economic means or support to adjust or adapt their activities in response to weather related shocks?	No
Do policies/mechanisms exist that make financial credit, loans, and agricultural insurance available?	No
Are rural infrastructures effectively delivering services to farmers and rural dwellers?	No

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Rural Livelihoods Resilience Programme

Project Design Report

Annex 6: First Annual Work Plan and Budget (AWPB)

Mission Dates: 20/06/2023 - 13/07/2023

Document Date: 31/10/2023

Project No. 2000004325

Report No. 6602-SO

Near East, North Africa and Europe Division
Programme Management Department

Annex 6: First Annual Work Plan and Budget (AWPB)

First 18 Month Annual Work Plan and Budget (AWPB) Summary and Detailed Cost Tables

Detailed Cost Tables

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Rural Livelihoods Resilience Programme (RLRP)

[Table 1.1. Strengthening Community Governance and Services](#)

Detailed Costs

(US\$)

I. Investment Costs

A. Strengthening Community Governance and Services

1. Conduct district level assessments of the communities and community based organisations (CBOs),
2. Conduct community capacity building workshops /a
3. Develop an inventory of existing community action plans, disaster preparedness strategic investment plans
4. Facilitate the formulation of a participatory CDP by the umbrella CDA
5. Set up a community-level monitoring system of implementation progress and emerging best practices

Subtotal

B. Lumpsum to be costed

Total

Unit	Quantities			Unit Cost	Totals Including Contingencies ('000)		
	Y1	Y2	Total		Y1	Y2	Total
Number of COBs	-	20	20	5,000	-	109	109
Workshop	3	3	6	10,000	32	33	65
Analysis	1	-	1	200,000	215	-	215
Number of CDP	-	1	1	500,000	-	547	547
Unit	1	-	1	200,000	215	-	215
Subtotal					463	689	1,152
Total					719	945	1,663

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Rural Livelihoods Resilience Programme (RLRP)

[Table 1.2. Community Investment Support](#)

Detailed Costs

(US\$)

I. Investment Costs

A. Support access to water for productions

1. Conduct a mapping exercise on irrigation infrastructure and needs
2. Rehabilitate 25 km of primary and secondary canals to irrigate 10,000 ha of smallholder-owned farms.
3. Finance the migration to pressurized irrigation (drip or sprinkler) /a
4. Construct surface water harvesting process, including constructing 2 water dams supported by dam liners to enhance water conservation.

Subtotal

B. Support access to market infrastructure

1. Conduct a mapping study of existing market infrastructure and needs assessment in the project districts.
2. Strengthen existing PHM systems and technical, managerial, and organizational capacities for PHM and processing units.
3. Rehabilitate 2 Community-owned and managed grain reserves and establish 2 new ones in new districts equipped with mobile grain drying technology
4. Co-invest with selected cooperatives at least four cold chain infrastructures in major rural markets to benefit at least 2,000 agro-pastoral communities
5. Construction of 6 livestock market sheds which will improve trading conditions, particularly on health and safety
6. Develop an action plan for the activation of livestock markets in the project areas
7. Facilitate training workshops focused on disaster risk reduction, climate change adaptation, early warning systems, and emergency response strategies
8. Support the development of early warning systems at the community level that are appropriate to the identified hazards.
9. Conduct comprehensive environmental, social, and climate impact assessments for each infrastructure project

Subtotal

C. Lumpsum to be costed

Total

Unit	Quantities			Unit Cost	Totals Including Contingencies ('000)		
	Y1	Y2	Total		Y1	Y2	Total
Study	1	-	1	25,000	27	-	27
Number	5	5	10	47,000	253	257	510
Lumpsum	-	100	100	800	-	87	87
Lumpsum	-	1	1	230,000	-	251	251
Subtotal					280	596	876
Study	1	-	1	40,000	43	-	43
Training	-	3	3	7,000	-	23	23
Number	-	1	1	200,000	-	219	219
Number	-	1	1	50,000	-	55	55
Number	-	1	1	30,000	-	33	33
Strategy	-	1	1	60,000	-	66	66
Workshop	1	2	3	5,000	5	11	16
Lumpsum	-	1	1	80,000	-	87	87
Study	-	3	3	7,000	-	23	23
Subtotal					48	516	565
Total					1,157	1,941	3,098

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Rural Livelihoods Resilience Programme (RLRP)

Table 2.1. Strengthening Resilience in Crop and livestock value Chains

Detailed Costs

(US\$)

	Unit	Quantities			Unit Cost	Totals Including Contingencies ('000)		
		Y1	Y2	Total		Y1	Y2	Total
I. Investment Costs								
A. Support access to productive inputs and CSA technologies								
Conduct Rapid assessment on use and adoption of CSA technologies in the project districts	Study	1	-	1	30,000	32	-	32
Identify and promote innovations and feasible and CSA practices in target areas /a	Research	1	1	2	40,000	43	44	87
Promote good agricultural practices such as reduced or zero tilling, soil mulching, composting and vermicomposting	Training	5	3	8	3,000	16	10	26
Establish four demonstration plots, promotion events, short and longer practical field training	Site	-	4	4	30,000	-	131	131
Introduce two new, improved shoat breeds that are drought and stress tolerant. The improved breeds will have traits including increased milk and me	Number	-	1	1	80,000	-	87	87
Comprehensive training program will be conducted for both the selected farmers cooperatives and individual smallholder farmers and MoAI staff.	Workshop	2	2	4	3,000	6	7	13
Promote rotational grazing to allow vegetation recovery, implement restoration activities in degraded areas, and introduce drought-resistant pasture s	Event	2	2	4	1,000	2	2	4
Subtotal						100	281	381
B. Promotion of pluralistic approach of agricultural extension services								
Promotion of pluralistic approach of agricultural extension services	Event	1	1	2	10,000	11	11	22
Strengthen the capacity of both public and private sector extension service providers (PESP) including NGOs and village based advisors, to enhanc	Training	2	1	3	5,000	11	5	16
Subtotal						22	16	38
C. Promotion of improved climate and pest-resistant varieties of key crops								
Distribute high-quality and locally certified seeds of the introduced varieties (2.1.1) to agro-pastoral communities to 14,000 Ha owned by smallholder	Session	2	2	4	40,000	86	87	174
Strengthen animal feed productions through Farmer field demonstration sites using improved and drought tolerance seeds integrated with other casl	On Farm Demo	2	2	4	7,000	15	15	30
Subtotal						101	103	204
D. Build the capacity of livestock producers on CSA and livestock practices and increase the use of services								
Support improving animal health services delivery in project sites by strengthening the capacity of state veterinary departments	Training	1	2	3	4,000	4	9	13
Establish 3 Veterinary Mobile Clinics with the aim of improving animal healthcare services, ensuring that livestock receive timely and accessible med	Number	1	1	2	30,000	32	33	65
Subtotal						37	42	78
E. Build the capacity of farmers on PHM, market linkages, and nutrition-sensitive cooking techniques.								
RLRP will conduct a rapid study on agri-nutrition status and practices in the project areas.	Study	1	-	1	40,000	43	-	43
Promote sack gardening for Leafy vegetables – such as spinach and lettuce because of the short cycle and nutrient density.	Number	200	400	600	50	11	22	33
RLRP will partner with public and private research institutions to introduce biofortified sorghum in the project areas as a broader intervention.	Research	1	2	3	15,000	16	33	49
Build capacity at the community and household level for training on nutrition-sensitive post-harvest practices	Training	1	2	3	5,000	5	11	16
Promote environmentally friendly cooking methods that minimize fuel use and reduce	Training	-	4	4	3,000	-	13	13
Subtotal						75	79	154
F. Support to disadvantaged HHs in crop and livestock production.								
Distribution of 1,000 shoats to IDPs and poor HHs, along with capacity building on managing the crops and animals.	Number	200	200	400	200	43	44	87
Distributions of Small solar-powered irrigation kits to support crop farming to at least 500 HHs and IDPs with access to water	Kit	62	62	124	500	33	34	67
Conduct training for disadvantaged households (HHs) in crop and livestock production	Per Year	1	1	2	3,000	3	3	7
Subtotal						80	81	161
G. Lumpsum to be costed								
Total	Lumpsum					361	278	639
						775	880	1,655

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Rural Livelihoods Resilience Programme (RLRP)

Table 2.2. Entrepreneurship for Value Chain Development

Detailed Costs

(US\$)

I. Investment Costs

A. Support entrepreneurship development through capacity development, including mentoring opportunities and linkage to the market

Mapping of existing and potential market opportunities and key bottlenecks with focus on domestic markets

Support access to financial services for business development along the priority VCs value chains for women and youth.

Creation and strengthening of community savings and lending groups

Subtotal

B. Capacity building in entrepreneurship, including youth linkages to market

Recruit Consultant to conduct a baseline study that will include training needs assessment

Identify and support solutions to address women's constraints for accessing market.

Support to the creation and strengthening of community savings and lending

Conduct 5 district level agribusiness B2B events to provide linkages between producers, aggregators, and processors.

Provide grant/ in kind support to new innovative agri-business ideas by women or youth in the project districts

Subtotal

C. Lumpsum to be costed

Total

Unit	Quantities			Unit Cost	Totals Including Contingencies ('000)		
	Y1	Y2	Total		Y1	Y2	Total
Study	1	-	1	40,000	43	-	43
Number	2	2	4	20,000	43	44	87
Number	5	5	10	10,000	54	55	109
Subtotal					140	98	238
Study	1	-	1	40,000	43	-	43
Lumpsum	1	2	3	5,000	5	11	16
Number	5	5	10	3,000	16	16	33
Events	2	2	4	10,000	22	22	43
Grant	-	3	3	10,000	-	33	33
Subtotal					86	82	168
Lumpsum					1,029	1,029	2,059
Total					1,255	1,210	2,465

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Rural Livelihoods Resilience Programme (RLRP)

Table 3.1. Programme Coordination and Capacity Building

Detailed Costs

(US\$)

	Unit	Quantities			Unit Cost	Totals Including Contingencies ('000)		
		Y1	Y2	Total		Y1	Y2	Total
I. Investment Costs								
A. Office Equipment								
1. NPCU Office								
Computer desktops	Number	6	-	6	700	5	-	5
Laptop computers	Number	13	-	13	1,000	14	-	14
Printer/Scanner	Number	1	-	1	1,500	2	-	2
Office Furniture	Set	15	-	15	2,000	32	-	32
Vehicles	Number	2	-	2	15,000	32	-	32
Subtotal						85	-	85
2. FMS Office (2)								
Computer desktops	Number	8	-	8	700	6	-	6
Laptop computers	Number	8	-	8	1,000	9	-	9
Printer/Scanner	Number	2	-	2	1,500	3	-	3
Office Furniture	Set	8	-	8	2,000	17	-	17
Vehicles	Number	2	-	2	15,000	32	-	32
Subtotal						67	-	67
Subtotal						152	-	152
B. Monitoring and Evaluation								
Start-Up Workshops	Workshop	1	-	1	10,000	11	-	11
Baseline Survey	Study	1	-	1	80,000	86	-	86
Annual Outcome surveys/supervision missions	Lumpsum	1	1	2	40,000	43	44	87
Validations Meetings and Workshops	Lumpsum	1	1	2	2,000	2	2	4
Subtotal						142	46	188
C. Knowledge Management								
Exchange visits	Per Year	-	1	1	1,000	-	1	1
KM Publication/Communication	Per Year	1	1	2	1,000	1	1	2
Communication Materials	Lumpsum	-	1	1	500	-	1	1
Staff Training & Workshops	Lumpsum	2	2	4	500	1	1	2
Subtotal						2	4	6
D. Project Audits								
External Audit /a	Lumpsum	1	1	2	10,000	11	11	22
Total Investment Costs						307	61	368
II. Recurrent Costs								
A. Salaries and Allowances - NPCU								
National Programme Coordinator	Person-Month	12	12	24	5,000	65	66	130
Financial Controller /b	Person-Month	12	12	24	4,000	52	52	104
Project Accountant /c	Person-Month	12	12	24	4,000	52	52	104
Procurement Specialist	Person-Month	12	12	24	4,000	52	52	104
Agro-pastoralist & Rural Dev, Specialist	Person-Month	12	12	24	4,000	52	52	104
M&E Specialist	Person-Month	12	12	24	4,000	52	52	104
Gender Specialist	Person-Month	12	12	24	4,000	52	52	104
Environment & Climate Change Specialist (seconded)	Person-Month	12	12	24	100	1	1	3
Other seconded staff - 6	Person-Month	72	72	144	100	8	8	16
Subtotal						384	390	773
B. Salaries and Allowances - 2 FMS								
State Programme Coordinator	Person-Month	24	24	48	3,000	78	79	156
Accounts Assistant /d	Person-Month	24	24	48	1,200	31	31	62
Agro-pastoralist & Rural Dev, Officer	Person-Month	24	24	48	2,000	52	52	104
M&E Officer	Person-Month	24	24	48	2,000	52	52	104
Subtotal						212	215	427
C. Office operating costs and other utilities	Lumpsum	1	1	2	40,000	43	44	87
Total Recurrent Costs						639	649	1,287
Total						946	709	1,655

Summary Cost Tables

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Rural Livelihoods Resilience Programme (RLRP)

Components by Financiers

(US\$ '000)

	Federal FGS		IFAD		Other Co-Financing		FMS		Beneficiaries		Total		For. Exch.	Local (Excl. Taxes)
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%		
A. Support to Community Resilience Capacity														
Strengthening Community Governance and Services	-		677	41	771	46	214	13	-	-	1,663	16	114	1,549
Community Investment Support	-		1,033	33	1,197	39	150	5	718	23	3,098	29	143	2,955
Subtotal	-		1,710	36	1,968	41	364	8	718	15	4,761	45	257	4,504
B. Support to Smallholder Livelihoods Enhancement														
Resilient Crop and Livestock Value Chains	-		575	35	981	59	-	-	98	6	1,655	16	101	1,554
Entrepreneurship for Value Chain Development	-		863	35	1,117	45	372	15	112	5	2,465	23	40	2,425
Subtotal	-		1,439	35	2,099	51	372	9	210	5	4,120	39	141	3,979
C. Programme Coordination and Capacity Building														
Programme Coordination and Capacity Building	218	13	776	47	661	40	-	-	-	-	1,655	16	164	1,491
Total PROJECT COSTS	218	2	3,925	37	4,728	45	736	7	928	9	10,536	100	563	9,973

SOMALIA

Rural Livelihoods Resilience Programme (RLRP)

Expenditure Accounts by Financiers

(US\$ '000)

	Federal FGS		IFAD		Other Co-Financing		FMS		Beneficiaries		Total		For. Exch.	Local (Excl. Taxes)
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%		
I. Investment Costs														
A. Works	0	-	931	33	1,091	39	132	5	636	23	2,790	27	112	2,678
B. Training and Capacity Building	2	0	367	35	575	56	32	3	61	6	1,037	10	40	998
C. Consultancies, Studies & TA	26	1	739	39	859	46	180	10	75	4	1,879	18	187	1,692
D. Goods and Inputs	0	-	412	38	562	51	75	7	49	5	1,098	10	58	1,040
E. Services	0	-	802	35	1,065	47	318	14	107	5	2,292	22	23	2,269
F. Equipment and Materials	20	13	71	47	61	40	-	-	-	-	152	1	15	137
Total Investment Costs	48	1	3,322	36	4,214	46	736	8	928	10	9,249	88	435	8,814
II. Recurrent Costs														
A. Salaries and allowances	158	13	563	47	479	40	-	-	-	-	1,200	11	119	1,081
B. Office Operating Costs	11	13	41	47	35	40	-	-	-	-	87	1	9	78
Total Recurrent Costs	170	13	604	47	514	40	-	-	-	-	1,287	12	128	1,159
Total PROJECT COSTS	218	2	3,925	37	4,728	45	736	7	928	9	10,536	100	563	9,973

Somalia

Rural Livelihoods Resilience Programme

Project Design Report

Annex 7: Procurement Plan for first 18 months

Mission Dates: 20/06/2023 - 13/07/2023

Document Date: 31/10/2023

Project No. 2000004325

Report No. 6602-SO

Near East, North Africa and Europe Division
Programme Management Department

Procurement Plan SUMMARY

Country:	Somalia				
Project Name:	Rural Livelihoods Resilience Programme (RLRP)				
Project ID:					
Version	1.0				
Version Date	15-Aug-23				
Prepared by:					
Approved by:					
Procurement Category	Plan		Actual		
	Currency	USD	LCU	USD	LCU
Goods		739.22	-	-	-
Works		1 132.72	-	-	-
Consulting Services		2 510.48	-	-	-
Non-Consulting Services		-	-	-	-
Grants		-	-	-	-
TOTAL		4 382.43	-	-	-

Procurement Plan - Goods

Somalia

Rural Livelihoods Resilience Programme (RLRP)

Project ID:

Prepared by:

Approved by:

	USD	LCU	
Total Amount	739.22	0.00	Plan
Actual	0.00	0.00	Actual
Non-Disbursing	0.00	0.00	Plan
Disbursing	0.00	0.00	Actual

Procurement Methods:
 NS: National Shopping
 IS: International Competitive Bidding
 MCB: National Competitive Bidding
 ICB: International Competitive Bidding
 L1: Limited International Bidding

Item No	Description	Item Category	Unit	Quantity	Lot No/Description	Project Area or Procuring Entity	Unit Price			Procurement Method	Envelope	Amount (USD)	Amount (LCU)	Plan vs. Actual	Pre-qualification				Bidding Process				Bid Evaluation				Contract Award & Close									
							Plan	Actual	Prior or Post Review						Submission of PreQual Docs	No Objection Date	PreQual Invitation Date	PreQual Closing Date	Submission of PreQual Report	No Objection Date	Submission of Bid	No objection Date	Bid Invitation Date	Bid Opening	Submission Tech Eval Rpt	No-objection Date	Submission Combined Eval Rpt	No-objection Date	Plan vs. Actual	Date Contract Award	Submission of Draft Contract	No-objection Date	Date Contract Signature			
DT 2.1	1. Investment Costs; A. Support access to water for productions						Plan	Prior-Qual	Prior Review	NS	1	87.48		Plan	N/A	N/A	N/A	N/A	N/A	N/A	Enter Date															
IA	Change the migration to processed irrigation system water in						Actual						Actual																							
DT 2.1.10	1. Investment Costs; A. Support access to production inputs and CIA technologies						Plan	Prior-Qual	Prior Review	NS	1	87.48		Plan	N/A	N/A	N/A	N/A	N/A	N/A	Enter Date															
IA	Introduce new, improved and breeds that are drought and cross tolerant. The improved breeds will have traits including increased milk and meat productivity						Actual						Actual																							
IC	C. Promotion of improved climate and pest-resistant varieties of key crops						Plan	Prior-Qual	Prior Review	ICB	1	170.00		Plan	N/A	N/A	N/A	N/A	N/A	N/A	Enter Date															
IA	Distribute high-quality and locally certified seeds of the improved varieties (2.1.10) to agro pastoral communities in SLD to ensure to smallholder farmers						Actual						Actual																							
IC	D. Build the capacity of farmers on PDM, market linkages, and nutrition-sensitive cooking technologies						Plan	Prior-Qual	Prior Review	NS	1	18.90		Plan	N/A	N/A	N/A	N/A	N/A	N/A	Enter Date															
IA	Work with public and private research institutions to introduce nutrition forage to the project area as a livestock intervention						Actual						Actual																							
IC	F. Support to disadvantaged PDMs in crop and livestock production.						Plan	Prior-Qual	Prior Review	NS	1	86.80		Plan	N/A	N/A	N/A	N/A	N/A	N/A	Enter Date															
IA	Distribution of 1200 sheep to top and poor herds along with capacity building on managing the crops and animals						Actual						Actual																							
IC	Distribution of 1000 goats to poor herds along with capacity building on managing the crops and animals						Actual						Actual																							
DT 2.1.10	1. Investment Costs; B. Capacity building in entrepreneurship, including youth linkages to markets						Plan	Prior-Qual	Prior Review	NS	1	22.80		Plan	N/A	N/A	N/A	N/A	N/A	N/A	Enter Date															
IA	Provide grants to trainees to start innovative agri-business. Visit by business coach to the project benefits						Actual						Actual																							
DT 2.1.10	1. Investment Costs; C. Office Equipment;						Plan	Prior-Qual	Prior Review	NS	1	4.52		Plan	N/A	N/A	N/A	N/A	N/A	N/A	Enter Date															
IA1	Computer desktop						Actual						Actual																							
IA1	Laptop computers						Actual						Actual																							
IA1	Printer/Scanner						Actual						Actual																							
IA1	Office furniture						Actual						Actual																							
IA1	Mobile						Actual						Actual																							
IA2	Computer desktop						Actual						Actual																							

Procurement Plan - WORKS

Somalia

Rural Livelihoods Resilience Programme (RLRP)

Project ID:

Prepared by:

Approved by:

Procurement Methods:
 ICJ National Shopping
 IS International Shopping
 NCB National Competitive Bidding
 ICB International Competitive Bidding
 L1B Limited (Discretionary) Bidding

	USD	EUR	
Total Amount	1 131.72	0.00	Plan
Plan	0.00	0.00	Actual
Non-Consulting	0.00	0.00	Actual

Work/Component No.	L.O	15 Aug 23	Description	Non Consulting	Funding	Lot No/Description	Project Area or Procuring Entity	Basic Data				Pre-qualification				Bidding Process				Bid Evaluation				Contract Award												
								Plan vs. Actual	Pre or Post Qualification	Prior or Post Review	Procurement Method	Envelope	Amount (USD)	Amount (EUR)	Plan vs. Actual	Submission of Pre-Qual Data	No Objection Date	Pre-Qual Invitation Date	Pre-Qual Closing Date	Submission of Pre-Qual Report	No Objection Date	Submission of BQ	No objection Date	Bid Invitation Date	Bid Closing Opening	Submission Tech Eval Rpt	No objection Date	Submission Combined Eval Rpt	No objection Date	Plan vs. Actual	Year of NACT&Award	Date Contract Award	Submission of Draft Contract	No objection Date	Date Contract Signature	
DT 2.3	A. Support access to water for production																																			
	IA		Rehabilitate 20 ha of primary and secondary Livestock to 10 grams 20,000 kg of multigrain covered dams		IFAD			Plan	Post-Qual	Prior Review	NCB	1	500.00	-	Plan	N/A	N/A	N/A	N/A	N/A	N/A	Enter Date		N/A	N/A											
IA		Construct surface water harvesting systems, including constructing 2 water dams supported by dams dams to enhance water conservation		IFAD			Plan	Post-Qual	Prior Review	NCB	1	251.69	-	Plan	N/A	N/A	N/A	N/A	N/A	N/A	Enter Date		N/A	N/A												
B. Support access to markets/infrastructure																																				
IB			Investment 3 Community-based and managed grain reserves and establish 2 new sites in new districts equipped with mobile grain drying equipment with 1000kg capacity		IFAD			Plan	Post-Qual	Prior Review	NCB	1	238.09	-	Plan	N/A	N/A	N/A	N/A	N/A	N/A	Enter Date		N/A	N/A											
IB			Investment 4 Support small-scale rural farmers to benefit at least 2,000 rural households		IFAD			Plan	Post-Qual	Prior Review	NS	1	56.67	-	Plan	N/A	N/A	N/A	N/A	N/A	N/A	Enter Date		N/A	N/A											
IB			Construction of 8 livestock market sheds which will improve trading conditions, particularly on health and safety		IFAD			Plan	Post-Qual	Prior Review	NS	1	32.80	-	Plan	N/A	N/A	N/A	N/A	N/A	N/A	Enter Date		N/A	N/A											
DT 2.3B D. Build the capacity of livestock producers on CSA and livestock practices and increase the use of services																																				
ID			Establish 2 Veterinary Mobile Clinics with the aim of improving animal healthcare services, ensuring that livestock receive timely and accessible medical assistance		IFAD			Plan	Post-Qual	Prior Review	NS	1	55.10	-	Plan	N/A	N/A	N/A	N/A	N/A	N/A	Enter Date		N/A	N/A											

Somalia

Rural Livelihoods Resilience Programme

Project Design Report

Annex 8: Project Implementation Manual (PIM)

Mission Dates: 20/06/2023 - 13/07/2023

Document Date: 31/10/2023

Project No. 2000004325

Report No. 6602-SO

Near East, North Africa and Europe Division
Programme Management Department

Annex 8: Project Implementation Manual (PIM)

- i. *Including, among others, project governance, composition and job descriptions of project implementation unit, project administration, financial management and accounting, procurement, M&E system, targeting methodologies, etc.*
- ii. *The section of the PIM covering financial management and accounting arrangements is to be provided by FMD.*

FEDERAL REPUBLIC OF SOMALIA

RURAL LIVELIHOODS RESILIENCE PROGRAMME (RLRP)

DRAFT PROGRAMME IMPLEMENTATION MANUAL (PIM)

OCTOBER 2023

Table of Contents.

Currency Equivalents (October 2023)

Currency Unit	=	Somali Shilling
US\$ 1.0	=	SOS 570.46 (as at August 28, 2022)

Weights and measures

1 kilogram	=	1000 g
1 000 kg	=	2.204 lb.
1 kilometre (km)	=	0.62 mile
1 metre	=	1.09 yards
1 square metre	=	10.76 square feet
1 acre	=	0.405 hectare
1 hectare	=	2.47 acres

Somalia
Fiscal Year
1st January – 31st December

ABBREVIATIONS AND ACRONYMS

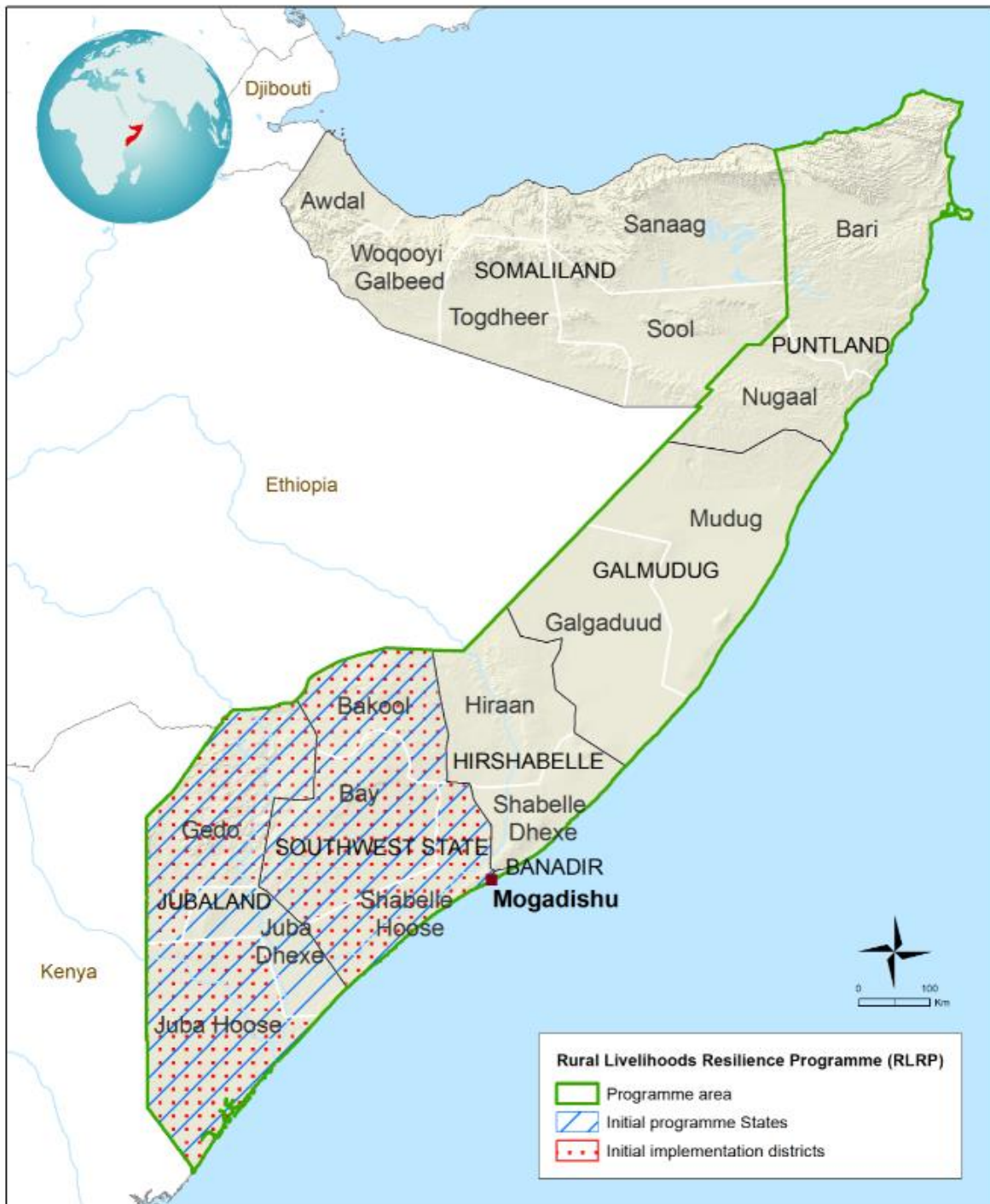
AMN	acute malnutrition
AWPB	annual workplan and budget
BBB-RLRI)	Building Back Better: Rural Livelihoods Recovery Initiative for the Greater Horn of Africa
CAHW	community animal health worker
CBO	community-based organisation
CCA	climate change adaptation
CDA	community development association
CDD	community-driven development
CDP	community development plan
CF	community facilitator
COI	core outcome indicator
CRI	Crisis Response Initiative
CSA	climate-smart agriculture
CSG	community service group
DA	designated account
DPLO	District Programme Liaison Officer
EIG	economic interest group
ERR	Economic Rate of Return
ESCMF(P)	environmental, social, and climate management framework (plan)
FC	Financial Controller
FGS	Federal Government of Somalia
FI	financial institution
FIRR	financial internal rate of return
FM	financial management
FMS	Federal Member State
FRS	Federal Republic of Somalia
FSSFS	Food Security and Sustainability in Fragile Situations
GAP	good agronomic practice
GDP	gross domestic product
GIS	geographic information system
GRM	grievance redress mechanism
HH	household
ICT4D	information and communication technology for development
IDP	internally displaced person
IFAD	International Fund for Agricultural Development
IFI	international finance institution
IFR	interim financial report
IPC	Integrated Food Security Phase Classification
KM	knowledge management
KMC	knowledge management and communication
M&E	monitoring and evaluation
MES	monitoring and evaluation system
MIS	management information system
MoAI	Ministry of Agriculture and Irrigation
MoECC	Ministry of Environment and Climate Change
MoF	Ministry of Finance
MoLFR	Ministry of Livestock Forest and Range
MSME	micro small and medium enterprise
MTR	midterm review
NDC	Nationally Determined Contribution
NDP-9	9 th National Development Plan
NGO	non-governmental organisation
NPC	National Programme Coordinator
NPCU	National Programme Coordination Committee
NPV	Net Present Value (NPV)
NRM	natural resource management
NSVC	nutrition-sensitive value chain
O&M	operation and maintenance

ORMS	Operational Results Management System
PCN	programme concept note
PDO	programme development objective
PET	Productivity Enhancing Technologies to Improve Pastoralists and Agro-pastoralists Livelihoods in Dry Lands
PHM	post-harvest management
PIM	programme implementation manual
PMO	Prime Minister's Office
PP	procurement plan
PRSF	Rural Poor Stimulus Facility
PwD	person with disability
PSC	Programme Steering Committee
RISE	Response Initiative for Somalia Emergencies
RLAC-19	Resilient Livelihood Action to COVID-19
RLRP	Rural Livelihoods Resilience Programme
SBD	standard bidding document
SDG	Strategic Development Goal
SECAP	Social, Environmental, and Climate Assessment Procedures
SFMIS	Somalia Financial Management Information System
SMS	subject matter specialist
SO	strategic objective
SPC	State Programme Coordinator
SPCU	State Programme Coordination Committee
SPSC	State Programme Steering Committee
SSGP	Seed Systems Grant Project
ToC	theory of change
TPIP	third-party implementation partner
UNFCCC	United Nations Framework Convention on Climate Change
US\$	United States dollar
VBA	village-based advisor
VC	value chain
VSLA	village savings and loan association
WA	withdrawal application

PROGRAMME HISTORY

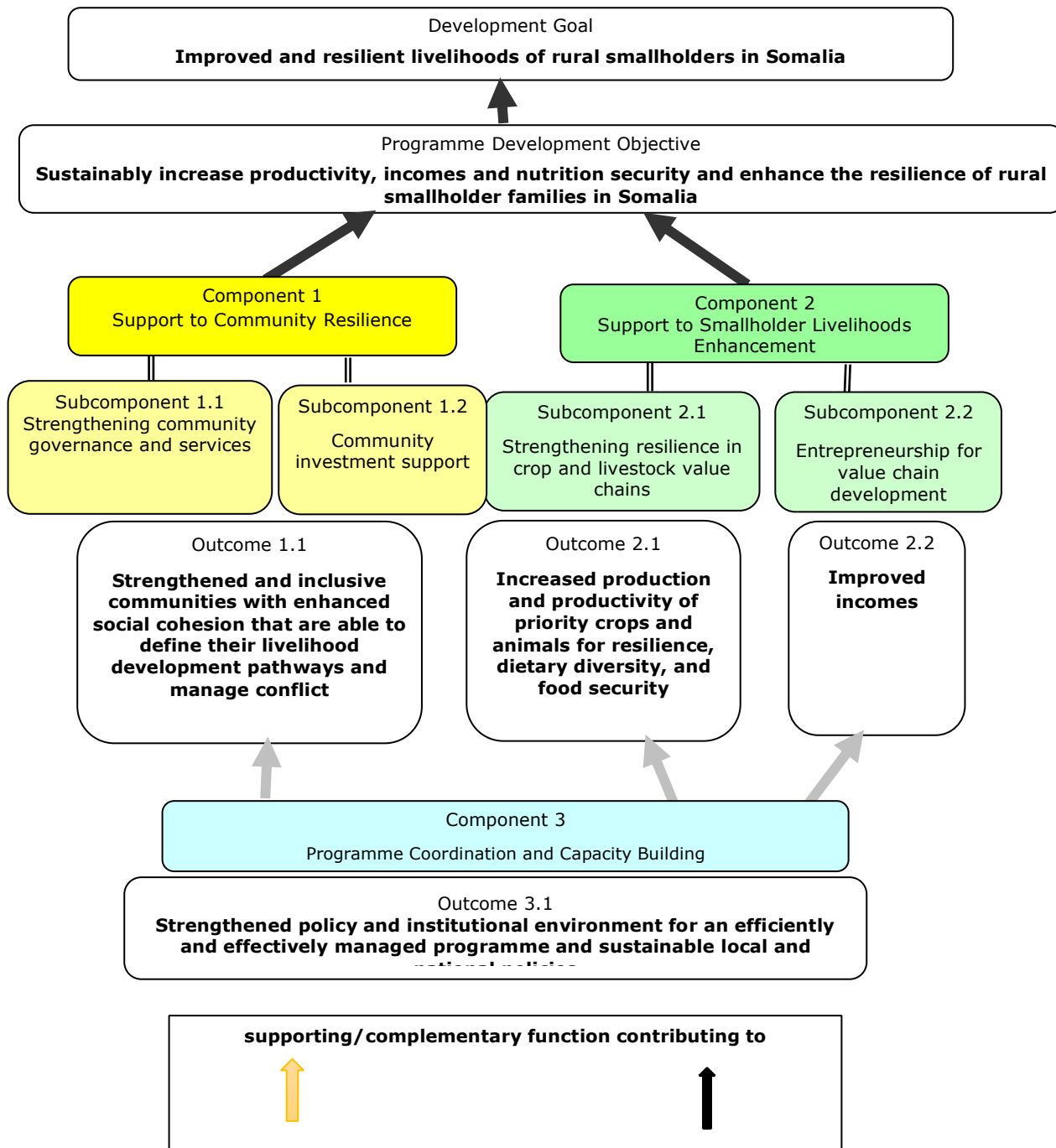
Item	Date	Other information
Approval Signing Entry into force First disbursement Midterm review Completion Financial closure		

Map of Programme Area



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 | 17-08-2023

Programme Overview



Logframe Diagram

Results Hierarchy	Indicators				Means of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsible	
Outreach Project outreach in terms of beneficiaries receiving project services and corresponding households and HHs members	1. Number of persons receiving services promoted or supported by the project				MIS/MES	semester/annual	NPCU	No major conflict or climate related incidents causing mass displacement
	Males	0	27000	90000				
	Females (50%)	0	27000	90000				
	Young (40%)	0	21600	72000				
	Not Young							
	Non-Indigenous people							
	Total number of persons receiving services	0	54000	180000				
	Internally Displace People - IDPs (15%)	0	8100	27000				
	1.a Corresponding number of households reached				MIS/MES	semester/annual	NPCU	
	Women-headed households (50%)		4500	15000				
	Non-women headed households (50%)		4500	15000				
	Young headed households (40%)		3600	12000				
	IDPs headed households (15%)		1350	4500				
	Households	0	9000	30000				
1.b Estimated corresponding total number of household members				MIS/MES	semester/annual	NPCU		
Household members	0	54000	180000					
Project Goal Improved and resilient livelihoods of rural smallholders in Somalia	HHs reporting increase in income (disaggregated for women and IDPs)				COI HH survey	BL, MT, End	NPCU	Political stability maintained. Improved macroeconomic conditions. Change in weather patterns not as drastic as predicted.
	HHs	0	6%	20%				
	Women	0	6%	20%				
	IDPs	0	3%	10%				
	Percentage increase in the Ability to Recover from Shocks (ATR) - Resilience Capacity				COI HH survey	BL, MT, End	NPCU	

Results Hierarchy	Indicators				Means of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsible	
	Increase ATR	0	5%	15%				
	HHs with reduction in Food Insecurity Experience Scale (FIES)				HH survey - FAO FIES methodology (to be added to COI)	BL, MTR/PCR	NPCU	
	Households	0	3%	10%				
Development Objective	CI 1.2.8 Women reporting minimum dietary diversity (MDDW)				COI HH survey	BL, MT, PCR	NPCU	Political stability maintained. Improved macroeconomic conditions. Change in weather patterns not as drastic as predicted.
Sustainably increase productivity, incomes, and nutrition security of smallholders' families in Somalia	Women (%)		21%	70%				
	Women (number)		18900	63 000				
	Households (%)		21%	70%				
	Households (number)		3150	10 500				
	Household members		37800	126 000				
	CI 2.2.1 Persons with new jobs/employment opportunities				COI HH survey	BL, MT, PCR	NPCU	
	Males	0	2700	9000				
	Females	0	2700	9000				
	Young	0	2160	7200				
	Total number of persons with new jobs/employment opportunities (10%)	0	5400	18000				
Outcome	SF.2.1 Households satisfied with project-supported services				COI HH outcome survey	BL, MT, End	NPCU	Political and social stability in community - the CDD approach facilitates social cohesion
Outcome 1: Strengthened and inclusive communities with enhanced social cohesion that are able to define their livelihood development pathways and manage conflict.	Household members	0	40500	135000				
	Non-Indigenous households							
	Non-women-headed households							
	Households (%)	0	23%	75%				
	Households (number)	0	6750	22500				
	SF.2.2 Households reporting they can influence decision-making of local authorities and project-supported service providers				COI HH survey	BL, MTR, End	NPCU	

Results Hierarchy	Indicators				Means of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsible	
	Household members	0	40500	135000				
	Non-Indigenous households							
	Non-women-headed households							
	Households (%)	0	23%	75%				
	Households (number)	0	6750	22500				
	CI 2.2.6 Households reporting improved physical access to markets, processing and storage facilities							
	Household members	0	40500	135000	COI HH survey	BL, MTR, End	NPCU	
	Non-Indigenous households							
	Non-women-headed households							
	Households (%)	0	23%	75%				
	Households (number)	0	6750	22500				
	CI 3.2.2 Households reporting adoption of environmentally sustainable and climate-resilience technologies and practices							
	Total number of household members	0	48600	162000	COI HH survey	BL, MTR, End	NPCU	
	Households (%)	0	27%	90%				
	Households (number)	0	8100	27000				
Output	CI 3.1.1 Groups supported to sustainably manage natural resources and climate-related risks				MIS/MES	semester/annual	NPCU	Political and social stability in community
1.1 Strengthening community governance and services	Total size of groups	0	3600	12000				
	Groups supported	0	5	15				
	Males	0	1800	6000				
	Females	0	1800	6000				
	Young	0	1440	4800				
	Number of district profiles developed							
	District Profiles	0	2	5				
Number of communities with CDPs developed				MIS/MES	semester/annual	NPCU		

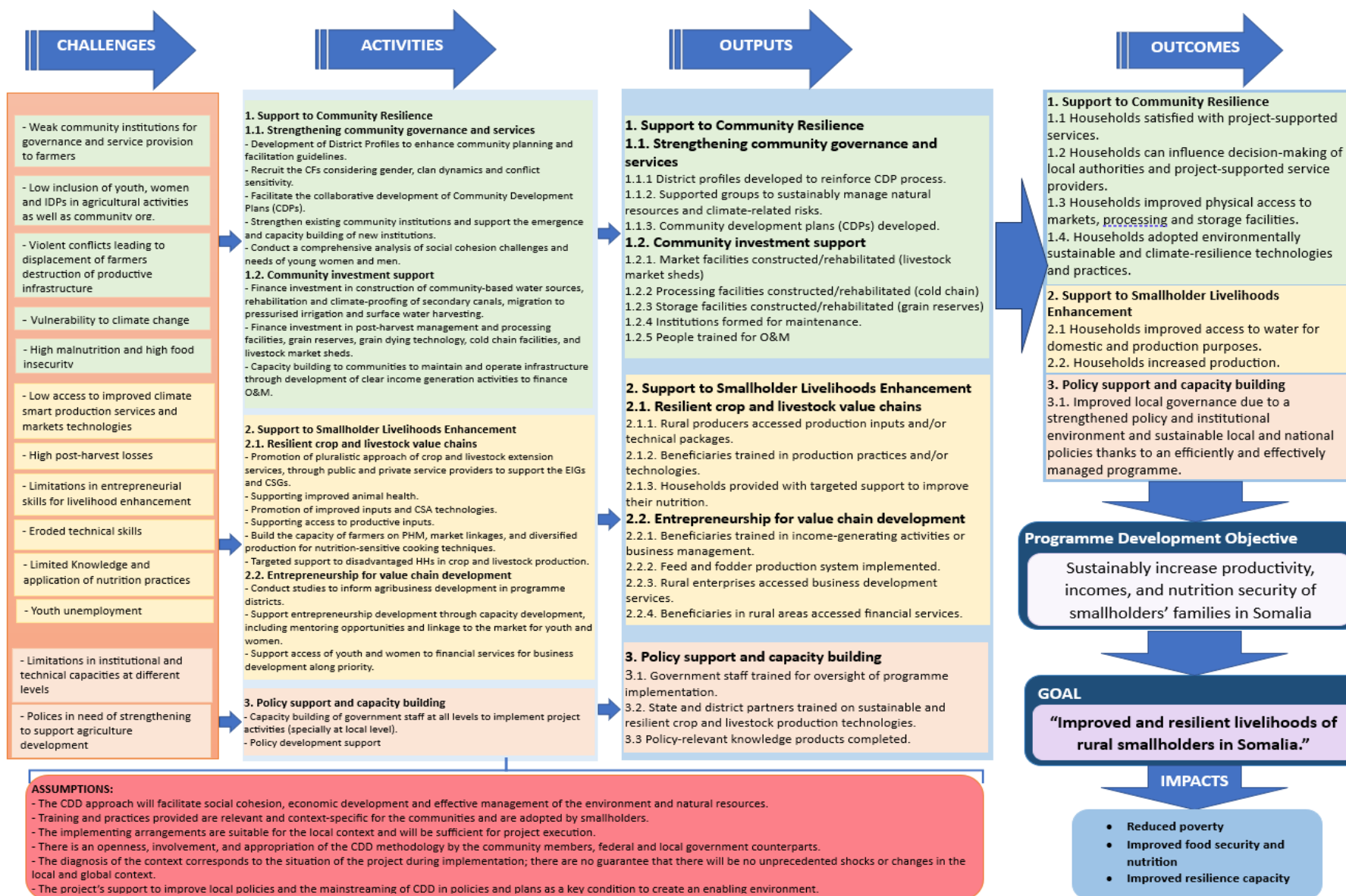
Results Hierarchy	Indicators				Means of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsible	
	Communities	0	5	15				
Output	CI 2.1.6 Number of markets, processing or storage facilities constructed or rehabilitated				MES - GIS	semester/annual	NPCU	Political and social stability in community
1.2. Community investment support	Total number of facilities	0	11	36				
	Market facilities constructed/rehabilitated (livestock market sheds)	0	2	6				
	Processing facilities constructed/rehabilitated (cold chain)	0	1	4				
	Storage facilities constructed/rehabilitated (Grain reserves)	0	7	24				
	Number of institutions formed							
	Institutions	0	11	36				
	Number of people trained for O&M							
	Individuals trained	0	1800	6000	MES system	semester/annual	NPCU	
Outcome	CI 1.2.1 Households reporting improved access to land, forests, water or water bodies for production purposes				COI HH survey	BL, MT, End	NPCU	Improved macroeconomic conditions. Change in weather patterns not as drastic as predicted.
Outcome 2: increased production and productivity of priority crops and animals for resilience, dietary diversity and food security	Households reporting improved access to water (%)	0	9%	30%				
	Size of households reporting improved access to water	0	16200	54000				
	Total no. of households reporting improved access to water	0	2700	9000				
	CI 1.2.4 Households reporting an increase in production				COI Outcome survey	BL, MTR, PCR	NPCU	
	Total number of household members	0	27000	90000				
	Households (%)	0	15%	50%				
	Households	0	4500	15000				
Output					MES	semester/annual	NPCU	

Results Hierarchy	Indicators				Means of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsible	
2.1: Resilient crop and livestock value chains	CI 1.1.3 Rural producers accessing production inputs and/or technological packages							No significant changes affecting the agriculture and livestock sectors. Change in weather patterns not as drastic as predicted.
	Males	0	1620	5400				
	Females	0	1080	3600				
	Young	0	810	2700				
	Total rural producers	0	2700	9000				
	CI 1.1.4 Persons trained in production practices and/or technologies				MES	semester/annual	NPCU	
	Men trained in livestock	0	2700	9000				
	Women trained in livestock	0	2700	9000				
	Young people trained in livestock	0	1350	4500				
	Total persons trained in livestock	0	4500	15000				
	CI 1.1.8 Households provided with targeted support to improve their nutrition				MES	semester/annual	NPCU	
	Total persons participating	0	8100	27000				
	Males	0	4050	13500				
	Females	0	4050	13500				
	Households	0	8100	27000				
Household members benefitted	0	48600	162000					
Non-Indigenous people								
Young	0	3240	10800					
Not Young								
Non-women-headed households								
Output					MES	semester/annual	NPCU	
2.2 Entrepreneurship for value chain development	CI 2.1.2 Persons trained in income-generating activities or business management							
	Males	0	3375	11250				
	Females	0	3375	11250				
	Young	0	2160	7200				

Results Hierarchy	Indicators				Means of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsible	
	Persons trained in IGAs or BM (Total)		6750	22500				
	CI Number of feed and fodder production system implemented				M&E system	semester/annual	NPCU	
	Hectares of land		120	400				
	CI 2.1.1 Rural enterprises accessing business development services				M&E system	semester/annual	NPCU	
	Size of enterprises	0	5400	18000				
	Rural enterprises	0	900	3000				
	Women in leadership position	0	1620	5400				
	CI 1.1.5 Persons in rural areas accessing financial services				MES - financial institution records	semester/annual	NPCU	
	Men in rural areas accessing financial services - credit		11	38				
	Women in rural areas accessing financial services - credit		11	38				
	Young people in rural areas accessing financial services - credit		9	30				
	Total persons accessing financial services - credit		23	75				
	Men in rural areas accessing financial services - insurance		11	38				
	Women in rural areas accessing financial services - insurance		11	38				
	Young people in rural areas accessing financial services - insurance		9	30				
	Total persons accessing financial services - insurance		23	75				
Outcome	Policy 3: Existing/new laws, regulations, policies or strategies proposed to policy makers for approval, ratification or amendment							
Outcome 3: Strengthened policy and institutional environment for sustainable development of the Somali agricultural and livestock sector	Number	0	1	2				

Results Hierarchy	Indicators				Means of verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsible	
Output	Number of government members trained				MES	semester/annual	NPCU	Government leadership and effective policy support provided - Consultation platform set-up
Strengthened institutional capacity - Local policies are developed through support by KMC programme activities	Males	0	20	100				
	Females	0	5	40				
	Policy 1 Policy-relevant knowledge products completed				KMC reporting and MES	annual	NPCU	
	Number	0	1	2				

Theory of Change Diagram



VERSION HISTORY

The table below provides the version number of the Programme Implementation Manual, the author implementing the version, the date of the version, the name of the person approving the version, the date that particular version was approved, and a brief description of the reason for creating the revised version.

Version #	Developed By	Revision Date	Approved By	Approval Date	Reason
1.0	IFAD Country Team		<name>	<mm/dd/yy>	Draft PIM for Programme Start-up
2.0	RLRP NPCU				Revised PIM for

CHAPTER 1 – INTRODUCTION

PURPOSE OF THE MANUAL

1. This draft Programme Implementation Manual (PIM) provides overall guidance on the implementation of the Rural Livelihoods Resilience Programme (RLRP), the first International Fund for Agricultural Development (IFAD) core funding investment in Somalia after 30 years of non-lending status of the country due to its debt arrears to IFAD. Together with the Financial Procedures Manual and the Administrative Manual (presented as appendices), and the other guidelines for the implementation of specific subcomponent activities as well as the reporting of physical progress and expenditure, the PIM is the basic guidance tool regarding most of the common situations that the Lead Programme Agency and other Programme Parties, at the Federal, State, and District levels will be confronted with when implementing the RLRP. The PIM will also serve as a tool for supervision and monitoring by the National Steering Committee and the International Fund for Agricultural Development (IFAD).
2. The draft PIM draws extensively from the draft Programme Design Report (PDR) of the RLRP.

USERS OF THE MANUAL

3. The primary users of the draft PIM would be the technical and financial management staff of the National Programme Coordination Unit (NPCU) and the State Programme Coordination Units (SPCUs), as well as long-term national or international consultants engaged in programme implementation. Other users of relevant sections of the draft PIM would be the oversight agencies at the Federal, State and District levels, implementation partners, and programme participants at the community level. The relevant sections of the PIM would be packaged in a simpler form for use at the community level.

CHAPTER 2 – PROGRAMME DESCRIPTION

Chapter 2 describes the key features of the RLRP, with emphasis on the goal and objectives, the programme area and the target group, and the cost and financing of the Programme.

2.1 GEOGRAPHIC COVERAGE

1. Programme area. The RLRP is a nationwide programme that will cover the five Federal Member States (FMS) of Puntland, Galmudug, Jubaland, Hirshabelle and South West. Implementation will be sequenced, starting with the initial two FMS of Jubaland and South West, and a total of five districts in the two states: Jubaland: *Gedo and Lower Juba*; and South West: *Bay, Bakool and Lower Shabelle*.
2. The target areas have been jointly selected by the Federal Government of Somalia (FGS) and IFAD, building on the experience of recent IFAD grant projects and considers: (i) high poverty prevalence, (ii) high rate of food and nutrition insecurity, (iii) the level of cumulative degradation of the productive NR base, and (iv) and acceptable levels of conflicts and insecurity.
3. Implementation sequence. The plan to start the implementation of the RLRP in two states aims to avoid overstressing government and management resources in the fragile Somali context, and to align with the current level of programme financing. This cautious approach will enable most of the proposed RLRP activities to be tried from inception in the selected five districts, and based on the implementation experience, selected activities will be scaled up either within the initial districts, within the initial FMS, or to other FMS, most likely during the midterm review (MTR). The RLRP coverage will avoid an overlap with that of the newly-designed IFAD A2R2.
4. Selection of communities – A total of 15 communities will be selected from the five districts, three from each district, in consultation with the district administration and following the geographic criteria used in selecting the districts. In addition, the following characteristics will be considered: a) be easily accessible to the programme team; b) have complementary investments by other partners; c) if possible, have contiguous activity areas to ease monitoring and increase the programme's effectiveness, efficiency and impact; and, d) stability and low risk of future conflict. The selection of communities will be done by service providers in consultation with the local government, xeer and the community development association (CDA). An elaborate community mobilisation and engagement plan will be developed to ensure social inclusion and full participation of the target beneficiaries.

2.2 TARGET GROUPS

Primary target groups

5. RLRP's primary target groups will be 30,000 poor small-scale agro-pastoral households (HHs), corresponding to 180,000 persons, engaged in crop and small livestock (shoats) production. Three target groups were identified at the design of RLRP.
6. RLRP will benefit approximately 180,000 beneficiaries, with the targeted participation of 90,000 women, 90,000 men, and 72,000 youth. Within the target groups, RLRP will further include proportions for vulnerable groups including internally displaced persons, IDPs (15%), women headed HHs (30%) and persons with disabilities (PwD) based on prevalence. RLRP's primary target groups will be the poorest, the poor and the vulnerable people and those who have little access to assets and opportunities due to social exclusion and marginalisation. *The poorest* have not more than 1 ha of cultivable land or are landless. They include the poorest HHs and vulnerable groups including women, unemployed female and male youth between 18-35 years, IDPs and PwDs. *The poor* HHs comprise of smallholders whose livelihoods are more vulnerable to natural resource degradation and climate change risks. The support to this group is focussed on women, female and male youth, IDPs and PwD who are economically active.
7. *Market-oriented farmers* with at least 2 ha cultivable land are the third target group benefitting from the project support. This will include market-oriented farming HHs who

along with larger private sector entities may only participate in programme activities such as capacity-building if they offer employment or business opportunities to the targeted smallholder and poorest HHs.

8. *Targets for saving mobilisation financing of interventions* (CDPs) under component 1: 'Support to Community Resilience' are 180,000 beneficiaries (90,000 women, 90,000 men, 72,000 youth, and 45,000 IDPs and PWDs). Those beneficiaries will be selected primarily among existing rural institutions (RIs) and economic interest groups (EIGs) whenever they exist and meet the targeting criteria; otherwise, the RLRP will foster their formation. RLRP will reach out to the poorest groups who are non-members of RIs/EIGs. Efforts will be made to integrate them in RIs/micro small and medium enterprises (MSMEs). It is estimated that 90% of the RLRP beneficiaries will be members of RIs while 10% will be affiliated to MSMEs through the market-oriented target group.
- 9.
10. Persons living with disabilities (PwD) will be targeted through training and capacity building activities linked to service provision, income-generation and off-farm income opportunities, and a voice in community decision making. The district profiling exercise will ascertain the prevalence of PwDs in the target communities, by nature of their disability, to guide the setting of a target for this group. RLRP will define safe spaces (separate consultations) to enable PwDs to voice their needs and concerns to be considered in the process of developing CDPs.
11. Gender and youth focus. Within each target group, there will be special emphasis on the inclusion of *women (50%)*, and *youth (40%)*, to facilitate their social integration in agricultural production and economic activities. The RLRP strategy for the inclusion of women is geared towards women's collective agency, and improving their access and control of development resources. RLRP will among other things promote women leadership and their representation in decision-making roles in community institutions by instituting mandatory quotas (i.e. 30% of all grants are awarded to women only groups); b) use gender lens in elaborating and providing training and community mobilization; c) promote technologies that reduce the burden on women; and d) create awareness on gender-based violence. Village Savings and Loan Associations (VSLAs), which have about 90% women membership, will be considered as EIGs in the CDD process. All the EIGs will provide an entry point to train members in gender sensitivity including focus on collective responsibility for challenging sexual and gender-based violence in communities. Women will further be provided with nutrition support, including training and awareness about nutrition, mentoring and support and development of integrated homestead food production (IHFP) to bolster the nutrient adequacy of their diets with a focus on nutrient rich foods, such as legumes and vegetables.
12. In addition to the entrepreneurship activities focusing on youth, RLRP will target the youth with: a) cash injection through participation in the temporary employment from infrastructure construction under Subcomponent 1.2; and, b) voice through representation on decision-making and coordination bodies, such as community committees. The selection criteria will be defined in the CDP and other guidelines to ensure that youth make up at least 40 percent of the CDP funded plans.
13. The table below summarises the characteristics and benefits of the primary target groups for RLRP.

Target groups	Characteristics	Benefits from RLRP	Outreach targets HHs [Persons]
Food insecure small-holder producers	Have little access to assets and economic opportunities due to social exclusion, marginalization and the negative impact of climate change that, poor agricultural productivity,	<p>Improved livelihoods by enhancing productivity (soil and water conservation, water, inputs, value addition, improved access to markets and financial services.</p> <p>Increased production of diversified foods of high nutritional value, reduced post-harvest losses and maintaining the nutritional quality of the food.</p> <p>Nutrition education targeting both men and women.</p>	<p>27,000HHs (90% of target population)</p> <p>[162,000]</p> <p>50 %</p> <p>40% youth with proportions for IDPs, PWD and FHH</p>
Market-oriented farmers	Market-oriented-farming households and larger private sector entities	<p>Market-oriented-farming households with more than 2 ha of arable land and larger private sector entities may participate in project activities such as capacity-building only if they offer employment or business opportunities to the primary</p> <p>strategic entry for supporting IDP and youth with off farm entrepreneurship opportunities Potential to contribute towards job creation but will not be the only sole entry point. Where possible, the project will incentivise new women/youth entrepreneurs.</p>	<p>10%</p> <p>3000 Households</p> <p>Corresponding to 18000 people</p>
IDPs	Live in recognised IDP settlements. Excludes IDPs that have returned to their home communities.	<ul style="list-style-type: none"> • Training on nutrition, education, kitchen gardening using sack garden technology, nutritious food with linkages to ongoing humanitarian services to ensure continuum of care and gradual shift from extreme poverty. • Agricultural livelihood improvement through access to technologies (bag farming) and inputs (seeds, shoat breeds) for nutrition-sensitive crop/shoats production. 	<p>15% of the target population (27,000)</p>

Target groups	Characteristics	Benefits from RLRP	Outreach targets HHs [Persons]
		<ul style="list-style-type: none"> • Development of off farm entrepreneurship ventures and engagement in short-term employment gains from involvement in infrastructure construction. 	
Rural Women	Traditional culture and entrenched gender inequality has limited their access to education, healthcare, good nutrition, credit, extension services, new technologies, inputs and output markets, and participation in the public sphere and community decision-making.	<p>Inclusion of women, for women's collective agency, improving their access and control of resources.</p> <ul style="list-style-type: none"> • Promotion of women leadership and representation in decision-making roles in community institutions. • Technologies that reduce the burden on women. • Creation of awareness on gender-based violence (GBV), and use of EIGs and CSGs to train members in gender sensitivity and collective responsibility for challenging sexual/GBV in communities. • Nutrition support, including training and awareness, support for integrated homestead food production of nutrient rich foods (legumes, vegetables). 	50 percent
Rural Youth	Aged 18-35 years, unemployed, under employed with limited skills to gain decent employment	<ul style="list-style-type: none"> • Integrated business, literacy, entrepreneurship and life skills training. • Links to markets, agribusiness opportunities and jobs in profitable VC enterprises. • Actions to contribute to the elimination of child labour, promote fair remuneration and quality working conditions 	40%

Target groups	Characteristics	Benefits from RLRP	Outreach targets HHs [Persons]
		<ul style="list-style-type: none"> Short-term employment gains from involvement in infrastructure construction. 	
People with Disabilities	Excluded and discriminated resulting to poverty poor access to education, healthcare, employment and their movement	<p>Enable their integration and full participation in community development</p> <ul style="list-style-type: none"> Training and capacity building linked to service provision, income-generation, off-farm income opportunities, and voice in decision making. Integration into RLRP activities by defining safe spaces (separate consultations) to enable them to voice their needs and concerns for the CDP. 	Specific targets will be assigned following district profiling to also ascertain their prevalence.
IDPs	Live in recognised IDP settlements. Excludes IDPs that have returned to their home communities.	<ul style="list-style-type: none"> Agricultural livelihood improvement through access to technologies (bag farming) and inputs (seeds, shoat breeds) for nutrition-sensitive crop/shoats production. Short-term employment gains from involvement in infrastructure construction. 	<ul style="list-style-type: none"> 1,500HHs (5% of target population) [9,000] 50% women 40% youth
Entrepreneurs	Interested in business or service provision related to the priority VCs, such as feed/fodder supply, agroveter supply, crop/livestock input supply, value addition, aggregation/processing of crop/ livestock products, mechanisation services, etc. Excludes HHs benefiting under Target Group 1.	<ul style="list-style-type: none"> Enhanced business capacity Increased incomes Job creation Access to market Access to finance 	<ul style="list-style-type: none"> 1,500HHs (5% of target population) [9,000] 50% women 40% youth

Focus on women	Women and women-headed HHs organised into EIGs or CSGs.	<ul style="list-style-type: none"> - Productivity enhancement support - Inclusion of women, for women's collective agency, improving their access and control of resources. - Promotion of women leadership and representation in decision-making roles in community institutions. - Use of gender lens in elaborating and providing training and community mobilization. - Technologies that reduce the burden on women. - Consideration of VSLAs as EIGs or CSGs in the CDD. - Creation of awareness on gender-based violence (GBV), and use of EIGs and CSGs to train members in gender sensitivity and collective responsibility for challenging sexual/GBV in communities. - Nutrition support, including training and awareness, support for integrated homestead food production of nutrient rich foods (legumes, vegetables). 	<ul style="list-style-type: none"> - 50% women in 3 Target Groups - 30% of grants to women-only groups
Focus on rural youth	Aged 15-40 years, unemployed, with low educational levels, or displaced.	<ul style="list-style-type: none"> - Integrated business, literacy, entrepreneurship and life skills training. - Links to markets, agribusiness opportunities and jobs in profitable VC enterprises. - Actions to contribute to the elimination of child labour, promote fair remuneration and quality working conditions - Short-term employment gains from involvement in infrastructure construction. 	<ul style="list-style-type: none"> - 40% youth in the 3 Target Groups
Focus on PwDs	Different types of disabilities to be identified during District Profile	<ul style="list-style-type: none"> - Training and capacity building linked to service provision, income-generation, off-farm income opportunities, and voice in decision making. - Integration into RLRP activities by defining safe spaces (separate consultations) to enable them to voice their needs and concerns for the CDP. 	<ul style="list-style-type: none"> - Specific targets will be assigned following district profiling to also ascertain their prevalence.

2.2.1 Targeting strategy

14. The selection criteria for the different target groups will ensure that: (i) at least 50% of the participants in RLRP activities are women (women headed HHs - WHHs, HHs with children under two years, and pregnant women); (ii) at least 40% are youth; and (iii) 5% are IDPs. These vulnerable beneficiaries are characterised by: inadequate access to productive agricultural and livelihood opportunities; and, exposure to a high risk of the adverse effects of climate change. Beneficiary selection will be facilitated through a participatory community process, with the involvement of the district administrations. The M&E system will maintain sex and age disaggregated data for gender, youth and nutrition indicators.
15. The targeting strategy will be guided by four targeting mechanisms: (a) self-targeting, to ensure that the RLRP activities respond to the target group's livelihoods priorities; (b) direct targeting, to ensure the participation of disadvantaged groups; (c) community targeting to ensure the sustainability of the RLRP activities beyond the investment period of the programme; and (d) enabling measures, to ensure fuller outreach to the community. RLRP will ensure that the beneficiary selection process is culturally, socially, and politically inclusive. In adherence to IFAD's mainstreaming objectives, the targeting will include special provisions for gender, youth, nutrition, climate vulnerability, and for PwD.
16. Gender and youth targeting in RLRP aims at women, and women PwDs. Both male and female unemployed youth (15-35 years) will also be targeted, particularly for off-farm opportunities in MSMEs related to primary production along the selected VCs, such as the provision of land preparation services, extension services, the use of by-products for animal feed, and crop aggregation. Each MSME would have at least 40 percent minimum membership requirement of eligible youth. RLRP will concentrate on potential vulnerabilities affecting specific sections within the youth category, for example: ensuring that young women have the same opportunities as their male counterparts to participate in and benefit from the project; and inclusion of female and male youth with disabilities. The steady migration of youth from the rural areas to towns, observed in Somalia, is a rational response to the lack of earning opportunities as well as insecurity. A key part of the remedy is supporting individual entrepreneurs in setting up any business they choose with their own resources, thereby creating authentic local employment. RLRP is designed to be as flexible as possible in responding to the energy and aspirations of youth in setting up enterprises from the bottom up. During community sensitisation, RLRP will create awareness about PwDs and the differing nature of impairments. The participatory identification of HHs with PwDs will be carried out while developing District Profiles. The needs assessment of the PwDs will follow tailored approaches for capacity building, economic engagement and social protection depending on the nature of impairment. RLRP will aim to mainstream women, youth and PwDs through their inclusion in the programme-supported rural institutions, MSMEs and other activities.
17. Self-targeting will be ensured through the participatory formulation of community development plans (CDPs) with the inputs of the EIGs and business plans for standalone MSMEs. which will serve as the key investment tools for directing RLRP's support to the communities. The participatory development of these planning and investment tools will ensure that the activities which are identified correspond to the priorities and capacities of the target group. The selection of pro-poor activities around the selected VCs which involve agricultural practices that generate high levels of rural employment, involve low input costs and contribute to food security and family nutrition, will lead to self-targeting. Similarly, the selection of agricultural and village enterprise related machinery/equipment will be based on the relevance of such tools in smallholdings and their labour reduction and time saving benefits for priority target groups such as women, PwDs and female and male youth. Self-targeting will be facilitated through the use of gender-sensitive delivery systems (e.g. delivering non-residential training at village level respecting the appropriate timing for women). Moreover, capacity-building will be tailored to the needs of women, female and male youth, IDPs and PwDs based on continuous consultations with the beneficiaries in regularly organized consultative forums.

18. Direct targeting will be one of the key mechanisms for reaching the poorest HHs and vulnerable groups. Direct targeting will aim at achieving the outreach targets of 70-80% very poor and poor HHs, and at least 50% women, 40% youth, and at least 5% IDPs. The mechanism for maximizing outreach will prioritize targeting of existing EIGs and MSMEs with at least 50% of poor and very poor including vulnerable groups. In case, such groups do not or insufficiently exist, the RLRP will foster their formation. The programme will also identify very poor beneficiaries who are not members of EIGs and MSMEs and will promote their integration in such institutions/MSMEs, especially the ones that will be eligible for the more concessional programme support. For the EIGs to be eligible for selected programme activities, e.g. matching grants (MGs), they should have at least a membership of 50% among the very poor (including vulnerable groups), 40% women, 30% youth and 5% IDPs. The MG category geared towards nutrition and livelihood activities will target 60% women, 40% youth.
19. *Eligibility criteria for direct targeting* will be defined with the participation of community members in a transparent manner. It will start with the development of the CDP wherein the community will categorize the HHs into different socioeconomic groups based on participatory wealth ranking. The WHHs, HHs with unemployed female and male youth, PwDs, and IDPs in the different socioeconomic groups will also be identified during the process. Subsequently, the business plans developed at the group level will list the names of all the potential beneficiaries/HHs along with their socioeconomic category and priority group (women, f/m youth, IDP and PwD). The programme will screen these business plans by checking that they comply with the direct targeting guidelines for the particular business activity, and by verifying that the details of the potential beneficiary HHs match their socioeconomic and priority group status identified in the CDP.
20. Enabling measures. Empowering measures will include: (i) information and mobilization campaigns using local information meetings; (ii) inclusive CDD process; (iii) a broad range of skills training activities; (iv) monitoring of inclusiveness of women, youth, and vulnerable groups; (v) capacity building of technical service providers on group strengthening, markets, business skills, and climate adaptation measures through refresher training of trainer courses with a strong focus on gender, youth and social inclusion; (vi) developing strategic partnerships to ensure a convergence of resources and support to the communities; and (vii) adopting a conflict sensitive approach across all levels of the interventions by implementing context specific actions. This will entail a detailed analysis of the drivers of conflict in the programme area and identification of mitigation actions to be mainstreamed in the RLRP. These empowering and capacity building programmes will provide the women, youth and poor smallholder farmer HHs with the necessary knowledge, skills and assets necessary to recover from years of recurring drought and improve their livelihoods.
21. Safeguards against elite capture. The primary safeguards against elite capture will be the self-targeting and the participatory identification of the poor and priority HHs, and rigorous screening to ensure the inclusion of these HHs as beneficiaries, in the group level business plans implemented with RLRP support. Other measures to insulate the poor against elite capture will include: (i) monitoring by community facilitators; (ii) beneficiary feedback and a grievance redress system; (iii) ensuring the economic homogeneity of group members and providing members conflict resolution skills; (iv) promoting fixed tenure of governing members and rotation of leadership to ensure the poor are equally represented in leadership positions; (v) creation of awareness about the programme benefits and eligibility criteria for all target groups using community level open announcements, focus group discussions (FGD) and consultations with community institutions and implementation committees; (vi) capacity building on representative governance structures, ensuring regular stakeholder meetings, and setting up transparent rules, regulations and decision-making processes; (vii) detailed screening of business plan proposals on commercial viability, conflicts of interest and corruption by the NPCU; and (viii) ensuring compliance with pre-approved, objective selection criteria and transparent information-sharing and decision-making.

22. Social inclusion will be pushed by measures such as organizing meetings or events, appropriate to women's time and venue constraints; encouraging the submission of business proposals from women-only groups; and ensuring women hold at least 30- 40 percent leadership posts in the EIGs. RLRP will also promote access to productive land through sensitization across the districts and communities on land tenure and access to land for the intended beneficiaries; engaging with clan/xeer leadership to secure land for intending landless beneficiaries; and making access to land by women and youth one of the preconditions for a community to participate in the programme.

2.2.2 Implementation of the targeting approaches

23. *Guidelines to the selection of target groups.* In general, selection of target groups will be done based on average land size and the level of income per HH member. The RLRP target group will comprise:

- a) rural HHs with land available for cultivation (at least 0.5 ha and not more than 1.5 ha);
- b) HHs with unemployed rural youth, IDPs, or PwDs; and
- c) Poor women headed households in rural areas.

24. Only one member per HH will be eligible for direct project support in the areas of enterprise package and employment through public works for infrastructure development (refer to Components 1 and 2 for details).

25. *Development of district profiles.* As part of the start-up process, a situational analysis will be conducted to assess the status at district level. The analysis will include collection of information such as population; poverty headcount; number of food insecure people; presence of internally displaced people; presence of people with disability; presence of key VCs and area cultivated; key issues in relation to agriculture, water resources and institutions presence of EIGs, etc. Targeting within a selected district will take place over a number of adjacent communities; i.e. a cluster. Community clusters will be identified following a broad consultation with the communities, taking the following criteria into consideration:

- a) Incidence of poverty, food insecurity and under-nutrition and presence of the target group.
- b) Climate change impacts and vulnerability of the natural resources base.
- c) Opportunities for implementation of project activities around the targeted VCs.

26. *Household selection criteria.* HH targeting will allow the programme to proactively mobilize all target HHs. These HHs will be identified based on wealth ranking involving women and men from the target communities after the community entry process (RLRP has presented its objectives and targeting criteria). This will be followed by HH visits to validate the community selection. The selection criteria will include those specified in the PDR as well as those set by the community during the participatory rural appraisal (PRA) exercise, as follows:

- a) women and youth headed HH;
- b) HHs with children under the age of two years;
- c) IDP households; and
- d) HHs with PwDs.

27. *Targeting survey.* RLRP will conduct a targeting survey to identify the communities with higher concentrations of the potential target HHs and to specify the suitable pro-poor products/services supported by the programme, taking into consideration their prevailing market demand. The interventions envisaged will be determined based on PRAs to assess the likely pattern of demand from different social strata in the communities. The targeting survey will guide the identification of poverty pockets and where to focus on outreach. The survey will identify/confirm the potential needy areas and the target groups including assessing gender and youth dynamics in designated communities. The survey will incorporate experiences from the existing projects by other stakeholders.

28. The survey will also involve:

- a) consultations with key actors, traditional clan leaders of the local communities, and other organizations active in the RLRP area;
- b) identification of the broad geographical areas and potential organizations with higher concentration of the target HHs;
- c) validation visits to these geographical areas and community organizations;
- d) preparation of a verified list of the community pockets and organizations with higher concentration of target HHs; and
- e) identification of suitable enterprises from the menu of potential agricultural subprojects, taking into consideration their prevailing market demand.

29. *Pre-selection of value chains.* The RLRP will promote high value agricultural production and allied services suitable for integrating the target group into the VC and the final market. The products will be characterized by high market demand, high productivity and nutritious value, high returns, and utilization of family labour. These will be selected from the following menu:

State	District	Pre-selected value chain
Jubaland	Gedo	Maize, Cowpea
	Lower Juba	Maize, Sorghum, Cowpea, Sheep and Goats
South West	Bay	Maize, Sorghum, Sheep and Goats
	Bakol	Maize, Sorghum, Sheep and Goat
	Lower Shabelle	Maize, Cowpea, Sheep and Goat
<i>For all the FMS, vegetables/fruits will be considered only where the farmer or group has a functioning irrigation system, or require only minor rehabilitation support, or upgrading to pressurized system needs to be supported by RLRP.</i>		

30. The final selection of enterprises will be left to the EIGs and their CDPs. The RLRP will make an initial assessment of the market conditions, the potential impact (negative/positive) of introducing new crops or animal breeds for small farmers and the risk of increasing poverty, and further monitor the conditions during implementation. The table below summarises the enterprise selection criteria to guide the final selection of enterprises by the EIGs.

Criteria	Indicators
Relevance to target group (s)	<ol style="list-style-type: none"> a. Large numbers of the target group involved (farmers, women, poor HH, youth) b. Labour intensive activities c. Equal distribution of enterprise activities across the communities
Pro-poor target group growth potential	<ol style="list-style-type: none"> a. Good market potential/opportunities b. Low entry barrier c. Potential for value-added activities
Intervention potential/feasibility	<ol style="list-style-type: none"> a. No overlapping risks with other projects b. Potential synergies c. In line with government priorities
Other factors	<ol style="list-style-type: none"> a. Enterprise activities have minimal negative environmental impact as determined by environmental social screening as outlined in the ESCMF b. Potential interventions will particularly benefit women and other vulnerable categories

31. *Assessment of EIGs.* Existing EIGs will be assessed and selected based on agreed criteria that will include:

- a) at least 15 members from the target group HHs; and
- b) the EIGs' activities of focus have outreach to a wide base of the poor in target communities.

32. In Somalia there are two major groups of community organisations;

- i. Membership based that focus on addressing various community needs, fostering social cohesion and promoting development initiative at grassroots level based on needs of their

communities . These require individuals to become formal members by joining voluntarily and paying a membership fees. Some of these organisations include:

Membership Organisation	Role
Community Development Associations	These associations often have members who are residents of a specific community or region and work together to address local development needs.
Youth Clubs and Associations	Youth organizations may require membership to participate in their programs and activities, which can include sports, education, and community service.
Women's Groups	Women's organizations often have members who are women from the community and work on issues related to gender equality, empowerment, and social support.
Cultural and Religious Associations	Somali communities often have cultural and religious organizations that require membership for participation in cultural events, religious services, and community activities
Community Policing Committees	In some areas, communities may establish membership-based committees to enhance local security and policing efforts.
Agricultural Cooperatives:	Farmers and agricultural workers may form cooperatives that require membership to collectively market their products, access resources, and share knowledge.

ii. Non-membership based on the other hand are open and do not require individuals to become formal members or pay membership fees to participate in their activities. Instead, they often operate on a more inclusive and open basis. Here are some examples

Non-membership organisations	Role
Community Action Groups	These are informal groups of community members who come together to address specific issues or undertake projects without formal membership requirements.
Volunteer Networks	Volunteer networks are composed of individuals who are willing to donate their time and skills to community projects or charitable activities without needing to officially join an organization.
Ad Hoc Committees**:	In response to particular community needs or crises, ad hoc committees can form without the need for formal membership. These committees disband once their objectives are met.
Informal Support Groups	Groups of individuals facing common challenges, such as parents of children with disabilities or survivors of a specific trauma, may come together informally for support and information sharing.

33. The entry point for RLRP will be existing community based economic interest group. To enhance social inclusion, informal support groups could be considered as these draw memberships from individuals facing common challenges such as persons with disabilities, parents with children with disabilities or survivors of specific trauma.
34. The table below provides the detailed criteria that could be adopted for assessing EIGs. The criteria could also be used as an assessment/monitoring tool for the CDPs that will be selected. The criteria could also be revised, if need be, to incorporate new information considered necessary before the commencement of implementation of activities.

Criteria	Description	Score	Comments
Relevance to the target community	Number of the poor target group involved (farmers, women, poor, youth)	40	Maximum 25 members each representing a HH (Women at least 50%, Youth 40%,)
Gender and youth sensitivity	Potential interventions will benefit women and youth	10	Groups/Interventions, high share of women & youth
Inclusion of IDPs and PwDs	Group formation includes members from returnee or PwD households	10	At least 2 members from IDP and PwD (IDPs 15% and PwD representation - 5%)
Pro- target group growth potential	Growth trends over the last years Good market potential and opportunities Potential for value added interventions	20	Has the membership grown since the group was established? Is the focus within the pre-selected menu of enterprises? Is it newly formed?
Intervention feasibility/ Potential	In line with the government priorities Involvement in value chain Intervention areas match with project objectives	10	Does the EIG have any established market channels? Does the enterprise respond to community priorities? Is it aligned to government strategy (e.g.)
Total Score		100	

2.3 GOAL AND OBJECTIVES

2.3.1 Programme Goal

35. The goal of RLRP is "improved and resilient livelihoods of rural smallholders in Somalia".

2.3.2 Programme Development Objective

36. The Programme Development Objective (PDO) is "sustainably increase productivity, incomes and nutrition security and enhance the resilience of rural smallholder families in Somalia".
37. The core indicators for assessing the PDO are:
- (i) percentage increase in resilience capacity (target 15%); and
 - (ii) persons with new jobs/employment opportunities (target 18,000).

2.4 PROGRAMME COMPONENTS

38. The RLRP comprises of three components: (i) Support to community resilience, to empower the participating programme communities to prioritize their sustainable development needs in a community development plan (CDP), and implement the plan in order to build the resilience of the community; (ii) Support to Smallholder Livelihoods Enhancement, whose outcomes are: increased production and productivity of priority crops and livestock for resilience, dietary diversity, food security, and improved incomes, as informed by the CDP; and (iii) Programme coordination and capacity building, whose outcome is strengthened policy and institutional environment for an efficiently and effectively managed programme and sustainable local and national policies.

39. *Subcomponent 1.1: Strengthening community governance and services*, comprises a range of institution-building and skills development activities to enable the programme communities own and be accountable for development initiatives. The main activities of the subcomponent, which is the entry point for RLRP intervention at community level, are to: (i) to develop *district profiles*, which will identify the key opportunities and constraints, the community groups, and the context for IFAD's mainstreaming themes, to reinforce the CDP process; (ii) *mobilize* the communities; (iii) facilitate the *development of the CDP*; and (iv) *build the capacity* of existing and newly-formed community institutions to serve their members, and on disaster risk management. The subcomponent is allocated US\$ 3.8 million, 12 percent of the total cost.
40. *Subcomponent 1.2. Community investment support* will finance investments prioritized in the CDP including: (i) community-based *water sources* for domestic use and crop and livestock production; (ii) *rehabilitation* of irrigation canals; (iii) migration to *pressurized irrigation* networks using solar-powered pumping systems; (iv) *surface water harvesting*; (iv) rehabilitation/construction of *post-harvest management (PHM)* and processing facilities, community-owned *grain reserves, grain drying technology, cold chain facilities* in major rural markets, and *livestock market sheds*. Most of the community-level infrastructure will be executed by local contractors on a cost-sharing basis between the RLRP and the community. The community contribution will be in the form of land for the infrastructure and its ancillary services, labour for routine rehabilitation works or casual workers as cash-for-work model, and regular monitoring of the construction process by the Works Committee of the CDA to ensure that the service provider meets the required standards and specifications. The subcomponent is allocated US\$ 10.3 million, 33 percent of the total cost.
41. *Subcomponent 2.1. Strengthening resilience in crop and livestock value chains (VC)*, will support: (i) *pluralistic approach to crop and livestock extension services*, through public and private service providers, including village based agents, by capacity building of the service providers; (ii) *improved animal health*, through training and equipping community animal health workers, and weather index-based *livestock insurance*; (iii) promotion of *improved inputs and CSA technologies* through training and demonstrations in partnership with research institutions; (iv) *access to productive inputs* through a market-led cost-sharing financial arrangement between the farmer and RLRP, and in collaboration with input suppliers and the recently-approved IFAD Regional Seed Systems Grant Project (SSGP) for four Horn of Africa countries; (v) *build the capacity of farmers on PHM, market linkages, and diversified production for nutrition-sensitive cooking techniques*; and (vi) *targeted support to disadvantaged HHs in crop and livestock production*, through appropriate packages of inputs for *integrated homestead food production, bag gardening, distribution of shoats*, and capacity building. A lower contribution percentage is expected from the disadvantaged HHs. The subcomponent is allocated US\$ 5.1 million, 16 percent of the total cost.
42. *Subcomponent 2.2 Entrepreneurship for VC development*, will support the development of the entrepreneurial skills of youth and women in agricultural and related services in the targeted communities, with a focus on increased incomes and job creation. The activities under this subcomponent include: (i) *conduct studies to inform agribusiness development in programme districts*, mapping existing and potential market opportunities and key bottlenecks; (ii) *support entrepreneurship development through capacity development, including linkage to the market for youth and women*; and (iii) *support access of youth and women to financial services for business development along the priority VCs*. The subcomponent is allocated US\$ 6.6 million, 21 percent of the total cost.
43. *Component 3: Programme Coordination and Capacity Building*, will support: (i) programme coordination; (ii) capacity needs assessment and capacity building; (iii) financial management; (iv) M&E; and (v) evidence-based policy development. The component is allocated US\$ 5.7 million, 17% of the total cost

2.5 PROGRAMME PERIOD, COST AND FINANCING

2.5.1 Programme period

44. RLRP will be implemented over an 8-year period.

2.5.2 Programme cost and financing

1. The investment and recurrent costs for RLRP, over the 8-year implementation period, is the proposed investment & recurrent costs for RLRP including price and physical contingencies, over an 8-years implementation period are estimated at US\$ 31.2 million. The costs include base costs of US\$ 29 million and estimated price and physical contingencies of US\$ 1.8 million. The overall investment costs have been estimated at US\$ 26.9 million (86 percent of total costs) with recurrent costs at US\$ 4.2 million (14 percent of total costs).

2. The cost allocation by component is as follows: Component 1- Support to Community Resilience Capacity, US\$ 10 million, equivalent to 38 percent of the overall project investment; Component 2 - Support to Smallholder Livelihoods Enhancement, US\$ 12 million (45 percent); and Component 3 - Programme Coordination and Capacity Building, US\$ 4.5 million, equivalent to 17 percent of the overall project costs.

Table 1: Programme costs by component (and sub-components) and financier
(Thousands of United States dollars)

SOMALIA Rural Livelihoods Resilience Programme (RLRP) Components by Financiers (US\$ '000)														
	Federal FGS		IFAD		Other Co-Financing		FMS		Beneficiaries		Total		For. Exch.	Local (Excl. Taxes)
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%		
A. Support to Community Resilience Capacity														
Strengthening Community Governance and Services			1 571	1 571	2 154	58	-	-	-	-	3 725	12	364	3 361
Community Investment Support			2 828	2 828	2 929	37	1 212	15	924	12	7 892	25	769	7 123
Subtotal			4 399	4 399	5 083	44	1 212	10	924	8	11 617	37	1 133	10 484
B. Support to Smallholder Livelihoods Enhancement														
Resilient Crop and Livestock Value Chains			2 444	2 444	4 378	55	-	-	1 155	15	7 977	26	772	7 206
Entrepreneurship for Value Chain Development			1 815	1 815	2 792	44	788	13	921	15	6 316	20	606	5 709
Contingency, Disaster and Risk Mitigation.				0										
Subtotal			4 259	4 259	7 169	50	788	6	2 077	15	14 293	46	1 378	12 915
C. Programme Coordination and Capacity Building														
Programme Coordination and Capacity Building	700	13	2 942	2 942	1 668	31	-	-	-	-	5 310	17	512	4 799
Total PROJECT COSTS	700	2	11 600	11 600	13 920	45	2 000	6	3 000	10	31 220	100	3 023	28 197

Table 2: Project costs by expenditure category and financier
(Thousands of United States dollars)

SOMALIA Rural Livelihoods Resilience Programme (RLRP) Expenditure Accounts by Financiers (US\$ '000)														
	Federal FGS		IFAD		Other Co-Financing		FMS		Beneficiaries		Total		For. Exch.	Local (Excl. Taxes)
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%		
I. Investment Costs														
A. Works			2 416	38	2 198	35	962	15	749	12	6 326	20	618	5 708
B. Training and Capacity Building	40	1	1 519	24	3 432	55	476	8	803	13	6 271	20	601	5 670
C. Consultancies, Studies & TA	659	9	2 804	39	2 866	40	365	5	449	6	7 143	23	697	6 446
D. Goods and Inputs			1 332	25	3 026	58	144	3	746	14	5 248	17	505	4 743
E. Services			647	37	793	45	53	3	253	15	1 747	6	169	1 578
F. Equipment and Materials			247	100	-	-	-	-	-	-	247	1	24	223
Total Investment Costs	700	3	8 966	33	12 316	46	2 000	7	3 000	11	26 982	86	2 614	24 368
II. Recurrent Costs														
A. Salaries and allowances			2 457	64	1 406	36	-	-	-	-	3 863	12	373	3 490
B. Office Operating Costs			178	47	198	53	-	-	-	-	375	1	36	339
Total Recurrent Costs			2 634	62	1 604	38	-	-	-	-	4 238	14	409	3 830
Total PROJECT COSTS	700	2	11 600	37	13 920	45	2 000	6	3 000	10	31 220	100	3 023	28 197

Table 3: Project costs by component and year
(Thousands of United States dollars)

SOMALIA Rural Livelihoods Resilience Programme (RLRP) Project Components by Year -- Totals Including Contingencies (US\$ '000)	Totals Including Contingencies								Total
	2024	2025	2026	2027	2028	2029	2030	2031	
A. Support to Community Resilience Capacity									
Strengthening Community Governance and Services	935	1 411	294	302	311	320	76	78	3 725
Community Investment Support	697	2 259	1 618	1 853	1 028	296	66	76	7 892
Subtotal	1 632	3 670	1 912	2 155	1 338	615	142	154	11 617
B. Support to Smallholder Livelihoods Enhancement									
Resilient Crop and Livestock Value Chains	1 166	1 692	1 482	867	754	818	639	558	7 977
Entrepreneurship for Value Chain Development	930	770	788	811	852	701	721	742	6 316
Contingency, Disaster and Risk Mitigation.	0	-	-	-	-	-	-	-	0
Subtotal	2 096	2 462	2 271	1 678	1 606	1 520	1 361	1 300	14 293
C. Programme Coordination and Capacity Building									
Programme Coordination and Capacity Building	946	709	726	747	652	463	476	591	5 310
Subtotal	946	709	726	747	652	463	476	591	5 310
Total PROJECT COSTS	4 673	6 841	4 909	4 580	3 596	2 598	1 978	2 045	31 220

45. CHAPTER 3 – IMPLEMENTATION OF PROGRAMME COMPONENTS

3.1 COMPONENT 1: SUPPORT TO COMMUNITY RESILIENCE

46. The expected outcome under this component is: *Strengthened and inclusive communities with enhanced social cohesion that are able to define their livelihood development pathways and manage conflict*. The indicators for the outcome include: (i) SF.2.1 HHs satisfied with programme-supported services; (ii) SF.2.2 HHs reporting they can influence decision-making of local authorities and programme-supported service providers; (iii) CI 2.2.6 Persons reporting improved physical access to markets, processing and storage facilities; and (iv) CI 3.2.2 HHs reporting adoption of environmentally sustainable and climate-resilience technologies and practices.
47. Subcomponent 1.1: Strengthening community governance and services in 15 communities in the selected five districts in the two participating states. The outputs comprise a range of institution-building and skills development activities to enable target communities to take ownership of and accountability for their own livelihood related development initiatives. The major activities include the development of district profiles to reinforce the CDP process and the development of the CDP. The output indicators under this subcomponent include: (i) CI 3.1.1 Groups supported to sustainably manage natural resources and climate-related risks; (ii) Number of district profiles developed; and (iii) Number of communities with CDPs developed. The following steps will be followed for the implementation of subcomponent.
48. *Prepare district profiles for each of the five districts:* At inception, a district assessment will be conducted alongside targeting surveys to ascertain the contextual realities of the communities to inform targeting and social mobilization strategy. The district profiles identify the key opportunities and constraints, market dynamics, community groups and their occupations, infrastructure gaps, and context for IFAD’s mainstreaming themes. The profiles will inform the preparation of the facilitation guides to ensure that the investments financed under the CDP are economic, productive, sustainable and address core IFAD priorities, such as nutrition and gender equality.
49. *Identify the target communities:* In each selected district, a team comprising, the District Programme Liaison Officer (DPLO), the State Agro-pastoral Value Chains and Rural Development Officer, the NPCU Gender/Social Inclusion Specialist, Agro-pastoral Value Chains and Rural Development Specialist, and Environment and Climate Change Specialist, with technical assistance (TA) support will identify and form clusters of neighbouring communities, where appropriate, through a screening of NRM and socioeconomic conditions, and meetings with the leadership of the communities. A community cluster may be made up of a number of adjoining communities, subject to a maximum of three community clusters per district. Where interest to form a cluster is

strong, the community leadership decides to commit to participation in the target VCs and to establish an inclusive community development association (CDA) to interact with the RLRP.

50. *Develop facilitation guidelines:* RLRP will solicit TA to assist in developing facilitation guidelines that will be used to support the development and implementation of the CDD process. The guidelines will also be used to train the community facilitators (CF) and remain a handbook for the day to day support of the EIGs.
51. *Recruit community facilitators:* The selection of CFs will take into account gender, clan dynamics and conflict sensitivity. RLRP will ensure that members of the CBOs will be diverse and representative of the different categories of vulnerable people in each community (women, youth, vulnerable HHs, etc.).
52. *Establish an interim CDA:* The CDA will oversee the planning and implementation of the RLRP activities at the community level and appoint the CFs. The CDA will have a member representing each of the economic interest groups (EIG) targeted for the RLRP VC activities as well as community service groups (CSG), a representative of the community leadership and the district council. Each CDA will have an elected Executive Committee (EXCO) with at least 40 percent female. The EXCO shall comprise a Chairman, Vice Chairman, Secretary, Assistant Secretary, Treasurer, Financial Secretary, Auditor, Works O&M Secretary, and Data Secretary. During implementation, specialized CDA sub-committees may be established to ensure the sustenance of the socioeconomic investments and services. A more formal CDA EXCO will be established after the preparation and implementation of the first community development plan (CDP).
53. *Mobilise and sensitize the community:* The RLRP will engage implementing partners and the CFs to raise awareness about the programme in each community, especially: the objectives, the priority VCs to be supported, potential market and livelihood opportunities and the benefits of collective action, and the targeting of the poor, women, youth, IDPs and PwDs. The activities will include (i) communication campaigns in the communities including social media and community radio programmes; (ii) meetings with local authorities, agribusinesses and private operators and selected institutions and service providers; (iii) special communication events on market days, harvest days, as well as sensitization events targeting producers and their organizations; and (iv) visits to more mature well-established CBOs. These sensitisation sessions will be conducted in tandem with awareness raising sessions on livelihood opportunities and how EIGs and CSGs are to be structured.
54. *Mobilise EIGs and CSGs.* RLRP will start with established CBOs (production cooperatives, VSLGs, youth groups, women groups etc) in the target communities. Following an assessment of their capacities, RLRP will train the existing CBOs to align with the structure and functions for RLRP. Each EIG will: (i) have a maximum of 25 members; (ii) have a small elected Executive Committee comprising a Chairman, Secretary, Treasurer and Data Secretary; and (iii) be financially self-sustaining and be able to make an agreed financial contribution to the CDA. At least 30 percent of the EIGs will be women-only and 40 percent youth-only. The RLRP will encourage the formation of new CBOs in programme communities that do not have the relevant CBOs to serve as programme partners, as indicated by the results of the district profiling survey. The strengthening and formation of CBOs will emphasize the targeting criteria, including membership of 50 percent women, 40 percent youth and 10 percent PwD.
55. *Develop the CDP.* With guided facilitation by the CFs and with technical inputs from livelihood experts, social inclusive and climate change experts, a CDP is produced for each community, that will respond to local production and accessibility issues, as well as the pre-selected menu of VCS. Each CDP will set out local priorities for communal socioeconomic investments and identify potential production and related business opportunities that may be realized by the EIGs under Component 2. The CDP will inform the agenda for RLRP action in each community, focusing on investments responding directly to climate resilient VCs, and supplementing any existing development plans of

local authorities or other development partners. The CDP will underpin each year's RLRP-community partnership.

56. *Capacity enhancement of rural communities and institutions.* This action involves the strengthening of the governance and management structures and the technical capacities of active rural institutions, and thereby their capacity to function as effective VC partners. It is envisaged as a purposeful major investment in human resource capital to develop a more conducive environment for the economic activities of the rural population. The CDP will also include the capacity training requirements for all the EIGs and CSGs operating in the community cluster, including: a) promotion of climate resilient agricultural practices to increase productivity; b) increasing access to quality inputs, including seed and planting materials; c) promoting value addition and agro-processing; d) support to production of shoats for protein provision; e) financial literacy; and, f) findings of the Climate and Vulnerability Assessment and Environmental and Social Management Framework (ESMF) for RLRP and IFAD' Adaptation framework, which would have been considered during the CDP development. The programme of training, skills development and related demonstrations will be delivered by the district implementation team with support of subject matter specialists as service providers.
57. Subcomponent 1.2: Community investment support will finance investment in resilient community water, production and market infrastructure; renewable energy technologies to power the infrastructure; and disaster risk measures identified in the CDP. Communities will be capacitated to operate and maintain the infrastructure through the development of clear income generation activities to finance such O&M. The output indicators are: (i) CI 2.1.6 Number of markets, processing or storage facilities constructed or rehabilitated; (ii) Number of institutions formed; and (iii) Number of people trained for O&M.
58. *Output 1.2.1 - Support access to water for production (US\$ 2.06m).* RLRP will promote a shift to improved irrigation systems, away from the flood irrigation system commonly used in riverine areas, which significantly impacts soil porosity and increases soil salinity and sodicity. RLRP will further invest in supporting rain water harvesting in project districts. A total of 27,000 HHs is expected to benefit. The activities include:
- Conduct a mapping exercise on irrigation infrastructure and needs, mapping existing irrigation systems that require rehabilitation to support the production of the priority crops in the participating districts.
 - Rehabilitate 25 km of primary and secondary canals to irrigate 10,000 ha of smallholder-owned farms.
 - Finance the migration to pressurized irrigation (drip or sprinkler) for 500 Ha networks using solar-powered pumping systems for improved water management and efficiency, increasing the farmers' resilience to climate-induced water scarcity while increasing farm productivity.
 - Invest in the surface water harvesting process, including constructing 2 water dams supported by dam liners to enhance water conservation. The water will have multi-purpose use but mainly support domestic, crop production, and livestock
59. *Output 1.2.1 Support access to market infrastructure (US\$ 1.24m)* to benefit about 15,000HHs. The activities *under* market infrastructure will include:
- Conduct a mapping study of existing market infrastructure and needs assessment in the RLRP districts.
 - Strengthen existing PHM systems and technical, managerial, and organizational capacities for PHM and processing units.
 - Rehabilitate 2 Community-owned and managed grain reserves and establish 2 new ones in new districts. Introduce mobile grain drying technology to enhance produce quality and reduce microbial proliferation responsible for aflatoxin.
 - Co-invest with selected cooperatives in at least four cold chain infrastructures in major rural markets to benefit at least 2,000 agro-pastoral communities.

- e. Construction of 6 livestock market sheds which will improve trading conditions, particularly on health and safety. The marketing sheds will be equipped with a veterinary section as well as WASH
- f. Develop an action plan for the activation of livestock markets in the programme areas that will ensure that the markets activated, working better, and are successfully thrive and benefits producers
- g. Facilitate training workshops focused on disaster risk reduction, climate change adaptation, early warning systems, and emergency response strategies.
- h. Support the development of early warning systems at the community level that are appropriate to the identified hazards. These systems will utilize locally available resources and technology, ensuring that they are sustainable and easily managed by the community.
- i. Conduct comprehensive environmental, social, and climate impact assessments for each infrastructure project

Implementation timelines and responsibilities

Item	Unit	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Total	Implementer	Oversight
Conduct a mapping exercise on irrigation infrastructure and needs	Mapping	1	-	-	-	-				1	Consultant/ firm- national/ international	NPCU-CC & MoAI
Rehabilitate 25 km of primary and secondary canals to irrigate 10,000 ha	KM		1	1	1	1				25	Consultant/	"
Support migration to pressurized irrigation (drip or sprinkler) for 500 Ha networks using solar-powered pumping systems	Ha		1	1	-	-				500	firm- national/	"
constructing 2 water dams supported by dam liners to enhance water conservation.	Site	-	1	1	-	-				2	international	"
Conduct a mapping study of existing market infrastructure and needs assessment in the project districts	Study	1								1	Consultant/	"
Strengthen existing PHM systems and technical, managerial, and organizational capacities for PHM and processing units.	Training/ Workshop		3	1	2	3	3	3	3	15	firm- national/	"
Rehabilitate 2 Community-owned and managed grain reserves and establish 2 new ones in new districts	Center	-	2	2	-	-				4	international	"
Co-invest with selected cooperatives in at least four cold chain infrastructures	Centers		2	1	1					4	Consultant/	"
Construction of 6 livestock market sheds which will improve trading conditions	Centres/si tes		2	2	2					6	firm- national/	"
Develop an action plan for the activation of livestock markets in the project areas	Study		1							1	international	"
Facilitate training workshops focused on disaster risk reduction, climate change adaptation, early warning systems, and emergency response strategies.	Workshop	2	2	2	2	2	2	1	1	14	Consultant	"
support the development of early warning systems at the community level that are appropriate to the identified hazards	system									1	firm- national	"
Conduct comprehensive environmental, social, and climate impact assessments for each infrastructure project	Assessme nt	-	4	4	4	2	1			15	international	"

- 3.1 COMPONENT 2: SUPPORT TO SMALLHOLDER LIVELIHOODS ENHANCEMENT (US\$ 3.66m)
60. The outcomes of Component 2 are: increased production and productivity of priority crops and livestock for resilience, dietary diversity and food security; and improved incomes. The outcome indicators are: (i) CI 1.2.1 Households reporting improved access to land, forests, water or water bodies for production purposes; (ii) CI 1.2.4 Households reporting an increase in production; (iii) CI 2.2.6 Households reporting improved physical access to markets, processing and storage facilities; and (iv) CI 1.2.9 Percentage of households with improved nutrition Knowledge Attitudes and Practices (KAP). The subcomponents are: (i) Strengthening resilience in selected crop and livestock VCs; and (ii) Entrepreneurship for value chain development.
61. Subcomponent 2.1. Strengthening Resilience in Crop and Livestock Value Chains (US\$ 2.404m) will support sets of activities to contribute to resilient VCs. The output indicators are: (i) CI 1.1.3 Rural producers accessing production inputs and/or technological packages; (ii) CI 1.1.4 Persons trained in production practices and/or technologies; and (iii) CI 1.1.8 Households provided with targeted support to improve their nutrition.
62. *Output 2.1.1(a): Support access to productive CSA inputs.* The RLRP will encourage private sector input suppliers to establish outlets at the community level in collaboration with the CDA. Crop and livestock farmers will be supported to acquire improved inputs, including drought-resilient seeds, pesticides, fertilisers, ecosystem friendly farm tools, breeds of shoats as well as feed and pharmaceuticals on a cost-sharing basis. For seeds. RLRP will collaborate with the recently-approved IFAD Regional Seed Systems Grant Project (SSGP) for four Horn of Africa countries, including Somalia, to provide high-yielding, climate-resilient seeds of the RLRP priority crops to the beneficiaries. Coincidentally, the SSGP will also be implemented in Jubaland, South West and Hirshabelle FMS of Somalia.
63. *Output 2.1.1(b): Support improved animal health.* RLRP will: (i) train and equip community animal health workers (CAHWs); (ii) support the establishment of *agrovet supply shops* by youth entrepreneurs trained under RLRP; and (iii) promote a weather index-based *livestock insurance* in collaboration with the insurance companies, and other ongoing development projects, particularly the World Bank's De-risking, Inclusion, and Value Enhancement of Pastoral Economies in the Horn of Africa (DRIVE). These measures will enhance producers' compliance to animal standards for both domestic and international markets, and contribute to increased incomes of the beneficiaries.
64. *Output 2.1.2(a): Promote pluralistic approach of crop and livestock extension services,* through public and private service providers to support the EIGs and CSGs. RLRP will identify feasible CSA practices, and build the capacity of extension service providers, including NGOs and VBAs, to provide advisory services to the programme beneficiaries on CSA practices through: (i) training workshops and exchange tours to enhance lessons learned; (ii) establishment of a digital platform to increase farmer's access to critical advisory services; (iii) training of extension agents to improve their gender-sensitivity in service delivery; and (iv) production of relevant and inclusive advisory materials, in a form accessible to beneficiaries of varying educational level. Training will be provided by experts recruited by the RLRP. The RLRP will further improve service delivery through the establishment of a digital platform where possible to increase farmer's access to critical advisory services
65. *Output 2.1.2(b): Promote improved inputs and CSA technologies,* through pluralistic extension services to building the capacity of the VC actors in the identified CSA practices¹ to reduce vulnerability to climate-related risks and shocks. RLRP will:

¹ CSA practices include: conservation agriculture, vermicomposting agroforestry, new drought tolerant, high yielding, and early maturing *seed varieties*, sustainable water management, and waste; for livestock: introduction of drought and stress tolerant *improved breeds of shoats and pasture species*, building capacity of shoat producers on good animal husbandry, and climate-smart practices like strategic destocking of livestock in anticipation of drought, supplementary feeding (including minerals and vitamins, good quality forages and hay), simple diet formulation, rangeland management, including rotational grazing to recover vegetation, and restoration of degraded areas.

- a. Conduct rapid assessment on use and adoption of CSA technologies in the programme districts.
 - b. Identify and promote innovations and feasible and CSA practices in target areas, through demonstration plots, promotion events, short and longer practical field training, and systematic follow-up with farmers by local service providers, including Village-Based Advisors.
 - c. Demonstrations will be established in the plots of selected willing lead farmers for new CSA Technologies for both crop and livestock production. Other farmers will benefit through field visits, study tours, and visits to the progressive farmers on whose land the CSA demonstration plots will be established.
66. *Output 2.1.3: Build the capacity of farmers on PHM, market linkages, and diversified production for nutrition-sensitive cooking techniques.* RLRP will: (i) conduct a rapid study on agri-nutrition status and practices in the programme area; (ii) adopt the *nutrition-sensitive VCs* (NSVCs) approach to increase the availability, affordability, and consumption of mixed nutrient sources and bio-fortified crops, by improving transportation, processing and storage of food to preserves their nutrients; (iii) *build the capacity* of the target groups to generate income and to manage and their natural resources; (iv) deliver an inclusive community-wide *nutrition and healthy diet agenda* in synergy with the promotion of climate and nutrition-sensitive farming and vegetable cultivation; (v) support simple *diet formulation* by extension agents; (vi) conduct repeated *sensitisation* on the health benefits of a nutritional diet through workshops and training; (vii) demonstrate environmentally friendly cooking methods that minimize fuel use and reduce greenhouse gas emissions. Where feasible, grants for low-cost environmentally friendly food processing machines will be issued to women/youth led enterprises under Subcomponent 2.2.
67. *Output 2.1.4: Targeted support to disadvantaged HHs in crop and livestock production.* For the IDPs and the poorest HHs, RLRP will provide: (i) appropriate packages of inputs for low-cost, water-saving technologies for *integrated homestead food production*, including bag gardening for improving the availability of leafy vegetables, as well as tomatoes and capsicum, because of their short cycle and nutrient density; and (ii) *distribution of shoats*, along with capacity building on managing the crops and animals. RLRP's input support to the disadvantaged HHs will be in small packages, as was done under the BBB-RLRI, and will attract a lower beneficiary contribution.

Implementation timelines and responsibilities

Item	Unit	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Total	Implementer	Oversight
Conduct a Rapid assessment on the use and adoption of CSA technologies in the project districts	Study	1	-	-	-	-	-	-	-	1	Consultant/ firm national/ international	NPCU-CC & MoAI
Identify and promote innovations and feasible and CSA practices in target areas, including 4 new seed varieties that are drought tolerant, high yielding, and early maturing to small holder farmers.	Research	1	1	1	1	-	-	-	-	4		
Promote good agricultural practices such as reduced or zero tilling, soil mulching, composting and vermi-composting	Training	5	3	5	5	3	5	5	5	36		
Establish four demonstration plots, promotion events, short and longer practical field training	Site		4							4		
Introduce two new, improved shoit breads that are drought and stress tolerant. The improved breeds will have traits including increased milk and meat productivity	Number	-	1	1	-	-	-	-	-	2		
A comprehensive training program will be conducted for both the selected farmers cooperatives and individual smallholder farmers and MoAI staff.	Worksho ps	2	2	2	2	2	2	-	-	14		
Promote rotational grazing to allow vegetation recovery, implement restoration activities in degraded areas, and introduce drought-resistant pasture species	Events	2	2	2	2	2	1	1	1	13		
Strengthen the capacity of both public and private sector extension service providers (PESP) including NGOs and village-based advisors, to enhance access to advisory services, especially in the CSA technologies introduced by the RLRP.	Training	2	1	1	1	1	1	1	1	9		
Improve service delivery through digital platform where possible to increase farmer's access to critical advisory services.	Number			1						1		
Distribute high-quality and locally certified seeds of the introduced varieties (2.1.1) to agro-pastoral communities to 14,000 Ha owned by smallholder farmers	Seasons	2	2	2	1	1	1	1	1	11		
Strengthen animal feed productions through Farmer field demonstration sites using improved and drought tolerance seeds integrated with other cash crops through intercropping or crop rotations as fodder will be established	Demos	2	2	2	1	1	1	1	1	11		
Support improving animal health services delivery in project sites by strengthening the capacity of state veterinary departments	Training	1	2	2	-	1	1	1		8		
Establish 3 Veterinary Mobile Clinics with the aim of improving animal healthcare services, ensuring that livestock receive timely and accessible medical assistance	number	1	1	1						3		
RLRP will conduct a rapid study on agri-nutrition status and practices in the project areas.	Study	1					1			2		

Item	Unit	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Total	Implementer	Oversight
In the IDP camps where water is available, RLRP will promote sack gardening for Leafy vegetables – such as spinach and lettuce because of the short cycle and nutrient density.	Number									3,100		
RLRP will partner with public and private research institutions to introduce biofortified sorghum in the project areas as a broader intervention.	Research	1	2	1	1					5		
Build capacity at the community and household level for training on nutrition-sensitive post-harvest practices	training	1	2	2	2	1	1			9		
Promote environmentally friendly cooking methods that minimize fuel use and reduce	Training	-	4	4	4	4		1	1	18		
Distribution of 1,000 shoats to IDPs and poor HHs, along with capacity building on managing the crops and animals.	Numbers									3,000		
Distributions of Small solar-powered irrigation kits to support crop farming to at least 500 HHs and IDPs with access to water	HHs									500		
Conduct training for disadvantaged households (HHs) in crop and livestock production	Per Year	1	1	1	1	1	1	1	1	8		

68. Subcomponent 2.2. Entrepreneurship for value chain development (US\$ 1.26m)
69. This subcomponent will support the development of the entrepreneurial skills of youth and women in agricultural production in the communities and related services with a focus on increased incomes and job creation. Support will be provided for the entry into new markets, the creation of new products and/or the innovation associated with different business activities that support the VCs promoted by RLRP. The entrepreneurship activity areas would include: feed and fodder and veterinary supply systems, crop and livestock input supply, value addition, aggregation mechanisms, processing of crop and livestock products, enterprises, and mechanization services taking into account NRM and climate resilience. The output indicators are: (i) CI 2.1.2 Persons trained in income-generating activities or business management; (ii) CI Number of feed and fodder production system implemented; and (iii) CI 1.1.5 Persons in rural areas accessing financial services.
70. *Output 2.2.1. Capacity building in entrepreneurship, including linkages to market.*
- a. The project will recruit an NGO/Consultant to conduct a baseline study that will include training needs assessment across the extension teams of the Lead Entrepreneurs and farmer groups.
 - b. Identify and support solutions to address women's constraints for accessing market.
 - c. Support to the creation and strengthening of community savings and lending.
 - d. Conduct 5 district level agribusiness B2B events to provide linkages between producers, aggregators, and processors.
 - e. Provide grant/ in-kind support to new innovative agribusiness ideas by women or youth in the project districts.
 - f. Capacity building in business management, farm business record keeping, planning, and risk management, among others, to prepare the communities to access finance from financial institutions. A consultant will train the community facilitators who will then train the community members.
71. *Output 2.2.2 Support entrepreneurship development through capacity development, including mentoring opportunities and linkage to the market and financial services*
- a. Mapping of existing and potential market opportunities and key bottlenecks with focus on: for domestic markets, demand-driven production as well as niche markets, including through schemes such as institutional markets and contract farming, and local SMEs;
 - b. Support access to financial services for business development along the priority VCs value chains for women and youth.
 - c. Create and strengthen community savings and lending groups. These financial initiatives will be aligned with the overall financial inclusion strategy, ensuring environmental and climate considerations are central to their implementation.

Subcomponent 2.3

72. **Subcomponent 2.3 Emergency component**, is proposed to respond to a crisis or disaster. A dedicated crisis and disaster risk reduction disbursement allocation would enable RLRP to respond and adapt quickly in case of natural disasters. The amount that can be allocated to this component will not exceed the 5% of the undisbursed amount of the IFAD grant and any additional IFAD grants *eventually* allocated to RLRP as additional financing. Detailed implementation related measures are found below and these will be further strengthened during the start-up period:

- 1) Activation:

- i. The designated government agency² determines that a crisis or emergency occurs. Based on the official declaration of the state of emergency by the competent body within the government of Somalia, in line with government established procedures, laws and regulations around this subject, the recipient representative of the GoS, as specified in the Grant Agreement, sends a request to IFAD (see annex 1) supported by a Preliminary Assessment of Damages and Needs (PADN, Annex 2) to activate the mechanism. A causal link between the crisis and eligible activities need to be presented in the PADN to activate the component. The emergency must be linked to an event that has caused, or is likely to imminently cause, a major negative environmental, economic and/or social impact and this should be described in the document.
- ii. The PADN includes a list of activities to be implemented and the Procurement Plan (PP) to meet emergency and recovery needs.
- iii. The PADN includes necessary safeguards and targeting mechanisms for the proposed activities.
- iv. IFAD reviews and provides a no-objection to the PADN instruments in order to start implementation. IFAD will reserve the right to not provide its no-objection or to partially accept GoS request for any reason that will be officially communicated to the GoS in writing and when IFAD estimates that proposed activities are not in line with IFAD mandate or that IFAD beneficiaries are not likely to receive the benefits of the proposed activities.

2) Eligible expenses

73. An *expense* is considered eligible if it meets the following requirements and is adequately documented:
 - i. It must be directly related to the emergency, as stipulated in the official Emergency Declaration;
 - ii. The expenditure is included in the PADN which was approved by IFAD;
 - iii. The expense must have been incurred and paid during the eligibility period which is within 12 months of the IFAD no-objection provided to the PADN.
 - iv. The expenditure relates to one of the eligible activities listed below;
 - v. The activity proposed to be financed is implemented within the geographical scope of the project as identified in the Grant Agreement.
 - vi. The Emergency component financing envelop has not been depleted.
74. All other standard IFAD eligibility criteria are applicable to all expenditures falling under this component. This includes the right to IFAD to declare ineligible any expenditure for which sufficient supporting documentation is not available and for which the proof of reception of the activity by *the* final beneficiary is not fully documented. Any expenditure that may be declared ineligible will be refunded to IFAD in line with the Fund's standard procedures.
75. As specified in RLRP Grant Agreement, eligible expenditures to this component will insist in the following *financing* categories and namely: Training and Capacity building, Works, Services and Salaries and Allowances. The eligible activity type for IFAD financing under each category is described in the table below:

² The institution in charge of declaring the state of emergency as per government laws procedures and regulations should be communicated to IFAD during negotiation or at project start-up and included in the PIM.

Table 2		List of eligible expenses	
Category	Description		
Training and capacity building	(i) Small ruminants training, (ii) productivity training and (iii) operation and maintenance training.		
Works	i) Rehabilitations of shallow wells. Boreholes, dams for domestic water supply and livestock water points and installation of elevated water tanks for domestic water storage, (ii) rehabilitation of small-scale infrastructure, (iii) rehabilitation of small roads.		
Good and inputs	i) Procurement of production implements, including solar pumps; (ii) Procurement of small-scale machinery such as combined grain sheller/thresher and agricultural machinery for smallholder farmers, (iii) Procurement of fertilizers, seeds -crops, vegetables & animal feed and (iv) procurement of small ruminants.		

76. The Government of Somalia cannot use emergency funds for military or paramilitary expenditures or any other explicitly stated expenditure excluded by funding agreements.

3) Disbursement and Financial management arrangements

77. The expenditures related to this component will be managed, incurred accounted for and justified by the project implementation unit through the project designated account and in line with the procedures outlined in the PIM for all other project expenditures. Specifically, for this component:

- i. The project PMU will coordinate with the designated government body for crisis relief in order to ensure that project efforts remain in line with government priorities and that no duplication with other financiers is taking place.
- ii. Disbursements for eligible activities will take place only after IFAD notification to the project that the government request to activate the Emergency component has received IFAD non-objection.
- iii. After receiving IFAD non-objection on the activation of the Emergency Component, the project will start the procedures to amend the relevant AWPB to include all eligible activities to be undertaken under this component. IFAD will accept that the agreed-upon activities and related expenditures are undertaken even before the AWPB amendment is formalised and received IFAD non-objection.
- iv. Specific procurement procedures may be applied to the expenditures related to this component.

4) Procurement

- i. Detailed procurement guidelines will be further developed at start-up, in line with the guidance note on simplified project procurement for fragile and conflict affected situations;

Annex 1:

Mogadishu, Somalia

date

Mr. Omar Ebrima Njie

IFAD Country Director for Somalia

International Fund for Agricultural Development

Ref: Activation of the Emergency Component

Sir,

I have the honour to request the activation of the emergency component to cover emergency recovery activities for an amount equal *to XXX US dollars*, following the *crisis/emergency* occurring since the *date*. Please find attached copies of the Government Communiqué declaring the Emergency, dated, as well as the Preliminary Assessment of Damages and Needs.

Insert a paragraph providing a brief description of the emergency situation, the damage suffered and the activities to be carried out.

Please accept, Mr. Country Director of IFAD in Somalia, the expression of my distinguished feelings,

Project Director, Rural Livelihoods and Resilience Project

Annex 2:

Preliminary Assessment of Damages and Needs

I. General Description of the Event						
Event type						
Event date						
Event time						
Circumstance of the event						
Cause of the event						
Affected area	National	<input type="checkbox"/>	Regional	<input type="checkbox"/>	State/Province	<input type="checkbox"/>
	Municipality _	<input type="checkbox"/>	community _	<input type="checkbox"/>		
Affected population	Number of families			Number of persons		
Affected infrastructure	Accommodation _	<input type="checkbox"/>	Agriculture	<input type="checkbox"/>		
	Network infrastructure	<input type="checkbox"/>	Forestry _	<input type="checkbox"/>		
	Essential Infrastructure	<input type="checkbox"/>	Environment	<input type="checkbox"/>		
	Social Infrastructure	<input type="checkbox"/>	Trade	<input type="checkbox"/>		
	Water and sanitation	<input type="checkbox"/>	Tourism	<input type="checkbox"/>		
	Health	<input type="checkbox"/>	Industry	<input type="checkbox"/>		
II. Specific description of the event						
A	Event type:		Description:			
	Flood		Flooded area			
	Drought		Allocated area			
	Bushfires / Fire		Magnitude, location of victims, risk of spread, specific risks			
	Epidemic and Epizootic		Type of condition, date of observation of first cases			
	Pests and Locusts		Type of pests, infested crops, infested areas, compromised production			
	If a specific scale is not available, provide a brief description of the event:					
B	Total affected population					
	Number of families					
	Number of persons					
	By gender		Man			
			Women			
	By social groups		Children			
			Old men			
		Disabled				
C	Affected social infrastructure					
	Total community centers affected					
	Community collection centers completely damaged					
	Community collection centers partially damaged					
	Description:	The type of construction				
D	Network Infrastructure					
	Total water and sanitation network affected					
	Network completely damaged (linear meters)					
	Network partially damaged (linear meters)					
	Destroyed infrastructure (to be described)					
	Partially damaged infrastructure (to be described)					
	Total road network affected (km)					
Total Rural		Destroy		Damaged		

		Total bridges		Destroy		damaged	
		Description:	Type of road (lateritic, asphalt, rural track), type of bridges, etc.				
E	Agroforestry sector						
	Agriculture						
	Type of crops:						
	Description:		Losses recorded (crops, equipment and infrastructure), area of crops/wood damaged, value of monetary losses, compromised production in tonnes, damaged agricultural equipment				
	Type of crops:						
	Description:		Losses recorded (crops, equipment and infrastructure), area of crops/wood damaged, value of monetary losses, compromised production in tonnes, damaged agricultural equipment				
	Cattle						
	Kind						
	Description:		Number of heads lost, losses recorded by category (cattle, sheep, camels, horses, donkeys, poultry), values of losses recorded in monetary species, equipment and infrastructure				
	Kind						
	Description:		Number of heads lost, losses recorded by category (cattle, sheep, camels, horses, asians, poultry), values of losses recorded in monetary species, equipment and infrastructure				
	Forestry						
	Type/Activity						
	Description:		Values of losses recorded in monetary cash, equipment and infrastructure				
	Type/Activity						
	Description:		Values of losses recorded in monetary cash, equipment and infrastructure				
F	Environment sector						
	Qualitative and quantitative description of damage						

Activity	Amount	Procurement method	Document to be used	Contract award date	Estimated completion date
Purchase of supplies					
XX					
Procurement of services					
XX					
XX					
XX					
XX					
Works					
XX					
XX					
XX					
Emergency salaries and					

allowances					
Total					

Activity	Applicable targeting mechanism and safeguards	Monitoring	Costs
Number/name			
<i>Description</i>			
Number/name			
<i>Description</i>			
Number/name			
<i>Description</i>			
General safeguards			

Implementation timelines and responsibilities

Item	Unit	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Total	Implementer	Oversight
Mapping of existing and potential market opportunities and key bottlenecks with focus on domestic markets	Mapping	1	-	-	-	-				1	Consultant/ firm- national/ international	NPCU-CC & MoAI
Support access to financial services for business development along the priority VCs value chains for women and youth.	KM		1	1	1	1				25	Consultant/ firm- national/ international	"
Creation and strengthening of community savings and lending groups	Ha		1	1	-	-				500	Consultant/ firm- national/ international	"
The project will recruit an NGO/ Consultant to conduct a baseline study that will include training needs assessment	Site	-	1	1	-	-				2	Consultant/ firm- national/ international	"
Identify and support solutions to address women's constraints for accessing market.	Study	1								1	Consultant/ firm- national/ international	"
Support to the creation and strengthening of community savings and lending	Training/ Workshop		3	1	2	3	3	3	3	15	Consultant/ firm- national/ international	"
Conduct 5 district-level agribusiness B2B events to provide linkages between producers, aggregators, and processors.	Center	-	2	2	-	-				4	Consultant/ firm- national/ international	"
Provide grant/ in kind support to new innovative agribusiness ideas by women or youth in the project districts	Centers		2	1	1					4	Consultant/ firm- national/ international	"
Mapping of existing and potential market opportunities and key bottlenecks with focus on domestic markets	Centres/sites		2	2	2					6	Consultant/ firm- national/ international	"
Support access to financial services for business development along the priority VCs value chains for women and youth.	Study		1							1	Consultant/ firm- national/ international	"

CHAPTER 4 – DESCRIPTION OF MAINSTREAMING PRIORITIES

4.1 GENDER MAINSTREAMING

78. Gender in RLRP – Women’s dual reproductive roles and work responsibilities place them and their children at greater risk of poor health outcomes. Women in rural areas are obliged to carry out a large number of reproductive tasks.
79. RLRP is gender sensitive. Overall target is 50% women outreach with targeted support for those in male-headed households and female-headed households. Gender relations are inequitable in the country. GBV prevalence is very high and although women provide significant contributions to the agricultural sector, they do not receive equitable feedback. They continue to face multiple challenges that curtail their potential in engaging in gainful productive ventures. They have fewer opportunities than men to benefit from education, training, and productive agricultural employment due to traditional gender patterns in allocation of household labour, early marriages, and restriction. This has seen women constrained in terms of employment opportunities and their involvement in on farm activities is less skilled and less financially rewarding. Although Somali women are predominantly engaged in micro enterprises, limited access to financial services hampers their ability to expand their businesses. The project will ensure that women benefit and engage in all project activities and become productive and resilient agriprenuers by enhancing economic empowerment, participation and leadership in EIGs and decision-making bodies and access to labour and time-saving technologies. Given that women are disproportionately affected by malnutrition including micro-nutrient deficiencies, RLRP will scale interventions supporting production of diversified nutrient dense crops to include vegetables, fruits and rearing of small livestock at household level. This will be accompanied by a comprehensive social and behaviour change communication with targeted nutrition education for women of reproductive age including adolescent girls.
80. In close coordination with the other subcomponents of RLRP, the following activities will be implemented to achieve the intended outcome:
81. RLRP will address the barriers to women’s participation and empowerment prevalent in the geographical context of the project. Involvement in training, educational and income generating activities will be promoted by ensuring there is enough time to reach everybody through community meetings and that activities are arranged in a way convenient to women’s lives. RLRP will include activities expected to attract women’s participation, such as savings and credit groups. Gender targeting in RLRP includes the inclusion of young women (youth) and women with disabilities (PwDs). Particular focus will be on the identification and implementation of opportunities where women and men alike can act as agents of change in managing current and future risks related to climate change.
82. Increased participation in training, educational and income generation activities will be promoted by spending enough time for mobilization on targeting to reach everybody at community meetings. A mix of community-based targeting, direct targeting and self-targeting will be applied depending on the type of intervention. Men will be encouraged through advocacy to support women’s participation through guarantee of land and other resources required. RLRP intends to generate several positive results for women, including:
- a) Improve their production and adaptive capacity by strengthening their agricultural productive skills, climate adaptation knowledge and access to appropriate technology
 - b) Increase in women’s financial literacy including households' economics; business plans
 - c) Development / strengthening women's income generation activities to support the value chain
 - d) Improvement of household dietary intake through nutrition-sensitive HH-based livelihood interventions

Gender Mainstreaming	
Component 1: Support to community resilience	
<p>a) Gender sensitive risk analysis including Agriculture, Climate Socially inclusive consultation with specific meetings for women. Community sensitization on gender and climate awareness</p> <p>b) Implement change catalyst sessions in target communities. Participatory social norms diagnostics will involve both men and women as change agents, in identifying and tackling norms that perpetuate gender disparities SGBV and early marriage.</p> <p>c) Women in leadership positions will be supported with targeted leadership skills training to enhance their roles. 30 per cent quota for leadership roles within EIGs and at least 30 per cent women only EIGs</p> <p>d) Gender assessment of group membership: RLRP will conduct an assessment to establish the participation of women in Economic income groups and define mitigation strategies. The objective is to increase the women's membership in these organizations and capacitate them to engage in profitable value chain activities. 30% quota for women only EIGs will be instituted</p> <p>e) Collaborative working with MFIs to tailor financial products to the needs of women. This will be complemented by gender assessment of available financial services products. The assessment will contribute towards informing the development of products that respond to the needs and status of women.</p> <p>f) Financial access will be promoted through connecting groups to MFIs that are already gender-responsive to EIGs that have women as most members.</p>	
Component 2: Support to Smallholder Livelihood Enhancement	
<p>a) Gender sensitive Value chain assessment: Support women micro enterprises outside of the major commodities: Gender sensitive value chain assessment will be conducted to ensure that women are meaningfully engaged along commodity value chains. A complementary market assessment will be conducted to identify strategic entry points for women that RLRP will support to grow into profitable enterprises.</p> <p>b) Market information strategies. Medium for dissemination of market information will be adapted to the literacy level of majority women. Market infrastructure will prioritize the needs of women.</p> <p>c) Technological support: Women will be prioritized with support for equipment for post-harvest management. Technologies promoted will also be favourable for use by women and advance their commodities of choice.</p> <p>d) Access to extension support: Development agents offering extension support services will undergo a mindset change training to enable them become aware of prohibitive norms that could prevent women from accessing extension support/ inputs etc. This will enable the DAs to provide Extension services adapted to ease of access by women including customizing meeting times to women availability.</p>	
Component 3: Institutional and organizational strengthening	
<p>a) Policy support to advance scaling up of gender transformative way of supporting government programmes and activities. Support gender mindset shift among financial institutions by introducing training modules that ensure staff participate in ongoing, critical self-reflection on gender, social and power norms to increase their own understanding of women as viable and valuable clients and skills for delivering gender-responsive services.</p> <p>b) Introduce a capacity building module for PCU and implementing partners to demonstrate that gender injustice is a key cause of poverty and important to the women and men in the communities where they work. This will include (i) evidence-based project monitoring including use of GEWE data to improve intervention strategies (ii) incorporate gender considerations in programming and policy adoption.</p>	
Monitoring and Evaluation	
	<p>a) Indicator: Empowerment Index at baseline, Mid- term and Endline included in the project wise survey</p> <p>b) Institutional assessment of skills on GEWE principles and integration in programming</p> <p>c) Social assessment for gender sensitive agricultural and climatic risks</p> <p>d) Value Chains assessment.</p>

4.2 YOUTH MAINSTREAMING

83. In close coordination with the other subcomponents of RLRP, the following activities will be implemented to achieve the intended outcome:
84. The possibilities for youth to obtain education and employment are limited and opportunities to engage politically, economically, or socially remain weak or non-existent. Migration to urban areas in search of employment makes them vulnerable to low wage employment opportunities. The space and opportunities are even further restricted for girls and young women. Given the gendered-related challenges faced by young women as elaborated earlier, RLRP will have a greater focus on young women and identify opportunities to equitably benefit from project's activities. Under component one, RLRP will not only enact quotas for participation but will also challenge harmful social norms that limit the participation of youth. Component 2 will ensure profitable inclusivity. Youth-

led economic income groups (EIGs) and MSEs will be supported to take advantage of opportunities arising along the value chain (seed supply, storage, technology, processing, retail), (i) economic empowerment through job creation via youth-only groups (at least 40% of newly established EIGs), youth-led MSEs (30%) and increased participation in formalized EIGs along selected value chains ; (ii) capacity strengthening in enterprise development through skill-based training; (iii) implementation of market-oriented business plans via matching grants (40% of grants and assets will go to youth-led and women-led EIGs); (iv) support linkages to markets; (v) financial literacy training; (vi) increased participation and leadership in EIGs and rural-decision making roles and bodies and group activities.

4.3 NUTRITION MAINSTREAMING

85. Somalia is one of the world’s most fragile states and over the past 20 years has suffered from violence and political instability as well as environmental and economic shocks. This has driven widespread poverty and persistently high levels of food insecurity and malnutrition.
86. In order to improve the quality of diets of project’s beneficiary households, RLRP will increase availability and accessibility to diversified and nutritious food all-year-long by following four pathways aligned with the overall programme Theory of Change:
87. Increased availability of diversified, safe and nutritious foods by strengthening diverse food value chains, promoting adoption of integrated home gardening and small livestock production, as well as reducing post-harvest losses and improving preservation practices. These nutrition-sensitive interventions, mostly embedded in component 2 will lead to increased diverse food supply for markets but also at household level.
88. Enhanced livelihoods by increasing households’ market-oriented production, access to markets and resilience to shocks. Through this pathway, beneficiary households will increase their purchasing power and their ability to afford diverse and nutritious diets.
89. Increased knowledge, awareness and readiness to change men and women to improve quality and diversity of diets. Increased knowledge is essential but not sufficient to effectively and sustainability change behaviours. Through this pathway, targeted households will be informed, skilled and empowered to make healthy choices regarding their diets, including increasing demand for and allocating budget toward.
90. Improved women empowerment and time use by implementing and promoting energy-saving technologies and promoting community dialogue to challenge gender norms which limit women’s decision-making regarding farm production, food purchases and budget allocation.
91. A nutrition lens has been applied across all RLRP sub-components as described in the table below. Delivery mechanisms will be validated at the inception stage of the programme and the SBCC campaign operationalisation will be informed by survey results.
92. Given the prolonged fragility state of these populations, a graduation approach will be implemented initially focussing on nutrition improvement efforts through targeted behaviour change communication during the first 2 years of implementation in tandem with other capacity building initiatives across the other components.

Nutrition mainstreaming	
Component 1 – Component 1: Support to Community Resilience	
a)	Nutrition-sensitive mobilisation and sensitisation of Economic Income Groups (EIGs)
b)	Nutrition criteria in decision matrix of the PRA exercise
c)	Construction of community demonstration centers for food demonstrations
d)	Promotion of intercropping and crop diversification with climate-smart nutrient-rich crops such as indigenous dark leafy greens, pulses etc.
e)	Water for home consumption and home gardening coupled with messaging on hygiene and water practices as part of the nutrition sensitive value chain (NSCV) training.
f)	Increase access to inputs and financial services
g)	Nutrition Social and Behaviour Change Communication campaign (see PIM for more details)

h)	Promotion of integrated home gardening among the beneficiaries
Component 2: Support to Smallholder Livelihoods Enhancement	
a)	Leverage WFP homegrown school feeding programme to create markets for crop commodities from RLRP supported smallholder farmers.
b)	Training with demonstration kits on post-harvest handling and preservation techniques at household level. Storage kits will include PICS bags for grains and locally made cooling systems for vegetables. NSA training through extension officers
c)	Promotion of intercropping and crop diversification with climate-smart nutrient-rich crops such as indigenous dark leafy greens, pulses etc.
d)	Support to agribusiness opportunities along the nutrient-rich value chains (e.g., bio-fortified seed multiplication, poultry business, vegetable and fruit tree seedlings nurseries)
e)	Promotion of intercropping and crop diversification with climate-smart nutrient-rich crops such as indigenous dark leafy greens, pulses etc.
Component 3 – Institutional and organizational strengthening	
a)	Provide support to support NSA development tools, policy development.
b)	Engage in SUN business network to
a)	Capacity building on nutrition-sensitive agriculture, improve capacities of PCU to collect and use nutrition-related data to inform project decision-making
b)	Recruitment of dedicated Nutrition specialist at national and regional levels
c)	Appointment of Social inclusion focal point at district level
a)	Nutrition gap assessment to be conducted at start-up to inform intervention design and measure impact. In addition to the nutrition gap analysis, include Nutrition Knowledge, Attitude, Practices studies.
b)	Nutrition core output and outcome indicators included in the result framework.
c)	C.I. 1.1.8: Households provided with targeted support to improve their nutrition
d)	CI 1.2.9: Households with improved nutrition Knowledge Attitudes and Practices (KAP)

93. To ensure implementation quality, PCU staff will receive training on the food system and nutrition-sensitive agriculture approaches. Dedicated nutrition officers at State level will be recruited and capacitated to collect and use nutrition-related data to inform programme decision-making. Additional attention should be given at district level, with the appointment of a social inclusion focal point to oversee the implementation of the targeting, social inclusion and nutrition action plans.
94. Community and household nutrition and healthy diet. Alongside the measures to build the capacity of target groups to increase and sustain incomes and to sustainably manage their NRs, RLRP will deliver an inclusive community-wide nutrition and healthy diet agenda to benefit all households, in synergy with the promotion of climate and nutrition-sensitive farming and vegetable cultivation. This initiative enables smallholder farmers to derive optimum health benefits from the crops they produce for food and for sale, by improving the nutritional value of the food consumed. This initiative will promote dietary changes on the ground as a counterbalance to the drive to produce food for sale, shifting attention to the nutritional value of the food consumed.
95. It will start with a Participatory Needs Assessment in each target community, which entails dialogue sessions on cultural norms that affects nutrition and domestic financial literacy for selected households. A Knowledge, Attitude and Practice (KAP) study will be conducted to deepen understanding of the local issues around nutrition and diet, and to serve as a baseline for specific training and the development of a Social Behaviour Change Communication (SBCC) strategy.
96. At the center of nutrition activities will be a community household education programme that will be delivered by peers through care groups. One of the vehicles for improved nutrition will be the establishment of demonstration nutrition gardens to grow healthy diversified diets for consumption and for sale. The nutrition garden will be accompanied by dedicated training on post-harvest management, nutrition education and SBCC for the beneficiary communities. The above households will serve as a pathway for transferring nutrition related information and best practices to other target households in the project areas.
97. Targeted support for integrated homestead food production – this will be provided to vulnerable households with pregnant and lactating women, children under two years old

and persons with disabilities. Households will receive a package of indigenous vegetable seeds, fruit tree seedlings, small livestock and gardening tools. Additionally, all households receiving the home garden package will share the multiplied vegetable and fruit seeds, as well as the tools with their neighbours as a contribution to the community. Although this intervention is nutrition-targeted intervention, it should be coupled when feasible with potential low-cost investment in water infrastructure as described under subcomponent component 2.2 and support to youth-women-group businesses such as vegetable and fruit tree seedlings nurseries or poultry. For vulnerable households headed by IDPs who are constrained by lack of productive assets, RLRP will promote the use of low cost, water saving technologies to promote IHFP i.e. sack gardening for improving availability of leafy vegetables such as spinach and lettuce because of their short cycle and nutrient density. Selected community members will be trained on practical exercise of preparing nurseries and seed beads for demonstrations on kitchen gardens and feed sack gardens.

98. Given the dynamic nature of malnutrition from humanitarian to development spectrum, RLRP will establish referral pathways where feasible; for instance, families that benefit from targeted feeding programmes will be linked to RLRP livelihood programmes to support the stabilization of their consumption needs. Key partners that the project will seek to engage include, World food programme, Ministry of Humanitarian Affairs and Disaster Management, the Ministry of Health and Social Care and the Ministry of Labour and Social Affairs, at the federal and state levels. Support for r IDPs includes could also working agreement with United Nations High Commissioner for Refugees (UNHCR). While RLRP ultimate goal is to support with sustainable livelihoods, interventions advanced by humanitarian partners will be essential in ensuring that poor RLRP beneficiaries receive immediate support to cushion them against shocks and lift them out of poverty. WFP interventions i.e. home-grown school meals to schoolchildren, treatment and prevention of malnutrition for children under 5 and PLWG and nutrition-sensitive training and SBCC offer necessary complementarity to RLRP.
99. Gender equality and women's empowerment: RLRP will provide equitable and gender-sensitive opportunities to women and men to access nutrition services. Training and nutrition education component of the intervention will ensure the whole household's nutrition needs are addressed through to improve joint decision making in households and communities regarding food and nutrition, and increase balance workload to make women available for cooking, feeding and child care (see more details in the Gender section of the PIM). The topics to be covered will range from safe pregnancy and young child feeding practices to adolescent nutrition, particularly of girls.
100. Home-grown school feeding: RLRP will seek collaborative engagement with WFP through the HGSF programme. RLRP will contribute to this by creating market linkages to WFPs HGSF by ensuring sourcing of nutritious food commodities sourced from RLRP supported smallholder farmers.
101. Capacity strengthening activities in communities will include training for community workers and leaders on nutrition assessment and education, and support for improved referral links between nutrition, resilience and health programmes. RLRP will partner with the Somali SUN secretariat to support research and other evidence-generating initiatives.
102. In terms of targeting, while the mainstreamed interventions regarding enhanced production and productivity of food commodities, improved post-harvest handling and training on nutrition-sensitive agriculture should reach most of the farmers, the SBCC strategy will be tailored to the relevant audience per geographical area. Special attention will be given to the most nutritionally vulnerable groups, such as pregnant and lactating women, caregivers with children under two years old and adolescent girls. The higher touch interventions of the nutrition SBCC strategy and the home garden promotion will target households with vulnerable populations, including persons with disabilities.

103. **4.4 ENVIRONMENT AND CLIMATE CHANGE MAINSTREAMING** The environment and climate change play a pivotal role in determining the success and sustainability of the Rural Livelihoods Resilient Programme (RLRP). The environmental and climate change category for the RLRP is classified as 'Substantial Risk.' The project involves small scale community level infrastructure investments and enhancement of crop and livestock value chains that may pose significant risks and impacts on the environment if not adequately managed. Additionally, the project's core components, activities and investments as well as target population are highly vulnerable to climate change and variability. The Somalia is highly susceptible to extreme weather events and long-term climate changes, including frequent droughts, unpredictable rainfall patterns, and occasional floods. Therefore, given the potential negative environmental impacts and profound impacts of climate change, it's essential that RLRP integrates environmental conservation and climate change adaptation strategies at all stages of implementation.
104. This priority thematic area aims to ensure that the RLRP's interventions are environmentally sustainable and resilient to the adverse impacts of climate change. This will be achieved through integrating environmental and climate considerations in the implementation of all project activities while involving all relevant stakeholders. This thematic issue will also support the project's overall goal of improved and resilient livelihoods of rural smallholders in Somalia.
105. To measure progress in mainstreaming environment and climate change, the following indicators will be used: (a) Percentage of RLRP sub-projects integrating environment and climate-resilient measures (b) Reduction in environmental degradation in intervention areas through measuring the positive impact of RLRP projects on the environment, such as reduced deforestation, improved soil health, and increased biodiversity.(c) Number of project teams and community members trained in sustainable practices and climate change adaptation
106. In close coordination with the other subcomponents of RLRP, the following activities will be implemented to achieve the intended outcome and tracked with the following indicators.

Environment and Climate Change Mainstreaming	
Component 1: Support to Community Resilience	
Indicator: Percentage of community projects integrating climate-resilient and environmental sustainability measures	
Activities	Indicators
1.1 . Capacity Building of community groups and leadership on climate-Resilient farming and Natural Resource Management (NRM)	<ul style="list-style-type: none"> Number of Community Groups and leaders Trained on Climate-Resilient Farming and NRM Practices
1.2 Integrate environment and climate change into CDPs	<ul style="list-style-type: none"> All CDPs supported integrate environment and climate risks
1.3 Strengthen community disaster risk management	<ul style="list-style-type: none"> Number of community groups trained on disaster risk management Community Disaster Risk Management Plan (CDRMP) in place
1.4 Undertake ESIA and implement ESCMPs for all community infrastructure projects including dams, boreholes, market infrastructure etc. Communities should be involved in determining locations of these sub-projects	<ul style="list-style-type: none"> Number of ESIA & ESCMP in place Monitoring and compliance check, stakeholder engagement meetings

1.5 Promote use of protective equipment, such as masks during construction	<ul style="list-style-type: none"> • Use of protective equipment integrated into the contract of executing entities, compliance & monitoring checks
1.6 Train service providers on sustainable natural resource management practices and adaptation measures and include in their contracts	<ul style="list-style-type: none"> • Number of training sessions conducted, pre-and post-training assessments, inclusion into contracts
1.7 Climate proof community infrastructure projects	<ul style="list-style-type: none"> • Climate resilient designs, selection of appropriate materials, maintenance plans in place, community training sessions
1.8 Investment in resilient water management and conservation measures including rehabilitation of canals, drip irrigation, surface water harvesting/liner dams	<ul style="list-style-type: none"> • % canals rehabilitated; • Number of ha covered under drip irrigation; • Number of liner dams established, community engagement & trainings
1.9 Use renewable energy i.e. solar to power community investment projects	<ul style="list-style-type: none"> • Number of community projects powered by solar, total number of solar power capacity installed
1.10 Support community capacity building on waste management measures and develop waste management plans for infrastructure projects	<ul style="list-style-type: none"> • Waste management plans in place for all sub-projects; • Number of community trainings conducted
<p>Component 2: Support to Smallholder Livelihoods Enhancement</p> <p>Indicator: Percentage Increase in Sustainable and Climate-Resilient Agricultural Practices adopted by smallholder farmers in the target districts</p>	
2.1 integrating climate adaptation into the agricultural extension services support	<ul style="list-style-type: none"> • Number of extension service providers trained, ToTs
2.2 Promotion of drought resistant crop and livestock varieties	<ul style="list-style-type: none"> • % of farmers adopting drought-resistant crop and livestock varieties; • Number of drought-resistant seed packets distributed, availability of resilient varieties, capacity building workshops
2.4 Promoting climate smart agriculture	<ul style="list-style-type: none"> • Adoption rate of CSA practices, % increase in yields, estimated tons of CO2-eq sequestered or reduced; • Number of farmers trained in CSA, % reduction in post-harvest losses in areas
2.5 Targeted support for Vulnerable groups	<ul style="list-style-type: none"> • No of vulnerable groups e.g. women, IDPs identified, trained, empowered; • Number of infrastructure projects targeted for vulnerable groups
2.6 Promotion of weather index-based livestock insurance	<ul style="list-style-type: none"> • Level of awareness among pastoralists & agro-pastoralists, uptake levels; • Number of partnerships or collaborations established to support weather index-based livestock insurance; • Number of service providers trained
2.7 Promotion of entrepreneurship focused on Climate Resilience and Sustainable NRM	<ul style="list-style-type: none"> • Number of entrepreneurs trained, technology adoption levels, amount of funding disbursed
2.8. promote use of organic fertilizers and encourage use of biodegradable organic manures and agrochemicals usage	<ul style="list-style-type: none"> • Number of farmers trained, quantity of organic fertilizer produced & supplied, Reduction in soil and water pollution indicators

Component 3: Programme Coordination and Capacity Building Indicator: No of project coordination teams trained and policy enacted to mainstream environment and climate into the sector development	
3.1 Capacity building to government institutions and project teams on environmental management and climate change adaptation	<ul style="list-style-type: none"> • Number of project & government staff trained on NRM & climate adaptation
3.2 Support integration of environment and climate change into agricultural policies and regulatory frameworks both at federal and FMSs levels	<ul style="list-style-type: none"> • Number of policies and regulatory frameworks enacted that promote environment & climate mainstreaming into the agriculture & livestock sector development

CHAPTER 5 – INSTITUTIONAL ARRANGEMENTS

This chapter highlights the institutional outcomes expected to be achieved under RLRP, and the broad arrangements for programme implementation and governance.

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5.1 INSTITUTIONAL STRATEGY AND OUTCOMES

108. Institutional strategy: The RLRP institutional strategy involves working through implementing agencies and service providers to strengthen the capacities of the rural institutions at various levels. Expected institutional outcomes include:

- a) A more conducive policy environment for rural enterprises arising from strengthened policy formulation capacity of the MoAI
- b) Effective producer, processing and marketing groups increase incomes resulting from improved market access
- c) Improved governance and management systems of producer, processor and marketing groups, facilitating their members' access to financial services, providing support services to members, effectively advocating their interests, and influencing decisions
- d) Districts through the Department of Agriculture, are capable of facilitating participatory planning and overseeing the implementation of the CDPs, as well as effectively coordinating activities and partner interventions at district levels to ensure synergy and complementarity among all actors.

109. The table below presents a draft Institutions Development Plan which may be modified after the initial assessment of the community level institutions, as well as serve for orientation of the NPCU and SPCU staff.

Draft institutional development plan for RLRP

110. The capacity building measures to be adopted by the SPCU to facilitate the implementation of RLRP activities include training, sensitization, advocacy, monitoring and exchange visits, provision of operational support (inputs), communications, and up-grading the VC infrastructure, supported by contracted service providers.

Institution	Issues to be addressed	Capacity Building	Timing
NPCU staff and selected staff of national MoAI, MoLFR and MoECC	Programme Logical Framework, Performance management, Strategic planning, Financial management, Inclusive targeting (focus on women, youth and vulnerable groups), Understanding of RLRP concept, Understanding of programme procedures and fiduciary aspects	Result-based Management, Targeting strategies, Group Governance, Training in PIM	2024
SPCU staff, selected staff of FMS MoAI, MoLFR and MoECC, and relevant staff at District level	Programme procedures, Strategy, Fiduciary aspects, Performance planning, Analysis and Reporting, RLRP concept, Inclusive targeting (focus on women, youth and vulnerable groups), M&E, MIS, Negotiating skills	Training in PIM, Performance measurement, Planning, monitoring and reporting, MIS, Group formation and management, Training in targeting strategy	2024
For new FMS joining			2028
Farmers' organization	Inability to provide services to members, Poor governance, Poor capacity in designing CDPs and business plans, Business management, Marketing principles, negotiating skills, Group management, Weak procurement capacity, Limited capacity to leverage resources from financial institutions	Training of EIG members in RLRP objectives, available services, optimum service provision, group formation, leadership and good governance, purpose and design of RLRP, development of business plan, business management, quality control, packaging and branding, and negotiation, enterprise	2024
For new FMS joining			2028

Institution	Issues to be addressed	Capacity Building	Timing
		management, procurement, budgeting	

5.2 THE STEERING AND COORDINATION ARRANGEMENTS

5.2.1 The Collaborative Framework

111. The RLRP will reinforce the technical skills of public service front-line field staff, reorient the to a sustainable climate-resilient approach to farming including the adoption of CSA practices and natural resource remediation. This action will be launched with an awareness-raising workshop in each district on opportunities for youth in and around the smallholder agriculture sector and the RLRP VCs. Community level rapid assessments will identify EIGs and MSMEs, both pre-existing and potential, interested in and likely to benefit from capacity building. The group identification process will be gender sensitive with a special focus on women, youth, IDPs and PwDs. While the field staff will be trained by staff of the State MoAI with the support of recruited subject matter specialists, the staff at the FMS and federal level will be trained through workshops and short courses.
112. The RLRP will utilize the existing government structures at the national and FMS levels. The Lead Agency for Programme implementation is the MoAI. The MoLFR and the MoECC will collaborate with the MoAI for the effective implementation of the RLRP. The MoF as the Borrower/Recipient will monitor, jointly with IFAD, the national and FMS implementing agencies to ensure efficient and effective utilization of programme resources in line with the Grant Financing Agreement. The Prime Minister's Office will ensure that programme implementation is aligned to the rolling plan of the FGS. The main implementation agency at the state level is the FMS MoAI, and at the District level, the District Department of Agriculture.
113. At the National MoAI, the RLRP is likely to interact regularly with the departments of Crop Production, Planning and Policy, Administration and Finance, and Irrigation and Meteorology, and occasionally with the departments of Plant Protection, Food Security, Agribusiness and Market Development, Public Relation and Communication, Human Resource, and Cooperatives and Food Reserve, on technical and administration issues.

5.2.2 Programme Implementation at the National Level

114. The *National Steering Committee* (NSC) will provide oversight and guidance to the Programme. Chaired by the Minister of the MoAI or his/her representative, the NSC is composed of: (i) Director General, MoAI; (ii) Director, MoF; (iii) Director, PMO; (iv) Director of Planning and Policy of MoAI; (v) Director representing MoLFR; (vi) Director representing MoECC; and (vii) one representative of private sector input suppliers (agro-chemical, seed, fertilizers, veterinary supplies). The NPC will be the Secretary of the NSC.
115. Responsibilities. The NSC will meet at least twice a year to review and approve the annual work plans and budgets (AWPB), as well as assess progress made in programme implementation, among other oversight functions. The representatives of the MoAI and the MoF are expected to be active in the joint supervision missions of RLRP. The MoAI, in its capacity as the Lead Programme Agency, shall delegate the day-to-day implementation and coordination responsibility of the RLRP to the NPCU. The NPC shall report directly to the Minister of the MoAI or his/her designated representative.
116. The *National Programme Coordination Unit* shall be headed by the National Programme Coordinator (NPC) and include, Financial Controller, Accountant, Procurement Specialist, Planning, Monitoring and Evaluation Specialist, Value Chains Specialist, Gender, Youth and Social Inclusion Specialist, and Environment and Climate Change Specialist. All the staff shall be contracted under procedures acceptable to IFAD, on an open, transparent and competitive basis and have qualifications and experience commensurate with their duties. Recruitment shall be subject to non-objection from IFAD. With the exception of the NPC position, each Specialist position will have a back-up seconded from the relevant FGS agency, who will be engaged subject to a screening process acceptable to IFAD, and

subject to an IFAD non-objection. Seconded staff will draw their salaries from the parent agency but receive an operational allowance from the programme.

117. The NPCU will receive a letter from the secondees' ministry or agency authorizing the total release of the selected seconded staff for work with the RLRP. Should a staff violate the conditions or abscond from RLRP duties, the NPCU will take action by seeking for non-objection from IFAD to replace such a staff. If provided, IFAD will advise the lead agency to replace the staff in accordance with the stipulated civil service rule regarding severance of engagement/contract. The TOR of NPCU staff at the national and state levels is presented in the Appendix.
118. Responsibilities. The NPCU shall provide technical support to and coordination of programme activities in the participating FMS. The NPCU shall be responsible for programme financial management (FM) and procurement, consolidating the programme (AWPB) and progress reports from the participating states for approval by the NSC and then by IFAD. It will ensure regular supervision, monitoring and publicity of programme activities. It will not get involved in direct implementation of the activities of RLRP, which is the responsibility of the SPCU. The NPCU will hold monthly management meeting with the key staff of the NPCU, and monthly technical review meeting (TRM) between the key staff of the NPCU and the State Programme Coordinators (SPCs). An SPC may delegate a suitable technical deputy in his/her absence to the TRM. The seconded staff attached to the FC of the NPCU shall be responsible for general office management as well as logistics for workshops, supervision missions, conferences and related operational engagements.

5.2.3 Programme Implementation at the FMS Level

119. The *State Programme Steering Committee* (SPSC) shall provide oversight and guidance to the implementation of the RLRP at the state level. Chaired by the Minister of the MoAI, the SPSC shall have among others the following members: (i) Director General, MoAI; (ii) relevant Directors of the line departments of the MoAI; one representative each of (iii) MoF; (iv) Ministry of Works; (v) Ministry of Water Resources; (vi) Ministry of Environment; (vii) Ministry of Local Government Affairs; (viii) Ministry of Women Affairs; (ix) Ministry of Youth Development; (x) private sector input dealers; and (xi) participating Districts. The SPC will serve as the Secretary of the SPSC.
120. Responsibilities. The SPSC shall meet twice a year and on an ad-hoc basis to provide an oversight/coordination function, review and approve the AWPB, and assess progress made in programme implementation in the State.
121. A lean *State Programme Coordination Unit* shall be responsible for the day-to-day implementation of the programme at the state level. It shall report administratively to the Minister of the MoAI and technically to the NPCU which shall have oversight function on the SPCUs. Each SPCU shall comprise, the SPC; Assistant Accountant; Value Chain Officer; and Planning, Monitoring & Evaluation Officer. All the staff shall be contracted under procedures acceptable to IFAD, on an open, transparent and competitive basis and have qualifications and experience commensurate with their duties. Recruitment shall be subject to non-objection from IFAD. Seconded staff will draw their salaries from the parent agency but receive an operational allowance from the programme. The SPCU will receive a letter from the secondees' ministry or agency authorizing the total release of the selected seconded staff for work with the RLRP. Should a staff violate the conditions or abscond from RLRP duties, the SPCU will take action by seeking for non-objection from IFAD to replace such a staff. If provided, IFAD will advise the lead agency in the affected FMS to replace the staff in accordance with the stipulated civil service rule regarding severance of engagement/contract.
122. Responsibilities. The SPCU shall ensure effective and efficient implementation of Programme activities by service providers, supervision, capacity building, and M&E. It shall support and supervise the work of the service providers and work closely with the District Programme Liaison Officer (DPLO). Specifically, the SPCU shall among others: (i) support the organisation of the CDAs for community governance and the EIGs in their VC segments; (ii) carry out sensitization of the communities, CDAs and EIGs on the programme implementation arrangements; (iii) conduct needs/opportunities assessments

of the CDAs and EIGs to facilitate the development of the CDPs, which would form the basis for the District AWPB; (iv) facilitate capacity building on group management and business enterprise development; (v) facilitate linkages between producers and market operators within and outside the district, and with financial institutions for credit; (vi) institutionalize a monthly management meeting to discuss issues and share knowledge about the RLRP performance; and (vii) conduct a mid-year review meeting with key staff of NPCU in attendance.

123. 5.2.4 Programme Implementation at the District Level

124. The District Director of Agriculture of the FMS MoAI will review and endorse the District AWPB of RLRP prepared by the DPLO, with the assistance of service providers, and ensure its alignment with the District Development Plan and IFAD's operational procedures. The RLRP shall pay operational allowances to the designated Director and the DPLO. In addition to preparing the District AWPB, the DPLO monitors the implementation of the District AWPB and submits progress reports to the SPCU through the Director of Agriculture.

5.2.5 Technical Implementation Partners

125. The table below summarizes the role of the key implementation partners under the RLRP.

Partner	Services provided	Facilitator
Seed Companies	Foundation seeds of recommended cereal varieties for the production of certified seeds by accredited seed EIGs.	NPCU/SPCU
Somalia Bureau of Standards	Grading and standards for the products of the producers and processors	NPMU/SPMU
Financial institutions and insurance companies	Value chain financial and insurance services to farmers	NPCU/SPCU
Accredited agro-input dealers	High quality inputs and complementary extension services to FOs for their agricultural enterprises	NPCU/SPCU
NGOs, EIGs and firms	Extension and institutional strengthening services to producers and processing groups to enhance productivity, income, nutrition security under contract	NPCU/SPCU
CDAs and EIGs	Identification, preparation and execution of their CDPs which will include a simple costed investment plan to determine level of support from the Programme	SPCU/District/ Service providers

Technical implementers of RLRP

5.2.6 Service providers (SPs)

126. Apart from the institutional SPs highlighted above, the Programme provides for the use of competitively recruited SPs in the following areas, among others:

- a) Train farmers in technical operations and in accessing markets;
- b) Identify opportunities for increasing productivity, production, enhanced nutritional outcomes, social inclusion and environmental sustainability at all stages of the priority VCs as a part of the formulation and implementation of the CDP;
- c) Broker links between farmers, other VC operators and financial institutions;
- d) Conduct needs assessment of farmers and other VC operators in technical operations and business management;
- e) Build the capacity of CDAs, EIGs and other VC operators in technical operations and business management

127. Engaging a service provider: The process of engagement of a service provider starts with the preparation of the TOR. In drafting a contract for a service provider, the NPCU or SPCU will ensure that the contract contains all the key elements in the TOR and the Obligations

and Binding of Contracts, as well as the terms of severance. The Procurement Specialist at the NPCU will develop standard contract forms that will be adapted to different service provision activities. No services shall be executed without a formal (written and signed) contract. Below is a sample of TOR for a service provider

****BEGIN****

A. Introduction:

1. The Federal Government of Somalia (FGS) is implementing a national 8-year Rural Livelihoods Resilience Programme (RLRP), starting in two FMS, namely: Jubaland and South West. The programme entered into force in March 2024 and is scheduled for completion in June 2032. The programme goal is to XX. The programme is funded by IFAD, FGS, the participating FMS, and participating community development associations (CDAs) and economic interest groups (EIGs). It is intended to apply part of the funds for the programme to engage a service provider to provide services to XX CDAs and/or their EIGs in YY (FMS/Districts).

B. The programme focus

2. The programme focuses on xx. The components of the programme are: Component 1 - XX; Component 2 - XX; and Component 3 - XX.

C. Aims and objective of service being sought: Provide rationale and justifications of the services.

D. Scope of service or specific tasks to be performed by the service provider:

3. In order to effectively tackle the low use of improved and resilient crop seed varieties and small ruminant livestock breeds, the service provider shall perform the following activities:
 - a. Identify XX potential lead farmers with the facilitation of the District Programme Liaison Officer (DPLO)
 - b. Establish XX demo plots in the lead farmers' plots to benefit approximately YY farmers
 - c. Assist XX other farmers establish YY ha of their own farms
 - d. Organize XX field days, including YY green days and ZZ brown days around the demo plots
 - e. Link XX farmers to input and output market, and financial institutions to encourage uptake of the improved crop and livestock varieties
 - f. Submit field performance data from XX farmers to SPCU through a formal presentation
 - g. Produce a comprehensive report in hard and soft copies and submit to the SPCU and the DPLO.

E. Qualification of service provider:

4. The Service Provider (at firm or NGO level):
 - a. Must have a strong institutional capability with a team of experts/professionals with very strong entrepreneurial skills and degree in Agriculture, Agribusiness or related fields
 - b. Must be registered with the appropriate service provider registration institution in Somalia
 - c. Must have a demonstrated work experience and successful past performance for 2 years and above in agriculture, animal husbandry and value chain development
 - d. It would be an added advantage if firm has worked with an IFAD or other donor-funded agency in a similar area
 - e. The team must be fluent in the local language to work with the CDAs and EIGs.

5. Individual service provider:

- a. Must possess a degree in Agriculture, Animal Husbandry or related fields
- b. Must have a demonstrated work experience and a successful past performance for at least 3-5 years on value chain development
- c. Should have knowledge of agricultural extension service delivery system
- d. Should be computer literate
- e. Fluency in local language will be an added advantage.

F. Time frame (period of delivery of the contract):

6. XX

G. Deliverables: The following deliverables shall be submitted:

- a. Various reports (be specific on the reports and the deadlines)
- b. Consultancy completion report (indicate date for submission)
- c. Photographs in soft copies (indicate date)

H. Reporting:

7. All reports should be submitted to the technical officer that oversees the work at the SPCU for review and certification to the NPCU for payment.

I. Mode of Payment:

8. The payment of the service provider shall be in tranches, based on submission of acceptable deliverables as follows: XX% on submission of draft report YY, XX% on submission of YY report, and XX% on submission of final acceptable report.

****END****

5.2.7 Links with Complementary Projects and other Development Initiatives

128. The NPCU will ensure that RLRP maintains close linkages with ongoing projects, programmes and organizations that have similar objectives for increased production and productivity of smallholders, improved food and nutrition security, sustainable environmental management and climate change adaptation (CCA). These include the IFAD-funded A2R2 and RISE, and the World Bank-funded Somalia Food Systems Resilience Project (FSRP). The lessons learned from these interventions will help the NPCU and SPCU to optimize the impact and sustainability of the RLRP through enhanced operational efficiency.
129. The SPCU will seek appropriate coordination and collaboration with relevant complementary operations in the FMS by government or other donor agencies (e.g. in the areas of infrastructure development, support to agro-based economic activities in rural areas, support to smallholder productivity enhancement, and rural finance). Synergies and information sharing with these ongoing initiatives are important to enhance complementarity and overall programme effectiveness. Regular consultations between the NPCU/SPCUs and relevant existing and new initiatives will be an integral part of the coordination mechanisms established for partnership building at national and FMS levels.

5.2.8 Integration within the IFAD Country Programme

130. There will be three levels for the integration of the RLRP with other IFAD operations in Somalia. The first level requires the NPCU to facilitate formal working relationships with other IFAD projects to enable the SPCUs to take advantage of the emerging lessons from these projects. Some of the experiences of the projects could be shared through electronic media and meetings, and the annual programme review meetings organized by RLRP, to which the IFAD projects, as well as other related projects could be invited to contribute. The second level requires NPCU to ensure that: (i) inputs are made to the national MoAI periodic stocktaking reports to reflect the RLRP performance results; (ii) the national MoAI internalized the gains, successes and innovations arising from the Programme in the FMSs; and (iii) constant knowledge sharing takes place with the relevant departments of the national MoAI. Similar responsibilities will be performed by the SPCU at the FMS level, this time for the district results to the State MoAI results.
131. The third level of integration will be through the Planning, Monitoring and Evaluation (PME) Unit, which is also responsible for knowledge management (KM) and communication. The Unit shall establish a KM platform for IFAD programmes in Somalia. Activities on this platform will include internal portfolio review and knowledge sharing meetings, synopsis of IFAD supervision mission reports, newsletters, media publication, and related publicity. The NPCU will provide adequate financial and technical support to the KM platform in line with its communication strategy.

5.3 SELECTION OF PROGRAMME PARTICIPANTS

132. Eligibility and Selection of Programme Participants
133. Core programme participant categories: Two major categories of participants are identified under RLRP: (i) overall 30,000 agro-pastoralist HHs equivalent to 180,000 individuals directly receiving programme services, including smallholder crop and livestock producers, of which 50 percent women, 40 percent youth, 5 percent IDPs, and 5 percent entrepreneurs; and (ii) special activity groups - CDAs, EIGs, women only groups, youth only groups, CSGs for community infrastructure O&M committees (road, water, irrigation, market, pasture etc), and managers of demonstration plots.

134. Eligibility criteria and selection process for participant categories: The following general steps will apply for the selection of programme participants, especially producers and agro-processors:
- (a) the NPCU, through service providers, conducts organization mapping, capacity assessment and livelihood analysis for existing grassroots organizations, classifies the groups into three maturity categories
 - (b) the mapping exercise proposes detailed criteria for selection of each category of participants, including demonstrate good governance, social inclusion, and participation (evidenced by constitution, by-law, minutes of meeting etc)
 - (c) the SPCU ranks the community organizations according to the selection criteria
 - (d) the SPCU selects participating groups based on the ranking and taking into account special requirements – percent women only groups, percent youth only groups, mixed sex groups have at least 40 percent women and 30 percent youth, and
 - (e) the NPCU, through service providers, conducts participatory needs assessment of the selected groups.
135. Specific requirements for the different sub-groups of participants.
- (a) Smallholder producers: Each HH member of the group should not cultivate more than 1.5 ha of the priority crops for the district, and/or more than xx shoats.
 - (b) Agro-processors: Average processing capacity of the participant is about 4 MT/day for cereal processors
136. Requirements for the Selection of the Special Activity Groups. The following requirements shall be met in the selection of the special activity groups:
137. Requirements for the Selection of the Special Activity Groups. The following requirements shall be met in the selection of the special activity groups:
- a) National and state value chain organizations (VCOs): (i) the NPCU, through service providers, conducts an assessment of national and state level VCOs in respect of their strengths/ weaknesses/opportunities/threats (SWOT) for public-private sector dialogue on smallholder VC development and advocacy for improving agricultural productivity, nutrition, gender/youth inclusion, and sustainable environmental management; (ii) the assessment proposes detailed criteria for selecting the VCOs to work in specific participating FMS; (iii) the NPCU jointly with the SPCUs rank the state VCOs, select the required number of VCOs based on the ranking, and maintain a database of the VCOs for possible future engagement; (iv) the NPCU and the SPCUs agree on criteria for assessing the proposals and implementation plans from the selected VCOs; (v) NPCU and the SPMUs rank and select good proposals for support and returns weak proposals to the concerned VCOs with comments for improvement and possible technical support in future.
 - b) CDA: (i) identified during the development of the district profiles, (ii) recognition by community for governance; (iii) willing to adapt its structure to align with RLRP requirement regarding gender, youth, and IDP representation.
 - c) Community infrastructure O&M committees (CSG): (i) where an association exists, the SPCU checks its governance structure, and ensures it is registered by the relevant District department; (ii) for a newly formed association, registration is also ensured.
 - d) EIGs: (i) where an EIG exists, the SPCU checks its governance structure, as well as its compliance with programme requirements for gender, youth, women only or youth only composition; (ii) checks if it is registered by the relevant District department; (iii) for an existing group to be modified, or a newly formed EIG, registration as well as compliance with programme requirements are ensured.
 - e) Entrepreneurs and IDPs: (i) sensitization on the RLRP implementation modality and opportunities for service provision in support of programme implementation, as well as, job creation and income generation; (ii) interested EIGs or individuals submit brief expression of interest, indicating readiness to adopt good operational practices, to be

trained by appropriate service providers, and to sign an MoU with the SPCU; (iii) for the selected entrepreneurs, the SPCU and the DPLO inspect any facilities claimed in the expression of interest; (iv) participating entrepreneurs and IDPs sign MoU with SPCU, countersigned by two CDA ExCo members

5.4 PROGRAMME IMPLEMENTATION PLAN

138. The Programme Implementation Plan (PIP) summarizes the main activities and key milestones that will be undertaken under each component/subcomponent of the Programme over the first two years of implementation. It acts as a road map as well as a monitoring tool that can be used to plan ahead and ensure that programme implementation is proceeding on track. It is expected that the PIP will be reviewed regularly and a new PIP for each programme year shall be prepared as part of the AWPB process. A format for the PIP is given in Appendix X. The NPCU is expected to complete this format within six months after the start-up.

5.5 IMPLEMENTATION OF FINANCIAL SUPPORT TO THE BENEFICIARIES

Eligibility for programme financial support

139. The following activities are eligible for financial support under the RLRP: (a) for producers, land development/hire of equipment for production, farm inputs based on technical recommendation (seeds, fertilizer, chemicals, shoat breed, feed and drugs, hiring of mechanization services); (b) for entrepreneurs, land preparation equipment, sprayers (say 2 for each entrepreneur), seed cleaning unit for certified rice seed production group, thresher, etc; and (c) for post-harvest and processors, storage facilities, small scale mills.
140. The financial support facility is established to partially address the financial constraints of the target groups and to enable them to procure the necessary inputs, equipment and infrastructure. Using financial institution intermediaries, the following co-financing rates by the beneficiaries will apply: (a) farm inputs xx% for two seasons; and (b) equipment xx% one-time contribution by the Programme.

Implementation process of the financial support

141. Following a general sensitization on the Programme at the FMS, participating District and community levels, the SPCU will annually publish in a widely read newspaper in the FMS with copies pasted on public notice boards at the headquarters of the participating Districts, the invitation to apply for programme financial support by the selected beneficiaries. Among other things, applicants have to provide information relating to their name, sex, address, group affiliation if any, type of financial support required (inputs or equipment), bank account, value chain involved in, size of farm land or capacity of processing facility etc. All applications from a District will be collated by the DPLO who will attest on the application that the applicant is a Programme participant and the activity is a part of the District activity plan, and submit the applications to the SPCU. The SPCU will establish a Financial Support Screening Committee chaired by the SPC that will screen the applications. The DPLO will participate in the committee proceedings on the specific days that the applications for the particular District are being screened. The successful awards will be submitted to the SPSC for approval. The SPCU will then publish the approved list of awards in the same manner the invitation for application was published. A copy of the list of the approved awards is submitted to the NPCU. Awardees may also be notified on telephone and invited to sign an agreement with the SPCU on a designated date. The whole award process should be completed before the commencement of the planting season in the FMS. This calls for rigorous planning and an early commencement of the process.
142. The Programme contribution for farm inputs grant will be paid as follows: (a) the CDA will aggregate the awards and deposit xx percent of the cost of inputs in the CDA bank account, having collected the appropriate amounts from the beneficiaries in the EIGs. It is estimated that the grant limit is the equivalent of US\$ 300 per HH per cycle and for not more than 1.5 ha per crop farmer and xx heads of shoats per livestock farmer, or the sum of the US\$ 500 for an integrated agro-pastoralist; (b) the Programme contribution is deposited in the CDA's account upon presentation of evidence that the beneficiary contribution has been paid, say through a current statement of account; (c) the EIGs will

be responsible for purchasing the farm inputs and keeping records of actual purchases for the season. The records will be reviewed by the SPCU to determine if there should be a refund of some of the Programme contribution in case the quantity of inputs supported was not achieved. This will be reflected in the programme financial support agreement with the CDA and the beneficiary EIGs.

143. The Programme contribution for procurement of equipment will be paid as follows: (a) the EIG will deposit xx% of the cost of the equipment into the account of the supplier whom they have selected and present the invoice and receipt by the supplier as evidence to the SPCU; (b) the Programme contribution of xx% of the cost of the equipment is deposited in the supplier's account provided by the EIG; (c) the group will be fully responsible for the delivery, installation, O&M of the equipment and keep the records of the transactions. The records will be reviewed by the SPCU to determine if there should be a refund of some of the Programme contribution in case the equipment was finally procured at a lower cost than estimated in the EIG's financial support application or for whatever reason. This condition will be reflected in the Programme financial support agreement with the group. See Appendix X for the RLRP Programme Financial Support Manual which gives further guidance on the financial support process and sample format of agreement.

CHAPTER 6 – FIDUCIARY MANAGEMENT AND GOVERNANCE FRAMEWORK

6.1 PROCUREMENT ARRANGEMENT

6.1.1 Procurement Policies to be Applied

2. Each procurement plan will specify, among other things, the method for each contract, the threshold, applicable preferences, and related IFAD review procedures. An 18-month procurement plan for the first year will be prepared by the Programme staff and submitted to IFAD for non-objection. For each subsequent year, an 18-month procurement plan will be submitted along with the AWPB which will be reviewed and approved by the different steering committees.

6.1.2 Procurement Procedures

3. The NPCU or SPMU shall select one of the methods described below to procure goods, works and services. The choice of procurement method depends on:
 - a) The nature of the goods and services to be procured
 - b) The value of procurement
 - c) Urgency of demand
 - d) Local availability and cost of goods and services
 - e) Critical dates for delivery
 - f) Transparency of procedures proposed.
4. Procurement methods for procuring goods and works are:
 - a) International Competitive Bidding (ICB)
 - b) National Competitive Bidding (NCB)
 - c) Shopping (S)
 - d) Direct Contracting (DC)
 - e) Force Account
 - f) Community/Beneficiary Participation in Procurement
5. Procurement methods for selection of consultants are:
 - a) Quality and Cost Based Selection (QCBS)
 - b) Quality Based Selection (QBS)
 - c) Single Source Selection (SSS)
 - d) Least Cost Selection (LCS)
 - e) Fixed Budget Selection (FBS)
 - f) Selection Based on Consultants' Qualifications (CQS)
 - g) Hiring of Individual Consultants
6. Monetary thresholds for methods of procurement: IFAD's Project Procurement Guidelines will be adopted for this Programme. The ICB will be the mandatory method of procurement for contracts above the following value:
 - a) Goods: Above US\$ XXX,000 equivalent
 - b) Works: Above US\$ XXX,000 equivalent
 - c) Services: Above US\$ XXX,000 equivalent.
7. Other procurement methods and review of procurement decisions by IFAD: For the purposes of IFAD's Project Procurement Guidelines, Table X shows the procurement actions subject to prior review by IFAD. These thresholds may be modified by IFAD during the course of programme implementation.

Table X: Procurement actions subject to prior review by IFAD

Procurement method	Value of contract	Prior review
ICB and LIB (Goods)	More than or equal to US\$ XXX,000 equivalent	All Contracts
NCB (Goods)	More than or equal to US\$ XXX,000 & less than US\$ XXX,000	All Contracts
ICB and LIB (Works)	More than or equal to US\$ XXX,000 equivalent	All Contracts
NCB (Works)	More than or equal to US\$ XXX,000 & less than US\$ XXX,000	All Contracts
QCBS (Services)	More than or equal to US\$ XXX,000 equivalent	All Contracts
QCBS and QBS	More than or equal to US\$ XXX,000 & less than US\$ XXX,000	All Contracts
NS (Goods and Works)	More than or equal to US\$ XX,000 & less than US\$ XXX,000	All Contracts
Selection Under a Fixed Budget and Least-Cost Selection (Services)	More than or equal to US\$ XX,000 & less than US\$ XXX,000	All Contracts
Direct Contracting (Goods and Works)	Less than US\$ XX,000	First Year Contracts
Selection Based on Consultants' Qualifications, Single Source Selection. Selection of Individual Consultants (Services)	Less than to US\$ XX,000	First Year Contracts

8. The operating costs shall include staff, travel expenditures and other travel-related allowances with prior clearance in the AWPB; equipment rental and maintenance; vehicle operation, maintenance and repair; office rental and maintenance, materials and supplies; utilities and communication expenses; and bank charges. Operating Costs financed by the Programme will be procured using the NPCU's administrative procedures which shall be acceptable to IFAD.

6.1.3 Procurement Responsibilities

9. The Lead Programme Agency (MoAI) has overall responsibility and accountability for the Programme to IFAD and is therefore required to ensure that it oversees the work of the NPCU at all times. The tasks of the Lead Programme Agency in respect of procurement include, to:
- Monitor procurement management and ensure that fiduciary responsibilities are being adhered to;
 - Establish and maintain a management information system (MIS) in accordance with IFAD guidelines;
 - Approve the Programme AWPB and Procurement Plan before submission to IFAD;
 - Monitor the progress of implementation of the Programme and furnish IFAD with periodic progress reports;
 - Retain and present records as required by IFAD;
 - Carry out a joint MTR of programme implementation and follow up and take action on any finding, recommendation, non-compliance and internal control issue;
 - Keep IFAD apprised of any condition that interferes with, or threatens to interfere with, programme implementation and achievement of programme objectives;
 - Notify IFAD of any allegations of fraud or corruption related to the Programme; and
 - Maintain adequate accounts to correctly reflect operations, resources and expenditures related to the Programme.
10. The NPCU: The NPC at the NPCU is ultimately responsible for the entire procurement process while the National Procurement Officer is responsible for the day-to-day

management of procurement activities at the NPCU level and at each respective FMS SPCU. The functions of the NPCU shall include but not limited to:

- a) Ensuring that procurement proceedings are approved in accordance with any national levels of authority which may exist (such as the NSC or SPSC) and/or in accordance with the IFAD supervision requirement of the programme;
 - b) Preparing procurement plans (PPs) and ensuring the approval of the same by the Lead Programme Agency;
 - c) Agreeing with IFAD on the procurement method or method of selection for each procurement activity;
 - d) Preparing statements of requirements, specifications, terms of reference and/or bills of quantities;
 - e) Preparing bid solicitation documents and draft contracts;
 - f) Issuing bidding documents, responding to clarification requests, managing bid receipt, bid opening, bid evaluation and reporting;
 - g) Undertaking pre-qualifications, advertising, management of expressions of interest and short-listing;
 - h) Managing bid cancellation, contract award and negotiation, contract placement, contract management, invoicing, dispute resolution, contract completion and assessment; and
 - i) Establishing a Procurement Committee.
11. IFAD: IFAD has a fiduciary responsibility to ensure that Programme funds are used only for the intended purposes in accordance with the applicable Financing Agreement. IFAD's fiduciary responsibility is exerted through both oversight and advisory roles. The advisory role is by promoting capacity building for achieving economy, efficiency and social equity mainly through its implementation support activities. The main responsibilities of the IFAD Country Director include but are not limited to:
- a) working closely with the Borrower, ensure appropriate staffing of the NPCU with the relevant procurement expertise;
 - b) validate the findings on national procurement systems' capacity assessment;
 - c) working closely with the Borrower and NPCU ensure proper, realistic and timely PPs are prepared for the Programme in the prescribed format;
 - d) monitor the timely execution of such PPs and provide the necessary implementation support;
 - e) review or delegate the review of technical specifications of procurement items and bidding documents for goods, works and consultancy services during prior and post reviews;
 - f) provide IFAD no-objection for procurement actions subject to prior review;
 - g) ensure compliance with IFAD procurement policies and procedures; and
 - h) ensure adequate allocation of technical and financial resources during programme implementation.
12. The IFAD Financial Management Services Division (FMD) is responsible for the financial aspects of programme implementation and to ensure IFAD's policies, guidelines and conditions of the Financing Agreement are adhered to. Accordingly, the Finance Officer in charge of the Somalia programme is responsible for verifying that payments to be made are in accordance with the terms and conditions of approved contracts.
13. The IFAD Office of Audit and Oversight (AUO) is responsible for carrying out routine audits of IFAD's performance in executing its procurement and financial management supervision functions to verify that the necessary standards and procedures set forth in the IFAD guidelines are adhered to. AUO submits recommendations to IFAD's senior management based on their findings to enhance compliance and assign responsibilities.

14. The Office of the General Counsel (LEG) is responsible for:
- a) reviewing and recommending actions on specific cases requiring waiver requests or exceptions to existing guidelines and policies; and
 - b) reviewing and providing legal advice on procurement complaints submitted on legal grounds.

6.1.4 Reporting Requirements for Procurement

15. The NPC and Procurement Officer of the NPCU shall maintain all procurement information, from planning to contract awards and subsequent performance of contracts. As PPs can change quite often, either by delay or advance procurement with consequent effect on programme implementation, the NPC and the SPCs are expected to review monthly the progress of procurement actions against plans.
16. Quarterly procurement monitoring reports: The NPCU is required to submit Quarterly Progress Reports to the MoAI and IFAD Country Team. The Quarterly Progress Report shall include the following:
- a) Physical progress report on Civil Works;
 - b) List of Contracts;
 - c) Procurement Monitoring Report – Goods;
 - d) Procurement Monitoring Report - Consulting Firm; and
 - e) Procurement Monitoring Report - Individual Consultant.
17. The NPCU is also responsible for preparing Consolidated Reports and submitting within 45 calendar days after the end of the quarter. At the end of each year of programme implementation a new 18-month PP should be prepared/updated by each SPCU and included as part of the Annual Work Plan for the PMS, by 30 September of each year which shall be consolidated by the NPCU and submitted by 31 October in respect of the next programme year.
18. Contract Register: All contracts, with or without prior IFAD approval, should be listed in the Register of Contracts with the dates of approval. As this report facilitates the review and approval of payment requests on contracts, the NPCU should ensure that the Register is updated and submitted to the IFAD Country Director on a monthly basis. The sample form to be used and instructions are detailed in Annex 6 of the Loan Disbursement Handbook.

6.2 FINANCIAL MANAGEMENT, DISBURSEMENT AND FUNDS FLOW

19. This section of the Manual formalizes the main administrative, financial and accounting procedures of the RLRP project. This manual does not have the ambition to describe all the national procedures, which will be applied within the framework of the Project in compliance with the standards in force in Somalia.
20. The objective of this manual is rather to integrate all of these procedures with procedures and provisions specific to the RLRP and IFAD.
21. A project implementation manual is not fixed and adapts to the rhythm and the environment in which the Project evolves. As such, changes in procedures may occur during the execution of the Project due to an internal reorganization of the latter or a change in national or international regulatory provisions. Moreover, this section of the manual should not be considered as a definitive version: on the contrary, it will need to be appropriated and integrated by the Project teams in its start-up phase and throughout the Project implementation based on lessons learned.
22. Under the responsibility of the Project Coordinator, an update of the manual may be needed during implementation. It will be up to the Project Coordinator to adopt a coherent approach in order to better coordinate any updates to this valuable tool for the proper functioning of the Project. Any update of the manual must be subject to the prior non-objection of IFAD.
23. The latest version of the manual will be shared with the entire Project implementation team and a list of manual owners will be maintained by the Project Coordinator to enable updating of all copies whenever an update is released.

6.2.1 Financial Management Policies to be Adopted

24. Lead Programme Agency (LPA): The official grant recipient will be the Ministry of Finance who will sign the RLRP financing agreement with IFAD. The LPA for RLRP will be the MoAI. In recent times, RLRP is going to be the first IFAD project to be implemented by the Somali Government and through its public financial management (PFM) systems. Therefore, the proposed financial management (FM) arrangements of the RLRP has been anchored on the experiences of the World Bank that has projects operating in Somalia using the public sector. The RLRP will adopt the International Public Sector Accounting Standards (IPSAS)-Cash Basis being what Somalia has adopted. The FM arrangements will ensure: smooth flow of funds to implementing agencies/units; funds are accounted for accurately and used for the intended purposes; auditing arrangements are acceptable, and control risks are mitigated through adequate internal controls. RLRP will use the Somalia Integrated Financial Management System (SMFIS). During the design of RLRP, the SMFIS has been evaluated for its ability to handle project accounting, embedded internal controls and financial reporting needs. The result is affirmative, except for its inability to handle in-kind contributions. For some gaps identified like the inability to report on counterpart financing, remedial alternatives have been proposed in this manual.

6.2.2 Financial Management Responsibilities of NPCU and SPCU

25. Within the MoAI, the National Project Coordination Unit (NPCU) will include a finance team. In each of the participating Federal Member State (FMS), there will also be a State Project Coordination Unit (SPCU) with a focal accountant assistant staff. The structure of the RLRP, financial management team will be as follows:

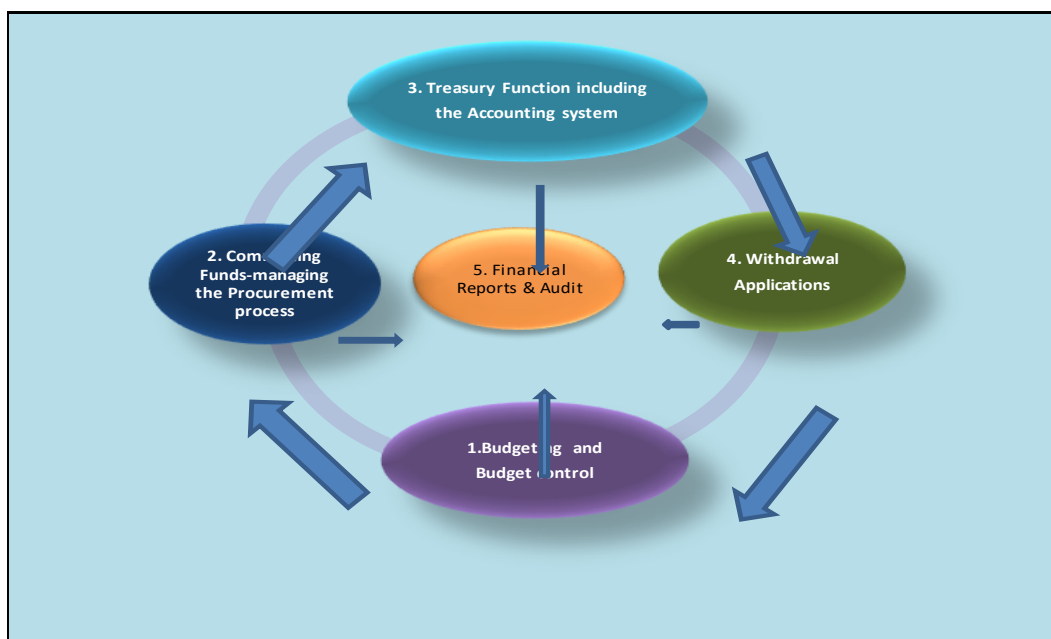


26. RLRP will engage competitively recruited consultants called “Financial Management Specialists”. These specialists may not be needed to support the project for its entire implementation period but rather to infuse capacity into the public sector officers counterparts-they would be working with. Therefore, they are meant to gradually phase out. The capacity of the finance team will be assessed on annual basis during IFAD supervision missions, and a decision of the team composition will be taken in coordination with Government representatives during the project mid-term review (MTR). RLRP will recruit the following specialists: (i) a Financial Controller and a Project Accountant at the NPCU in the MoAI; and (ii) an Accounts Assistant at the SPCU in each of the participating FMS. For each hired specialist, there will be a seconded civil servant whose capacity will be built up by the Financial Management Specialists to continue running the project and others to come. The terms of reference of the different members of the FMT are attached.
27. All recruited and seconded staff must be subject to annual performance evaluation.
28. At the NPCU, the finance team shall perform among others the following key duties and responsibilities:

- (i) Participate in the preparation of annual work plan and budget (AWPB);
- (ii) management of fund flow based on Interim Financial Report (IFR) disbursement;
- (iii) play active part in internal control;
- (iv) financial transactions recording and reporting;
- (v) preparation of accurate quarterly IFR and timely submission of Advance Request and expenses Justifications including close follow-up of transactions at the SPCUs
- (vi) Ensuring the eligibility of expenditures incurred by the project;
- (vii) Ensuring the completeness of supporting documentation each transaction and its proper archiving;
- (viii) coordination of internal and external audit;
- (ix) participation to IFAD supervision and support missions, and
- (x) compliance with IFAD clauses of agreement and IFAD’s processes and procedures.

29. This manual has been arranged to provide guidance to the RLRP finance team along the entire chronological annual accounting cycle.

The roles of the RLRP finance team in the entire accounting cycle.



The Role of the NPCU Finance Team in the RLRP Annual Work Plan and Budgeting

30. The Annual Work Plan and Budget (AWPB) will be the key instrument for RLRP implementation and operational control. The NPCU, therefore, gives particular attention to budget preparation and control. During day-to-day financial management, an approved AWPB is the most important document, and the principal guide on what to do and how to use resources. In the context of RLRP financial management, the AWPB is more than a guideline. It represents:
- a) a commitment of NPCU and implementing agencies to carry out a set of activities, produce specific outputs and achieve certain targets; and*
 - b) Agreement by FGS and IFAD that the planned activities are appropriate in light of the RLRP objectives and approval to spend the necessary funds as specified in the annual budget.*
31. The AWPB will be the tool by which Government of Somalia and IFAD will have provided "prior non-objection" to NPCU to spend resources on the activities included in the AWPB. This will not of course excuse the project from obtaining specific non-objections for expenditures that exceed the threshold agreed between IFAD and the Government in the context of this project. However, it has to be noticed that any expenditure incurred outside the AWPB will be declared ineligible for project financing.
32. The detailed steps to be followed in the preparation of the AWPB are included in the IFAD guidelines for preparation of AWPBs and progress reporting. The Procurement planning aspects are covered under the Procurement Manual.
33. The RLRP finance team as the budgeting timekeeper: SMFIS has a budgeting tool. The Budget Department of the Ministry of Finance (MoF) oversees the consolidation of budgets that are subsequently approved by the Parliament. RLRP AWPB will always be part of the budget of the MoAI, but it will be clearly coded with filter features to trace back RLRP approved budget lines. Every year, the national budgeting window opens in September with another window only opening up the following June. After approval, the budget is then posted by the Budgeting Department of the MoF. SMFIS can block payments on activities that have exceeded their budget allocations.

The RLRP Annual Budget Calendar



34. The RLRP Finance team will check whether AWPB is a Financially realistic budget: Before the AWPB is submitted for approval, through the cycle above, it must be checked whether it is feasible in the context of available balances both component-wise and category-wise using the templates below. This has to be done for each external financier. The suggested tools to be used to check the financial feasibility as are as follows:

Working Form to determine status of available balances category-wise analysed separately for IFAD grant and other co-financiers.

The RLRP Expenditure Category	Available balance as per IFAD ICP	Less Commitments	Less WA's in Pipe Line	Less Projected Expenses to the year end	Net Available Balance that can be budgeted for
Works	x	x	x	x	x
Training and Capacity Building	x	x	x	x	x
Consultancies, Studies & TA	x	x	x	x	x
Goods and Inputs	x	x	x	x	x
Services	x	x	x	x	x
Equipment and Materials	x	x	x	x	x
Office Operating Costs	x	x	x	x	x
Salaries and allowances	x	x	x	x	x
Total	x	x	x	x	x

35. The net available balance should also be broken down according to components, sub-components and major activity headings so that planners are able to determine the relative weights for each component/ sub-component in the AWPB as illustrated in the table below. It is important to keep a relative balance between components so that some components do not lag behind.

Working Form to deduce status of available balances budget units analysed separately for IFAD grant and other financiers

The RLRP Components	Available balance as per Project records	Less Commitments	Less Projected Expenses to the end	Net Available Balance
A. Support community Resilience community capacity				
Strengthening Community Governance and Services	x	x	x	x
Community Investment Support	x	x	x	x
B. Support to smaller holder livelihoods Enhancements	x	x	x	x
Resilient Crop and Livestock Value Chains				
Entrepreneurship for Value Chain Development	x	x	x	x
C. C. Programme coordination and capacity Building	x	x	x	x
Programme Coordination Unit (PCU)	x	x	x	x
Third party Implementation Arrangements	x	x	x	x
Total	x	x	x	X

36. RLRP finance team to check disbursement restricting factors: Whereas available balances may set the ceiling of what to include in the AWPB, there are other restricting factors. The NPCU finance team will need to quantify these and communicate to the budget holders/ sub-component heads at the start of the planning season; examples will include:

- a) The realistic amount that can be replenished for from IFAD. For example, if there are disbursement caps, care must be taken not to over-budget and then end up is AWPB that is not financially feasible.
- b) Time lag between commitment and disbursement.
- c) Existing obligations to complete on-going works.

37. The finance team to Consolidate the RLRP budget (numbers aspects): In the AWPB, there is a number of finance tables that have to be consolidated by the finance team working closely with the technical teams. While the consolidation of the AWPB into one document will be led by the M & E Officer, the finance tables will be a responsibility of the finance team. These finance tables will include:

- Past year and cumulative financial performance
- Consolidated Annual Budget Summary
- Component-wise summary
- Category-wise summary
- Category-wise summary by financier
- Component-wise summary by financier
- Detailed Activity based annual Work Plans and Budgets for each budget responsibility center

Step 2: Committing funds

38. Commitment of funds is largely a procurement function covered under a separate procurement section. The finance team will have a role to play in the procurement cycle including:

- Providing the status of available balances ahead of each procurement launch to avoid over-

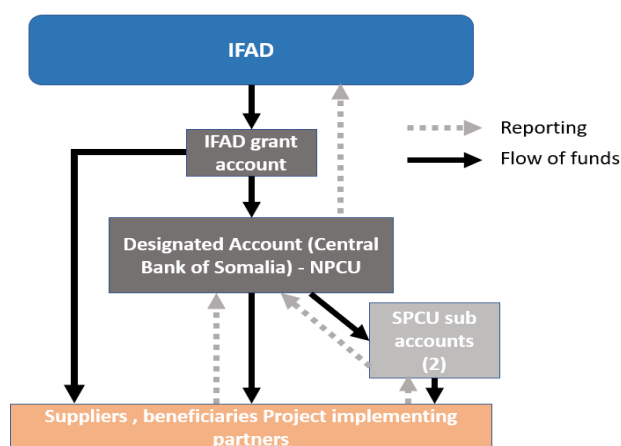
committing RLRP. This will require NPCU to maintain a detailed analysis of commitments and the status of contract running financial balances.

- The authentication, custody and execution of any financial instruments such as performance bonds, advance guarantees will be a responsibility of the financial controller.
- The financial progress elements of the contracting monitoring forms will be a responsibility of the financial controller.

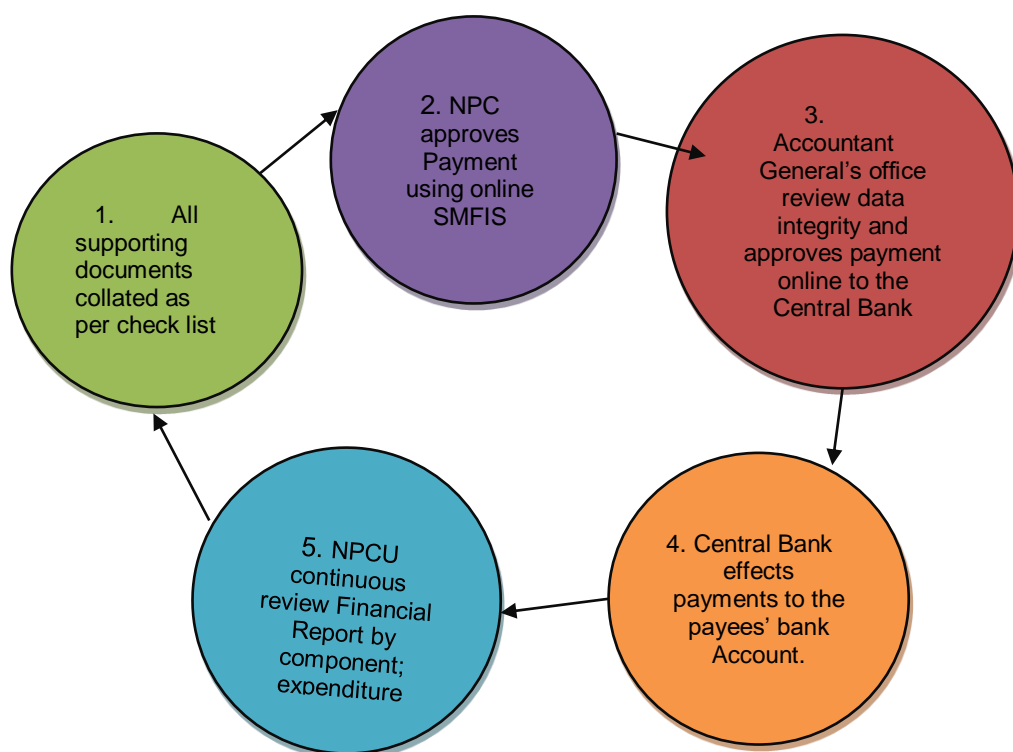
6.2.2 (Step 3) Flow of Funds Arrangements

- SMFIS will be configured for RLRP to be able to process payments directly from the Designated Account (DA). Therefore, on one hand SMFIS is a payment processing platform (it is the cheque book actually). No cheques shall be used but rather SMFIS payment platform. The completeness of the Project transaction will, therefore, be assured by reviewing the Bank statement for DAs. The cashbook and the bank statement under SMFIS will generally be synonymous.
- Dealing with funds to the SPCUs at the FMS: Transfers to the SPCUs at the participating FMS will be dealt with as advances in the SMFIS. The initial ceiling of this imprest to SPCUs is US\$ 5,000 and the account at SCU level will only be for expenditures of an amount lower than 350 US\$ or equivalent. All SPCUs will have an advance account in the SMFIS. The Payment Instruction initiated by the NPC will instruct to debit the advance account of the respective State. To clear the advance account, the SPCU will have to provide sufficient expenditure justification to the NPCU. These will be reviewed and those that are cleared will be totalled and Journal Voucher passed in SMFIS to credit the SPCU Advance Account and debit the respective expenditure accounts based on the already profiled RLRP codes within the SMFIS. These approved journal vouchers will be filed chronologically at the NPCU with their supporting documents. The SPCU will apply for a replenishment of the advance account immediately after reaching 75% of funds utilization within the established threshold.

The funds flow for RLRP will therefore be simple as presented below:



To process an RLRP payment the following payment cycle will be followed:



41. In the above payment cycle, the following guidance is provided in this PIM
42. Step 1: The NPCU finance team must collate all the supporting documents to ensure the eligibility of each expenditure: All expenditures must be justified in a way that ensures that the source of the expenditure, as well as the delivery of the goods or services and the effectiveness of the payment are documented. The table below provides a theoretical framework that needs to be followed by the project for justifying each expenditure:

	Description	Example
SOURCE	Confirmation of the source of the expense with linkages to the project	Purchase requisition Purchase order Copy of AWPB indicating activity Procurement related docs
DELIVERY	Confirmation that the related goods were delivered or services rendered to the project	Goods received note Copy of consultant deliverable
	Confirmation that the related goods/inputs were distributed to end beneficiaries	Goods received note Distribution list signed by end beneficiary with all supporting documents confirming the receipt
PAYMENT AND RECORDING	Confirmation that the expense was paid for and recorded in the accounting records	Bank statement/Journal voucher

43. Before engaging any expenditure, the finance team will ensure that the following checks are performed:
- The expenditure makes reference to the AWPB line to which it is referred;
 - Budget line is not exceeded;

- c) Expenditure Category(ies) and components are the correct ones to be charged and their allocation is not exceeded;
 - d) Accuracy of Computations/footings;
 - e) Verify Banking instructions;
 - f) Ensure that the right percentage of financing by financing sources is respected; Copies of relevant No Objections are attached to the file where applicable; and
 - g) Full set of supporting documentation is available.
44. To ensure that the finance unit collects all the supporting documents, the following checklists are provided focusing on the most common expenditures the project will incur. They will be completed as needed by the project team during implementation. The checklists should be ticked-off carefully and attached to each payment voucher.

Consultancies	
SOURCE	<ul style="list-style-type: none"> a) Approved request for consultancy from originating department. b) Copy of applicable procurement policy and evidence of application of policy – call for proposals, comparative analysis and decision memo c) IFAD no-objection (if applicable) d) Signed consultancy contract, including terms of reference showing clear linkage to project e) Reference to AWPB line item – clear linkage to project activities
DELIVERY	<ul style="list-style-type: none"> a) Copy of consultant deliverable. b) Evidence that consultant deliverable was reviewed for quality and completeness and accepted by originating department. c) Copy of consultant invoice
PAYMENT AND RECORDING	<ul style="list-style-type: none"> a) Payment requisition / journal voucher to evidence entry into accounting records b) Copy of bank statement showing payment of invoice

Works	
SOURCE	<ul style="list-style-type: none"> a) Approved request for civils works from originating department b) Copy of applicable procurement policy and evidence of application of policy – bidding document, proposals, evaluation, tender committee decision on contract award. c) IFAD no-objection (on bid document and final award if applicable) d) Signed contract for civil works (including amendment letters if applicable) e) Purchase order. f) Reference to AWPB line item – clear linkage to project activities.
DELIVERY	<ul style="list-style-type: none"> a) Invoice indicating related milestone/progress to be paid for. b) Progress report prepared by consulting engineer, indicating successful completion of related milestone to be paid for. c) Bank guarantee for advance payments (if applicable)
PAYMENT AND RECORDING	<ul style="list-style-type: none"> a) Payment requisition / journal voucher to evidence entry into accounting records b) Copy of bank statement showing payment of invoice

Salaries	
SOURCE	<ul style="list-style-type: none"> a) Terms of reference / job description with clear link to the Project b) Employee contracts, appointment letters c) Copies of employee remuneration related policies (could include Government directives for seconded staff)
DELIVERY	<ul style="list-style-type: none"> a) Summary of salary payment, indicating gross payments, deductions, net payments – reconciled to individual payslips. b) For seconded / part-time staff subject to cost sharing – detailed calculation to support the apportionment applied.
PAYMENT AND RECORDING	<ul style="list-style-type: none"> a) Payment requisition / journal voucher to evidence entry into accounting records b) Copy of bank statement showing payments to individual employees.

Travels	
SOURCE	<ul style="list-style-type: none"> a) Approved travel request / authorisation which documents reason for travel with clear linkage to project activities b) IFAD no-objection (if applicable – international travel) c) Copy of applicable procurement policy and evidence of application of policy – e.g. request for quotations, 3 quotations, evaluation of quotations and selection d) Reference to AWPB line item – clear linkage to project activities e) Copy of travel related policies – e.g. per diems payables and % advance allowed
DELIVERY	<ul style="list-style-type: none"> a) Boarding passes (flights), itineraries, copy of stamped passports, copies of visas. copies of flight tickets. b) Back to the office / travel report / copy of attendance register c) Invoices for flights / accommodation (to extent not covered by per diem)
PAYMENT AND RECORDING	<ul style="list-style-type: none"> a) Payment requisition / journal voucher to evidence entry into accounting records b) Copy of bank statement showing payments to individual employees. c) Petty cash vouchers – for cash advances (per diem)

Workshop and trainings	
SOURCE	<ul style="list-style-type: none"> a) Approved request for workshop from originating department. b) Copy of applicable procurement policy and evidence of application of policy – e.g. 3 Quotes obtained from training venues and evidence of quote evaluation / selection c) Purchase order issued to training venue, duly authorised. d) Reference to AWPB line item – clear linkage to project activities e) Copy of workshop agenda which shows clear linkage to project
DELIVERY	<ul style="list-style-type: none"> a) Invoice for training venue hire / equipment hire/ refreshments b) Copies of invitation letters to participants or list of confirmed participants c) List of participants duly signed d) Training workshop agenda and report (prepared after event)

PAYMENT AND RECORDING	<ul style="list-style-type: none"> a) Payment requisition / journal voucher to evidence entry into accounting records b) Copy of bank statement showing payment of invoice
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45. Step 2 in the RLRP payment work flow: NPC approves Payment using online SMFIS: Once satisfied with the documentation above, and having performed its own checks, the NPC will approve the payment. This will be done online in the SMFIS. If not satisfied with the payment for one reason or another, the payment will be referred back to the initiators for rectification.
46. Step 3 in the RLRP payment work flow: Once the NPC has clicked off the payment it will be received online by the Accountant General's (AG) office. Note that the manual supporting documents will have been retained at the accounting hub which is the NNPCU under the MoAI. The AG's role will be to check the overall integrity of the SMFIS processes. Once satisfied, the payment will be clicked off to the Central Bank of Somalia for payment into the payee's bank account.
47. Step 4 in the RLRP payment work flow: The Central Bank of Somalia (CBS) will also have their own system on validation checks and, if satisfied, will click off the payment directly into the payee's bank account. The payee bank account and other key information will have already been profiled in the payment instruction of the RLRP NPC sitting at the NPCU of the MoAI initiated in Step (2).

6.2.3 Eligibility of expenditures

48. In accordance with the IFAD disbursement procedures, between the date of entry into force of the Financing Agreement and the Financing Closing Date, RLRP may request withdrawals from the IFAD Grant for eligible expenditures.
 - a) Eligible expenditures are defined in the IFAD General Conditions Section 4.08 as follows:
 - b) The Financing shall be used exclusively to finance expenditures meeting each of the following eligibility requirements:
 - c) The expenditure shall meet the reasonable cost of goods, works and services required for the Project and covered by the relevant AWPB and procured in conformity with the Fund's Procurement Guidelines.
 - d) The expenditure shall be incurred during the Project Implementation Period, except that expenditures to meet the costs of winding up the Project may be incurred after the Project Completion Date and before the Financing Closing Date.
 - e) The expenditure shall be incurred by a Project Party.
 - f) If the Agreement allocates the amount of the Financing to categories of Eligible Expenditures and specifies the percentages of such Eligible Expenditures to be financed by the Financing, the expenditure must relate to a category whose allocation has not been depleted and shall be eligible only up to the percentage applicable to such category.
 - g) The expenditure shall be otherwise eligible in accordance with the terms of the Financing Agreement.
 - h) The Fund may from time to time exclude certain types of expenditure from eligibility.
 - i) Any payment prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, shall not be eligible for financing by the Financing.
 - j) Any payments to a person or an entity, or for any goods, works or services, if making or receiving such payment constitutes a coercive, collusive, corrupt or fraudulent practice by any representative of the Borrower/Recipient or any Project Party, shall not be eligible for financing by the Financing

- k) All expenditures must be supported by sufficient supporting documentation as stated in the FMFCL and the IFAD disbursement handbook (please see section below on supporting documentation).
- l) The proceeds of the financing shall not be used to pay taxes. However, taxes paid by the ultimate recipient of an expenditure (e.g. withholding tax, income taxes paid by a Project employee or taxes on the profits of a contractor) are not considered to be taxes paid by the Project.

6.2.4 Disbursement procedures

- 49. IFAD disbursement procedures are detailed in the *Project Financial Management and Financial Control Arrangements Letter* (FMFCL).
- 50. IFAD financing to this project will be disbursed according to the disbursement categories, the allocation of which appears in Annex 2 of the IFAD Financing Agreement and the disbursement of IFAD funds will be made following the procedure known as disbursement procedure based on interim financial reports (IFRs).
- 51. According to this procedure, the disbursement of IFAD funds will be conditional to the submission to IFAD of quarterly RFI's within 45 days of the end of each quarter in the form and according to the methods described in this manual and further specified in the FMCL.
- 52. Based on the IFRs, the project will be able to submit three types of withdrawal applications (WA):
 - a) *Direct payments*: for payments of an amount equal to or greater than 250,000 US\$ the project may request a direct payment to the supplier/service provider directly from IFAD. Although this disbursement modality remains available for the project, IFAD discourages its use;
 - b) *Justifications*: will be based on the amount of eligible expenditures incurred by the project during each quarter and reported in the Statement of Sources and Uses of Funds, which is part of the IFR package. This type of WA will not entail a disbursement from IFAD but will rather have the function of justifying the use of funds by the project and reducing the amount of the outstanding advances already disbursed by IFAD;
 - c) *Advances*: will be based on the cash requirements estimated by the project for the 6 months of implementation following the submission of the IFRs. The cash forecast statement is part of the IFR package. The amount actually disbursed by IFAD will be equal to the difference between the semi-annual cash forecast and the amount available in the project's accounts (cash in hand) and other necessary adjustments.
- 53. The mandatory supporting documents to be attached to each type of WA are detailed in Annex 2 of the FMFCL.
- 54. Although the Statements of Expenditures (SOE) are not mandatory supporting documents for the submission of WA, they constitute the basis of financial information for the preparation of the IFRs. A copy of the SOEs relating to each IFR must be kept at the NPCU level and their submission may be requested by IFAD at any time and will be requested in any case during IFAD supervision missions and external audit missions.
- 55. Conditions precedent to disbursement: In accordance with the provisions of the FMFCL, and as specified in the Financing Agreement, the following elements constitute additional conditions precedent to the withdrawal of IFAD funds:
 - a) The designated account has been opened and IFAD has received the letter of authorised signatories;
 - b) All key project staff have been recruited on a competitive basis in accordance with project design document;
 - c) The first AWPB and PM has been non-objected by IFAD and the project budget approved in accordance with national procedures;

- d) The project PIM has been validated in accordance with the provisions of the Financing Agreement; and
- e) SMFIS has been configured to meet the project's accounting and reporting needs.
56. Before the conditions for the first disbursement are met, the project will be able to access a first advance, the maximum amount of which is specified in Annex 2 of the financing agreement. This start-up funds may be disbursed by IFAD following the submission by the project of a list of eligible expenses to be financed in order to be able to fulfil the conditions for the first disbursement. This list will be subject to IFAD non-objection.

57. Start-up Advance: There is provision for start-up advance of up to USD 162,000 (to be included in schedule to the financing agreement). This will be limited in purpose to allow RLRP meet its first disbursement conditions. The budget for the start-up activities is presented below. These start-up funds may be disbursed by IFAD following the submission by the project of a list of eligible expenses to be financed in order to be able to fulfil the conditions for the first disbursement. This list will be subject to IFAD non-objection and is tentatively as follows:

<i>All amounts in US\$ '000</i>			
Project Start-up Costs	Unit	Quantities	Amount
1. Monitoring and Evaluation			
Start-Up Workshops	Workshop	1	11
2. Knowledge Management			
Staff Training & Workshops	Lumpsum	2	1
3. Hire Firm to Competitively Recruit Key Staff			
	Lumpsum		40
4. Salaries and Allowances - NPCU			
National Programme Coordinator	Person-Month	5	26
Financial Controller	Person-Month	5	21
Project Accountant	Person-Month	5	21
5. Salaries and Allowances - 2 FMS			
State Programme Coordinator	Person-Month	10	31
Accounts Assistant	Person-Month	10	12
Total Start-up Costs			163

58. The start-up advance will include preparatory activities among them being a competitively engaged firm with Human Resources competencies to in turn recruit RLRP staff. In the process of recruitment of staff, the firm will invite representatives of MOAI to participate in key stages like interviews of shortlisted Staff.
59. Submission of the WAs: All Withdrawal Applications (WAs) for either justification or advances will be submitted through the IFAD Client Portal (ICP) along with the relevant IFRs which will be linked through the system to the corresponding WAs.
60. It has to be noted that WAs cannot be submitted unless linked through the system with the relevant IFRs, which have to be previously uploaded in ICP.
61. IFAD requires RLRP's representative, as designated in the financing agreement, to furnish satisfactory evidence of the authority and authenticated specimen signatures, telephone numbers and official emails of the individuals who will sign WAs on behalf of RLRP. This evidence must reach IFAD before the first WA can be submitted. A sample template is provided in annex 1 of the FMFCL. The approval by the authorised signatories of the Was though ICP will qualify for IFAD as their signature. The Fund must be notified of any change in the signatories authorized to withdraw funds from the grant account.
62. IFAD must also be notified of the designated signatories for operating any designated and/or Project or other accounts, including changes thereto, whether or not these authorized signatories are included in the financing agreement. Such changes, as effected during the life of the Project, must be communicated promptly to the IFAD.

6.2.4 Financial Reporting

63. The RLRP will adopt the International Public Sector Accounting Standards (IPSAS)- Cash Basis. The Cash Basis IPSAS prescribes the manner in which general purpose financial statements should be presented using the cash basis of accounting. Information about the cash receipts, cash payments and cash balances of RLRP is necessary for accountability purposes. SMFIS can be coded to be able to report transactions of RLRP on a cash basis. The reports from other projects funded by the World Bank show that SMFIS can produce what is termed sources and uses of funds by component and by category on a cash basis.
64. For this to happen, the set-up/ coding of RLRP in the SMFIS will have to be done as a critical start-up activity to the satisfaction of IFAD. The whole of the RLRP financial reporting is dependent on how the project is coded within SMFIS. For that matter, this will be included in the financing agreement as a disbursement condition.
65. RLRP is required to prepare financial reports and submit to IFAD as outlined in the table below:

Type	Period / Frequency of submission
<i>Annual Financial Statements</i>	a) Unaudited: Prepare annual reports and submit to IFAD within 4 months of the end of the financial year-end. b) Audited: Submit audited financial statements within 6 months of the end of the financial reporting period. c) The annual financial statement should be signed by the Project Manager for authorisation before submission to the auditor/IFAD.
<i>Interim financial reports</i>	Prepare quarterly reports and submit to IFAD within 45 days of the end of the quarter.
<i>Monthly management accounts</i>	It is required that the Project prepare monthly management accounts which include information useful for the purposes of monitoring the Project. The monthly management accounts are used for internal purposes only. The content may include: <ol style="list-style-type: none"> A financial progress report (sources and uses) Monthly reconciliations Cashflow forecast Summary of contract commitments Overview of budget to actual expenditure analysis with variance explanations Monthly vehicle maintenance and fuel consumption report Travel and DSA report. The monthly management accounts should be prepared within 10 days of the end of the month and submitted to the Project Manager for review and discussion during management meetings. The purpose of the monthly management accounts is to provide a monitoring tool for management with the purposes of identifying issues and taking corrective action.

66. RLRP shall prepare financial reports with consideration of the following specific principles:

Principal	Guidance
Completeness	<ul style="list-style-type: none"> The financial reports shall be complete and include the activities of the PMU and present the results of a single entity. The sources and uses of all categories/components shall be included (including sources received in-kind as per xxx).

	<ul style="list-style-type: none"> The sources and uses from all financiers shall be included.
Accuracy	<ul style="list-style-type: none"> Ensure that the various disclosures are reconcilable as appropriate
Accountability	<ul style="list-style-type: none"> The financial reports should promote the concept of accountability.

Annual Financial Statements:

67. Detailed guidance on the preparation of the disclosures as prescribed by IPSAS Cash can be found in the Standard. RLRP is required to adopt all reporting requirements as outlined in Part 1 of IPSAS Cash. The Project is encouraged to adopt Part 2 of IPSAS Cash on a voluntary basis.

Content	Source of requirement	Guidance on preparation of content
<i>Statement of Cash Receipts and Payments</i>	Prescribed by IPSAS Cash	<ul style="list-style-type: none"> a) Layout: b) Receipts – Payments = Surplus/Deficit + Opening Cash +/- Exchange rate difference = Closing Cash Balance c) The opening and closing cash balance should include the balance of the designated account (US\$) and petty cash. d) Disclose cash payments in line with the categories outlined in Schedule 2 of the IFAD financing agreement and components as per PDR
<i>Budget to Actual Comparison</i>	Prescribed by IPSAS Cash	<ul style="list-style-type: none"> a) Ensure that the Budget period corresponds to the Financial Reporting Period b) Derive the budget disclosure from the approved AWPB. Disclose both the original and final approved AWPB. c) Calculate the variance between budgeted and actual results for both receipts (sources) and uses (payments) d) Provide narrative on the reason for the variances observed.
<i>Accounting policies and explanatory notes</i>	Prescribed by IPSAS Cash	<ul style="list-style-type: none"> a) Develop accounting policies with reference to the guidance provided in IPSAS Cash b) Disclose the authorisation date c) Disclose the basis of presentation d) Disclose the presentation currency as US\$
<i>Sources and Uses of Funds Statement</i>	Prescribed by the IFAD Handbook for Financial Reporting and Auditing for IFAD-financed Projects	<ul style="list-style-type: none"> a) Include both cash and in-kind contributions in the Sources of Funds b) Provide disclosure on uses of funds by financier/by category and financier/component
<i>Designated account reconciliation</i>	Prescribed by the IFAD Handbook for Financial Reporting and Auditing for IFAD-financed Projects	<ul style="list-style-type: none"> a) Prepare reconciliation which provide justification for the IFAD advance. b) Explain variances. c) The IFAD Loan Disbursement Handbook provides detailed guidance on the preparation of the reconciliation.
<i>Designated account Statement</i>	Prescribed by the IFAD Handbook for Financial Reporting and Auditing for IFAD-financed Projects	<ul style="list-style-type: none"> a) Ensure that opening and closing cash balances presented in this Statement is reconciled with the cash balances used in the Statement of Cash Receipts and Payments. b) Disclose the exchange rate gain/loss separately and ensure that this is reconciled with the Statement of Cash Receipts and Payments.

Content	Source of requirement	Guidance on preparation of content
<i>Summary of Withdrawal Applications</i>	Prescribed by the IFAD Handbook for Financial Reporting and Auditing for IFAD-financed Projects	a) Ensure that summary information is reconcilable with the IFAD historical transaction statement (available in ICP) with regards to the value date of the transaction amount of withdrawal in grant denomination currency. b) Cross reference amounts included here per WA to amounts included in the Designated Account Statement / Designated Account Reconciliation.
<i>Fixed asset register</i>	Prescribed by the IFAD Handbook for Financial Reporting and Auditing for IFAD-financed Projects	a) Include a fixed asset register which lists all Project assets (<i>including those purchased on behalf of the cooperatives if the Project retains the title and the assets will be returned to the Project at Project closure</i>). b) Ensure that all fields are included – refer illustration included in 22.9.

68. Critical disclosures will include:

- a) Accounting Policies
- b) Explanation of any material budget vs actual variances
- c) Substantive Notes
- d) Cash and Bank
- e) Outstanding imprest advances
- f) Direct Payments (If ever)
- g) Non-current assets (for disclosure purposes only)
- h) Government counterpart funds: cumulative and yearly including comparison with budgets
- i) Beneficiary contributions: cumulative and yearly including comparison with budgets
- j) Detailed breakdown
- k) Reconciliation of IFAD grant disbursements and funds received by the Project

69. The following specific issues should be considered in the preparation of the financial reports:

- a) Accrual related information should be disclosure in the notes of the financial statements. This includes outstanding advances, which, in terms of the cash basis of accounting, should be expensed when provided. This entails that the advance will be recorded in the relevant categories /components at year-end. (*NB: Best practice is that zero advances are outstanding at the end of the fiscal year – refer xxx*).
- b) In-kind contributions from recipient or beneficiaries should be reported in the notes to the financial statements.

70. In addition to the above disclosures, the Project is required to maintain and Action Tracker log which is a log of agreed actions. This document should be maintained on an ongoing basis provide together with the financial report (interim or annual). It is required that the Action Tracker include actions which have been agreed on with IFAD during missions or the Auditor during the audit (derived from the management letter). The purpose of the Action Tracker is to keep track of progress regarding agreed on actions.

Interim Financial Reports (IFRs):

71. The interim financial reports are prepared quarterly and constitute the basis for the submission of the Project DRFs. IFRs have to be submitted, at the latest 45 days by the end of the reporting quarter. The template of the IFRs is included in the annex 4 of the FMFCL.

72. The RFIs are composed of 6 financial statements:

- a) Statement of cash forecasts (concerning the 6 months following the submission of the RFI)

- b) Statement of sources and use of funds
 - c) Statement of Designated Account (DA) activities;
 - d) Quarterly variance analysis (budget vs actuals)
 - e) Yearly Variance analysis (budget vs actuals);
 - f) Variance analysis since inception (budget vs actuals);
 - g) The denomination currency of the RFIs is the Dollar (US\$).
73. IFRs are submitted to IFAD together with bank statements for the period showing the opening and closing balance of the account(s) as well as the list of transactions made through the bank during the period.
74. During the preparation of the IFRs the FM team must reconcile the amounts entered in the reports with: (i) bank statements for the period (ii) IFAD accounting data which is accessible from the IFAD Client Portal (ICP). Any discrepancies between these sources of verification and the RFIs must be reconciled and justified.
75. The IFRs framework is shared with the Project in an Excel version to facilitate preparation. Only the cells coloured in pink are filled manually by the Project. The project should be able to generate directly from its accounting software the statement of sources and use of funds, the budget monitoring statements and possibly the statement of activities of the designated account. The cash forecast statement will be generated manually by the project on the Excel form. All IFRs statements are broken down by category (see Annex 2 of the financing agreement) and by component. In each statement, the expenses broken down by category must always be equal to the expenses broken down by component.
76. Statement of cash forecasts: in this statement the project will express its cash requirements for the 6 months following the reporting quarter of each IFR. Cash forecasts will be prepared before the end of each quarter through teamwork between specialists involved in the implementation and management of RLRP under the control of the project Coordinator. A quarterly meeting will be organized for this purpose. The cash flow forecast addresses the project's needs in terms of funds for the next semester and therefore relate to payments expected in this period and not to commitments. Disbursements from IFAD will be determined by the difference between the cash requirements expressed in this statement and the availability of funds in the project's designated account and other project accounts (cash in hand). Based on the performance of the project and its planning and forecasting capacities, IFAD may reserve the right to disburse an amount lower than that requested by the project through the IFRs. It is therefore essential that the cash flow forecast approaches reality as closely as possible: a margin of error of +/-10% is tolerated by IFAD.
77. Statement of sources and use of funds: in this statement are reported the expenses eligible for IFAD financing paid by the project during the quarter, the fiscal year, and since inception. Expenditures incurred on the state budget as well as amounts relating to direct payment requests will not be included in the statement of sources and use of funds but rather in the dedicated columns of the budget monitoring statements. The opening and closing balances of the designated account must always reconcile with the bank statements. In addition, the difference between expenditure by category incurred since start-up and that of the quarter must be reconciled with IFAD accounts accessible through the ICP system. Any discrepancies should be addressed by the Finance Team with the support of IFAD. Please note that advances should be recorded in this statement as "unidentified category" expenditures and only justified to IFAD when they are duly retired and accounted for in the relevant category and component.
78. The designated account activity statement: in its first part, this statement aims at reconciling the amount of the advance available at the project level (according to IFAD accounting data available in ICP) with the opening and closing balances of the designated account. In most cases, the discrepancies that might occur in this section are explained by (i) expenditures incurred before the reporting quarter but not yet submitted to IFAD for justification (ii) a WA submitted but not yet paid/justified by IFAD. The second part of this statement links the funds available at the project level with its cash requirements. The

third part shows the exact amounts to be submitted in the WA, both for the Justification (which does not imply disbursement from IFAD) and for the additional Advance. Any discrepancy in this statement activities must be reconciled in the available lines that are dedicated to adjustments and explained by the project in the narrative section at the bottom of the report.

79. Variance analysis: relate the financial performance of the project compared to: (i) the forecast of the reporting quarter which was submitted in the previous IFRs (Quarterly variance analysis); (ii) the AWPB for the current year (Yearly Variance analysis) and (iii) the overall budget of the project/COSTAB (Variance analysis since inception). The budget performance monitoring reports allow IFAD and project management to compare actual financial performance with the planned amounts in order to identify and address any problems and bottlenecks in the implementation of scheduled activities. The Project will be asked to provide an explanation for deviations of more than 10% from the planned amounts.

6.2.5 Capturing in-kind contributions or taxes and duties foregone

80. IFAD funds may not be used for payment of taxes, customs or duties. From the reviews done as part of the design, FGS contributions by way of taxes and duties foregone or any other in-kind contributions cannot be done in SMFIS. Similarly, is the FMS and Beneficiary contribution in kind. To counter this challenge, the data that cannot be processed through SMFIS will have to be collated using other platform including manual registers that cannot be altered anyhow and then consolidated with the data coming from SMFIS.
81. As part of the its start-up activities, the project will perform a complete stock take of in-kind contributions expected from both beneficiaries and the government on each relevant project activity, using the COSTAB as reference document. This exercise will allow the project to identify the nature of all in-kind contributions and to define the methodology applied to estimate the value of each contribution, the means of verification mobilised by the project as well as the accounting policies that will be applied. This methodology will be submitted to IFAD by the end of the 1st year of project implementation and be subject to IFAD non-objection. The IFAD technical note on in kind contributions will be shared with the project and will constitute the main methodological guideline to finalise the stock take exercise.
82. The following process is followed to account for in-kind contributions received :

Measure	Value of contributions are measured by on a monthly basis as outlined in the table below.
Review	The administrative assistant reviews the calculations and supporting documentations.
Approve	The State Coordinator approves the calculations and supporting documentation before recording the information in the accounting software.
Record	Once approved, the Project accountant captures the contributions in the accounting software. The information is captured in line with the relevant expense category (source of funds: beneficiaries) on a monthly basis. NB: Sources = expenses

Type	Measurement calculation	Supporting documentation to be retained
<i>Labour hours</i>	Value = total hours worked X applicable wage rate (in most cases the applicable minimum wage rate for uneducated labour in the country)	Time sheet by the Community Group outlining the persons, and the hours they contributed during a specified time period. The time sheet should be duly signed by the Community Group representative and Project technical/M&E staff
<i>Maintenance costs</i>	Value = actual cost of materials purchased	Copies of invoices.
<i>Assignment of Land</i>	Value = NPV of reasonable lease fees for land, discounted over the remaining life of the RLRP project	Confirmation that land is not subject to conflict, copy of land use map indicating land assigned, NPV calculation with indication of how reasonable lease fees were determined.

Type	Measurement calculation	Supporting documentation to be retained
<i>Construction material – (ex. gravel)</i>	Value = cubic meters of (gravel)	Bill of lading prepared by the consulting engineer which indicated the estimation of gravel volume. The sheet should be duly signed by the community representative and Project technical/M&E staff
<i>Construction material – other</i>	Value = actual cost of materials purchased	Copies of invoices.

83. The calculation of tax and duties exemptions should be done using the prevailing tax or duties rates as outlined in the table below. The tax/duties exemptions should be supported by adequate documentation.

Category	Tax/duties rate	Example (US\$ 1000 cost item)
<i>Goods</i>	Value added Tax rate YY%, Import duties XX%	$0.17*1000=170$
<i>Works</i>	Value Added Tax rate YY%, Import duties XX%	$0.15*1000=150$
<i>Services</i>	Value Added Tax rate YY%, Import duties XX%	$0.03*1000=30$

84. The tax-exemptions should be duly recorded in the accounting software if possible. If the accounting software is not able to accommodate this, then separate excel spreadsheets should be maintained in such a format that they can be easily harmonized with the other financial reports as necessary.
85. When recording the in-kind contributions, it is important that the in-kind contributions are classified according to the same principles as regular Project expenditures; that is, every contribution must be by linked to an activity/component, by category and by financing source (government and/or beneficiaries) to ensure that consolidated financial reports can be produced without any extra effort.
86. In-kind contributions should be disclosed separately in the financial statements. The notes of the financial statements should also briefly explain the methodology of how it was calculated. On the other hand, when in-kind contributions cannot be reliably measured, for example the use of office space, then these should also be discussed in the notes to the Project financial statements.

6.2.6 Internal Controls

87. Segregation of Duties: A key control in financial management is segregation of duties. No simple person individual can originate and complete solely a payment transaction. Segregation of duties provides the required checks and balances.
88. An illustration of segregation of duties for various types of payments is as follows:

- a) Technical Contract manager from user section. The user develops ToRs/ specifications. Payment cannot be processed without technical certification of the quality and completeness of the deliverables.
- b) Procurement officer- makes sure the procurement is per FGS and IFAD requirement. This officer is also covers compliance regarding fiduciary aspects in the contracts. Contract management and enforcement of contractual penalties such liquidity damages, instruction like performance, advance guarantees among others
- c) Finance Team also has within themselves the required segregation of duties. For instance, all supporting documents will first be checked by the project accountant before being passed on to the NPC for final approval in the SMFIS.
- d) NPC makes payment to Accountant General. Even at the Accountant General's office some data integrity checks are done.

- a) Fixed assets control: Fixed asset management is an important process that seeks to track fixed assets for the purposes of financial accounting and to ensure preventive maintenance, and theft deterrence. Adequate Fixed asset maintenance also increases the sustainability of the project.
 - b) Asset Register. The project accountant must maintain a register of all (material) RLRP equipment. The asset register should record the following information for each individual piece of equipment: 1) Asset description, 2) Asset number, 3) Serial number of the item, 4) Officer responsible for asset, 5) Funding of asset (IFAD, or another co-financier etc.), 6) Location; Date of purchase; and 7) Estimated life.
 - c) Asset Verification Review. The Financial Controller must ensure that a verification count of all equipment recorded in the fixed asset register is performed at least once a year. This should include the following checks:
 - (i) Verify that all equipment is still held in the location recorded on the register; and
 - (ii) Check that equipment is still in a reasonable state of repair.
 - d) Discrepancies between the verification exercise and the fixed asset register should be investigated. Where assets are missing or seriously damaged, they should be removed from the asset register. The removal should be formally documented and approved by the Programme Coordinator and notified to procurement team. The verification review must be performed by different staff from those who use the equipment, to ensure adequate segregation of duty.
 - e) Vehicle Maintenance and Fuel. The drivers are required to record all trips and fuel refills in a logbook and collect all the supporting documentation (different if fuel cards are used). The vehicle logbook provides control over the use of the vehicles as well as fuel consumption. For official field trips, a special cash provision is given to drivers to allow them to purchase fuel during the trip.
 - f) The safety of cars is the responsibility of the recipient staff members and drivers assigned to the vehicles. Consequently, they must ensure that the cars are parked in a secure area when not in use or outside working hours. The drivers are required to monitor the maintenance of their assigned vehicles under the supervision of the administrative assistant. The drivers must notify the administrative assistant of maintenance needs (including periodic servicing) so that the cars can be serviced on a timely basis.
 - g) The Financial Controller should on a monthly basis review the mileage and fuel usage as well as any undertaken service as reported in the log book of each car and compare these with the official invoices and travel authorizations etc. to make sure the numbers are accurate.
 - h) An insurance policy must be taken by the NPCU to ensure all cars and passengers against all risks, including damage, theft, and fire, as well as injury and property damage to third parties.
89. Retired of imprest advances: During implementation, it is sometimes inevitable to give imprest advances. For instance, as already stated above, SPCUs will be receiving advances in order to run field activities that practically cannot be paid from the Central Bank. Similarly, some staff will sometimes need advances either to attend trainings or undertake field activities. In these cases, Journal vouchers (JVs) will be used to retire the advances. To clear the advance account, the SPCU will have to provide sufficient expenditure justification to the NPCU. These will be reviewed and those that are cleared will be totalled and Journal Voucher passed in SMFIS to credit the State Advance Account/ any other advance holder and debit the respective expenditure accounts based on the already profiled RLRP codes within the SMFIS. These approved journal vouchers will be filed chronologically at the NPCU with their supporting documents. On the other hand, advances provided to implementing partners or service providers, if applicable, will be duly described in the contract/memorandum of understanding (MoU) signed. Payment tranches will be linked to specific deliverables and will be certified by technical specialists at the level of the NPCU as needed. Supporting documentation required will also be specified, when applicable, in specific checklists attached to contracts/MoUs. All implementing partners and service

provided are bound, as the project itself, to respect IFAD policies on anticorruption and fraud, which will be attached to each contract/MoU. In general:

- b) Advances are recorded in the accounting system at the date that the advance is made, subject to the required approval process.
 - c) The transaction is not recorded as an expenditure (in terms of categories, components) on this date.
 - d) All advances should be cleared in a timely manner by the submission of original invoices.
 - e) All outstanding advances should be cleared by no later than 10 days after the end of the fiscal year-end.
 - f) In terms of the cash basis of accounting advances at the end of the period should be expensed and disclosed in the financial report.
90. Records Management: Financial records must be created and preserved for every financial transaction performed under the project. Financial records are defined as any financial information including written, computer data, internal forms, e-mails, or any other form of storage information originated from the NPCU such as internal forms, journal vouchers financial reports (Monthly & quarterly) copies of cheques and withdrawal applications etc. or received by the NPCU such as supplier invoices and receipts, bank statements, IFAD documents etc. within the framework of the project's official activities. The objective of this procedure is to preserve the financial records and files for further official use by the NPCU, for financial audit and for review by the Fund during the supervision missions.
91. Filing of the financial records. The RLRP Finance team will maintain chronological files in which the financial documents have to be filed for future reference. Filing should be performed daily to prevent the accumulation of papers and to ensure that the financial records are maintained in an up-to-date manner at all times. Each financial record should be filed under its code in a chronological order, with a sequential number assigned to every document. Any kind of additions or amendments to the financial document should be filed in a chronological order immediately following the principal document. A separate series of vouchers will be filed for each Designated Account (that is separately for IFAD and other co-financiers). It is recommended that the files are gathered and stored following the Interim Financial Report to which they are referred to.
92. Storage of financial records: The financial records of the RLRP should be stored in the NPCU/and/ or MOAI for a minimum of 10 years after the project completion. The Financial Controller should allocate an appropriate storage area for the financial records in paper format and maintain them in locked cabinets, safe from water and fire, to which access is controlled and limited.
93. Archiving of financial records: In order to prevent an unnecessary pile-up of files in a limited office space, the Financial Controller should make sure that the financial records are archived on a regularly basis. Once a year, the Financial Controller should make sure that the completed or inactive files are archived in a manner that will allow for easy retrieval of the files in case they are required at some future date.
94. Back- up procedures: To avoid the loss or damage of financial data, the information should be kept in two copies: i) a soft copy a cloud storage space (Dropbox or similar), and ii) in the locked cabinets of the NPCU. Only authorised personnel should be allowed to access the financial records. The access of external persons is prohibited except for authorised persons such investigators, auditors& IFAD staff/ consultants with prior arrangement.
95. Internal audits: This function has not yet been established. Once established, the MOAI internal auditor will include RLRP in the rolling internal audit plan. Under the area of internal audit, IFAD missions will be looking for the following:
- a) Existence of Internal Audit arrangements.
 - b) Adequacy of internal audit arrangements (organization - staff capacity).
 - c) Adequacy of internal audit scope of work and quality of reports.

- d) Assessment of matters raised in audit reports.

6.2.7 IFAD Missions

96. IFAD will supervise RLRP directly, using innovative and flexible supervision approaches. Depending on the prevailing conditions, IFAD may conduct field missions through third-party arrangements and/or local consultants, supported by remote and off-site supervision through organizing meetings on a regular basis. Given the fragile situation in the country, IFAD will continuously monitor, follow-up and provide implementation support to effectively manage the Project, improve policy engagement, KM and partnership building.
97. RLRP will be required to participate in IFAD missions as follow:

Stage	Project roles and responsibilities
<i>Before IFAD missions</i>	<ul style="list-style-type: none"> a) Prepare Appendix 1 (that will be shared before missions) and submit to the IFAD Finance Officer (FO)/Consultant in electronic format (Excel Workbook, including formulas) before commencement of the mission – the FO/Consultant will specify the date range to be covered within Appendix 1. b) Complete the Financial Management Assessment Questionnaire (FMAQ) and submit to the FO/Consultant in electronic format. c) Prepare all other information as requested by FO/Consultant before commencement of the mission.
<i>During IFAD missions</i>	<ul style="list-style-type: none"> a) Provide the FO/Consultant with all information which was requested before the mission. b) Arrange meeting with the auditors and any other selected party requested by the mission. c) Ensure that all FM staff are available to assist the FO/Consultant in performing their duties which may include: d) Review of financial reports, reconciliations e) Physical verification of fixed assets and inventory f) Meeting with the auditor g) Reviewing and completing the FMAQ h) Discuss identified FM weaknesses and risks and assist the FO/Consultant with developing appropriate actions for inclusion in the aide memoire.
<i>After IFAD missions</i>	<ul style="list-style-type: none"> a) Respond to any wrap-queries from the FO/Consultant b) Commence with implementing all actions which are included in the Aide Memoire c) Update the Action Tracker with all actions raised during the missions.
<i>Ongoing</i>	<ul style="list-style-type: none"> d) Monitor and update the Action Tracker to ensure all actions are implemented in a timely manner. e) Respond to ad-hoc queries received from IFAD staff as it related to FM matters.

98. Depending on the security situation at the level of the regions where the project is implemented, IFAD may decide to mobilise, in the context of annual supervision mission, a third-party organisation in charge of independently collecting data on the ground to facilitate IFAD supervisory tasks on the ground. If pertinent, this organisation would be recruited from IFAD and would cooperate with project staff to collect all relevant information as indicated in specific TDR.
99. Concerning financial management, the selected organisation would support the IFAD mission in verifying on the ground a number of expenditures and realisations against the supporting documents available at project level.

6.2.8 External Audit

100. The Supreme Audit Office of Somalia has the Statutory Responsibility to audit all Government Projects such as the RLRP in terms of the International Standards on Auditing (ISA). At their discretion, the Supreme audit office can appoint private audit firms to undertake the audit mission. Either way, IFAD will have to review the audit Terms of Reference (ToRs) and provide No Objection prior to commencement of the audit. The auditor terms of reference should specifically include agreed upon procedures related to application of funds. The procedures should focus on whether the funds were disbursed for eligible expenditure in line with approved AWPB as well as reconciling and explaining any discrepancies between the annual consolidated financial statements and the IFRs submitted by the project during the year. An example of audit ToRs is provided in annex to this manual.
101. Audit opinion and audit package:
- a) The audit report will outline the audit opinion on the audited financial statements.
 - b) The auditor is expected to submit an audit package that at a minimum includes the audited financial statements, the audit report and the management letter.
 - c) The management letter is an integral part of the audit package, which documents internal control issues identified by the auditor. The management letter should:
 - i. Outline the auditor's recommendations to address identified internal control issues, and the responses to them on the part of the Project's management.
 - ii. Where applicable, provide follow-up commentary on the issues identified in the previous year's management letter.
 - iii. Include any ineligible expenditures identified during the audit be outlined in the management letter.
102. Audit reporting period:
103. IFAD generally requires an annual audit of Project financial statements. However, the frequency of the audit may be changed by IFAD as a function of the Project's risk profile. In all instances, IFAD will confirm the frequency with which RLRP financial statements are to be audited. The audit reporting period may be amended for the first and/or final audits, in line with the following guidance:
- a) For the first audit, in cases in which the Project commences during the financial year, the following procedures will generally apply:
 - i. When the period between the first disbursement and the end of the financial year is less than six months, IFAD may allow the results for the first financial period to be included in the following financial year's audit; or
 - ii. When the period between the date of the first disbursement and the financial year-end is greater than six months, audited financial statements for the period are always required.
 - b) For the final audit, IFAD may recommend an audit reporting period that is longer or shorter than 12 months, but that in no case may exceed 18 months. This is to ensure that the final audit can be concluded and the audit report submitted to IFAD by the Project Closing Date.
104. IFAD will conduct reviews of audit reports. The main purpose of the reviews is to determine whether the auditor conducted a quality audit resulting in an audit opinion acceptable to IFAD, and to assess the quality of the financial reporting of RLRP.
105. IFAD will communicate the results of the audit report review process within sixty days following receipt of the audit package. If needed, RLRP will be requested to take corrective actions within a specified time frame. These actions should be included and monitored in the Action Tracker prepared and updated by the project.

106. Public disclosure of audit reports
107. IFAD will publicly RLRP's Project financial statements and audit reports, subject to processes applicable to their publication. In line with the standards of the International Aid Transparency Initiative, RLRP is encouraged to publish financial information, for increased accountability. RLRP must ensure that the audit TORs explicitly mention the right of the RLRP and of IFAD to publish the audit report, with no limitation-of-use clause.
108. In accordance with the IFAD general conditions and the IFAD guidelines for project audits, the NPCU must have RLRP financial statements audited by an External auditor acceptable to IFAD. The Audited financial statements need to be sent to IFAD no later than 6 months after the end of the fiscal year. The detailed instruction regarding project audit are outlined in the IFAD guidelines for project audits.

6.2.9 IFAD Anticorruption policy³

109. The management of Project funds shall be sufficiently rigorous to safeguard against Fraud and Corruption. Fraud and corruption include, but are not limited to (as defined in the IFAD anticorruption policy):
 - a) Corrupt practice - offering, giving, receiving, or soliciting, directly or indirectly, anything of value to influence improperly the actions of another party.
 - b) Fraudulent practice - any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation.
 - c) Collusive practice - an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party.
 - d) Coercive practice - impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party.
110. IFAD applies a zero-tolerance policy towards fraudulent, corrupt, collusive or coercive actions in Projects financed through its loans and grants. 'Zero tolerance' means that IFAD will pursue all allegations falling under the scope of this policy and that appropriate sanctions will be applied to parties or entities involved where the allegations are substantiated. IFAD takes all possible actions to protect individuals who submit allegations of fraudulent or corrupt practices in its activities from reprisal. The primary responsibility for enforcing the Anticorruption Policy lies with RLRP, and the first defence for controls shall be exercised by Project staff and counterparts Pursuant to this, the RLRP shall have the responsibility to incorporate pertinent provisions of the Anticorruption Policy in its contracts with Project staff, cooperating/implementing partners, and suppliers/consultants.
111. It is the Project Coordinator and the Finance Specialist responsibility to make sure that all Project staff are aware of IFAD's and the National's anticorruption policies and whistle blowing procedures.

³<https://www.ifad.org/en/-/document/policy-on-preventing-fraud-and-corruption-in-its-activities-and-operations>

6.2.10 ANNEXES

Annex 1: AWPB Structure and preparation checklist

The NPCU is responsible for the development of the Annual Work Plan and Budget (AWPB), generally covering a period of 12 months, which should include the following mandatory sections:

Section	Description
<i>Introduction</i>	<ul style="list-style-type: none"> a) Provide a brief background b) Include narrative covering the strategic focus, target group, geographical focus (Project sites), outreach (with gender disaggregation), Project components, specific activities to be undertaken and the planned output for each activity.
<i>Risks and mitigation</i>	<ul style="list-style-type: none"> a) Outline of major risks that could affect adversely the Project outcomes and mitigating actions taken.
<i>Budget and financing plan</i>	<ul style="list-style-type: none"> a) Describe the necessary inputs and outputs for each activity, including the expenditures, financing source and expected completion date. b) The expenditures should be classified per activity and should also be linked to a component, expenditure category as per the financing agreement and a financing source. c) Each activity should be coupled with tangible outputs or physical targets to facilitate the measurement of Project progress.
<i>Procurement plan</i>	<ul style="list-style-type: none"> a) Outline detailed plan outlining procurement activities, include expected cost for each item, procurement method and timeline. b) <i>The first Procurement plan should cover the first 18 months of the Project lifecycle while the subsequent procurement plans should cover 12 months of the Project lifecycle.</i>
<i>Progress and past performance (include in 2nd AWPB onwards)</i>	<ul style="list-style-type: none"> a) Outline the following with: b) Summary of the key achievements c) Problems encountered and how these were resolved d) Budget execution, comparing actual expenditure per category/component to prior AWPB with an indication of category overspend
<i>Other</i>	<ul style="list-style-type: none"> a) Training and technical assistance schedule b) NPCU staff development plan c) Project staff payroll (including the names, titles, salaries and incentives)

<i>AWPB Check:</i> The checks listed below are designed to improve the quality of the AWPB during the final preparation stage.	▪ Yes	▪ No
a) Is the AWPB complete and clearly presented? Does it disclose sufficient information?	▪	▪
b) Is the AWPB in line with the Project description and rational (schedule 1) as per the financing agreement and the Project log-frame? Are all the activities relevant to the Project?	▪	▪
c) Does it contain the necessary summary tables by component and financier and by expenditure category and financier as well as the detailed tables by component?	▪	▪
d) Does the implementation schedule seem realistic and does it show appropriate targets and milestones? Are the targets and execution level realistic compared to past years progress?	▪	▪
e) Does it contain a separate annex disclosing the details of the Project payroll?	▪	▪
f) Does it contain a separate annex containing outlining the planned trainings?	▪	▪
g) In the detailed tables are the expenditures structured by activity and linked to a component, expenditure category and financing source?	▪	▪
h) Are the cost categories of the AWPB in line with the Schedule 2 of the IFAD financing agreements and are expenditures within the agreed allocations?	▪	▪
i) Is any expenditure category going to be overdrawn during the year? Is a reallocation of IFAD funds needed?	▪	▪
j) Do the total (and subtotal) costs add up? Are the inputs (unit cost) and outputs (physical targets) adequately quantified? Is there coherence between the inputs and outputs? And does these represent value for money (i.e. what is the unit costs for per output, e.g. cost per trained farmer)?	▪	▪
k) Are the unit cost realistic and do they reflect market prices?	▪	▪
l) Is the AWPB accompanied by a procurement plan? Is the procurement plan consistent with the AWPB?	▪	▪
m) Is the format of the AWPB compatible with other financial reports and the accounting software to allow input in the budget module and generation of actual vs budget reports and	▪	▪
n) If last audit, does it take into account completion date of the Project as well as winding up activities such as Project completion report, final audit as handover/disposal of Project assets (computers, vehicles etc.)	▪	▪

Annex 2: Information checklist – preparing for IFAD missions

It is required that RLRP prepare the following in anticipation of IFAD missions:

Information		Guidance
1.	<i>Appendix 1</i>	<ul style="list-style-type: none"> Prepare Appendix 1 in Excel Workbook and include formulae as appropriate.
2.	<i>FMAQ</i>	<ul style="list-style-type: none"> Include comments in the Financial Management Assessment Questionnaire (with exception of the summary section).
3.	<i>Withdrawal applications/ SOEs</i>	<ul style="list-style-type: none"> Make hardcopy files of all recent withdrawal applications/statement of expenditures available (at least covering 12 months prior to the missions). Upon request, provide supporting documentation for a selection of expenditures. Provide a summary of pending withdrawal applications / SOEs for review.
4.	<i>Bank and petty cash reconciliations</i>	<ul style="list-style-type: none"> Make hardcopy files of most recent bank and petty cash reconciliations available. Include copies of relevant bank statements. Ensure that IFAD designated account reconciliations are prepared in the correct format as outlined in the IFAD Loan Disbursement Handbook
5.	<i>Financial reports</i>	<ul style="list-style-type: none"> Provide most recent financial reports (as at end of most recent completed month), which include summary information (including all sources and uses of funds). Provide most recent interim financial report (format illustrated in 22.9) Provide copy of most recent audited financial statement.
6.	<i>Fixed asset register</i>	<ul style="list-style-type: none"> Provide updated fixed asset register in Excel Workbook format (export from accounting software).
7.	<i>Manuals and procedures</i>	<ul style="list-style-type: none"> Provide an electronic of the most recent version of the Financial Manual (to which IFAD provide a no objection). Provide a copy of the accounting software manual.
8.	<i>Contract register and monitoring forms</i>	<ul style="list-style-type: none"> Make available the update Contract Register and Contract Monitoring Forms (export from Accounting software).
9.	<i>Action tracker</i>	<ul style="list-style-type: none"> Update the action tracker with progress to date.
10.	<i>AWPB/Procurement Plan</i>	<ul style="list-style-type: none"> Make available electronic copies of the AWPB and Procurement Plan (provide in Excel Workbook format).
a) 11.	b) Advances	c) Make available a summary of outstanding advances with supporting documentation.

Annex 3: Terms of Reference of the RLRP finance team

Post title: Financial Controller
Name of Project: Rural Livelihood and Resilience Project
Duration: One-year
renewable
Duty station: insert
Type of contract: short term
Closing date: insert

Background
[INSERT]

Job Description

- 1) The Finance & Grants Specialist is responsible for the financial and administrative management of the programme including Accounting, Budgeting, Financial Reporting, Internal Controls, Auditing Arrangements, Flow of Funds and the efficient management of Project resources in accordance with the requirements of IFAD. He/she will report directly to the NPC.
- 2) Operating within a computerized environment, the Financial Controller will
- 3) Develop behavioural ways of working within the team that promotes value addition, continuous professional improvement and a culture of cost effectiveness by all managers.
- 4) Take a leading role, with Project Manager and team on financial aspects of Annual Work Plan and Budgets (AWBPs) preparation and consolidation.
- 5) Guide the NPCU to comply with the budget calendar as per the FGS and as required by IFAD.
- 6) Master IFAD key documents such as, the disbursement handbook, procurement guidelines and handbook, IFAD guidelines for Project audits, the Financing Agreement (FA) and the Financial Management & Financial Control Letter (FMFCL).
- 7) Work closely with the Accountant General's office in order to ensure that RLRP payment processing through SMFIS is as smooth as possibly can be.
- 8) Ensure compliance with all legal and statutory reporting requirement in FGS.
- 9) Ensure that administrative and financial directives and guidelines are reflected in all Project financial activities.
- 10) Ensure that all financial accounts are managed with respect to disbursement and replenishment in accordance with the approved procedures stipulated by the financiers.
- 11) Take prompt and definite action on non-compliance with procedure and practices. Verify all withdrawal applications for submission to IFAD, and ensure the availability of funds for all planned activities. Establish a very efficient cash flow management environment.
- 12) Apply for and manage counterpart funds.
- 13) Prepare and provide annual financial reports which are compliant with the IFAD Handbook for Financial Reporting and Auditing of IFAD-Financed Projects and the Project's Financial Manual.
- 14) Prepare financial reports, including monthly funds reconciliation, and monthly, quarterly, semi-annual and annual expenditure statements. Prepare and analyse monthly financial reports for the Project Coordinator indicating financial performance of the Project compared with the annual work plan and budget.
- 15) Coordinate between Ministry of Agriculture & Irrigation and Project Steering Committee.
- 16) Act as focal point for all related RLRP's financial correspondences.

- 17) Share IFAD ToR with Audit Firm to ensure that timely audit of the Project is conducted.
- 18) Develop and maintain a system of financial control over all expenditure incurred by the Project.
- 19) Monitor the level of advances/funds to ensure that there are sufficient funds to implement the Project activities and that the level of advances/fund are adequate and there are no idle funds.
- 20) Monitor compliance with the Financing Agreements for the IFAD Grant.
- 21) Monitor compliance with the Financial Management & Financial Control Letter (FMFCL).
- 22) Approve all reconciliations including bank and advance reconciliations.
- 23) Responsible for developing and managing an effective and performance based human resources management system.
- 24) Supervise and coordinate the work of staff placed under his/her direct authority.
- 25) Review and regularly update the Financial Manual of the Project.
- 26) Develop and update together with the Accountant the Accounting manual of the implementation across RLRP.
- 27) Responsible for the organization and supervision of the NPCU office, assets, logistics, and all administrative matters.
- 28) Coordinate and supervise audit arrangements.
- 29) Responsible for the implementation of external audit and supervision mission recommendations.
- 30) Ensure good working relationships with other departments to enable smooth implementation of financial procedures.
- 31) Undertake any other activities assigned by the NPC.

Qualifications and Experience

- 1) An acceptable accounting and finance qualification (MBA, CPA etc).
- 2) A minimum of 10 years professional experience.
- 3) Experience on donor financed Projects is preferable.
- 4) The candidate would be expected to have a thorough understanding of accounting practices, finance and investment.
- 5) Candidates with previous experience in rural development Projects in Somalia and aptitude for working in the rural area will be given preference.
- 6) Good command in English, both oral and written.
- 7) Prior experience working with donor-funded Projects as well as experience with government of Somalia regulations and procedures.
- 8) Good knowledge of Microsoft Office.
- 9) The ability to lead and to work as part of a team.
- 10) Good communication skills.
- 11) Ability to work with multi stakeholders, including government, private sector companies, civil society organizations, and community.
- 12) Professional and personal endurance and commitment to complete complex assignments efficiently and effectively in a high demanding working environment.

The initial contract will be for one year with six-month probation, period, renewable every year on continued satisfactory performance.

Post title: Project Accountant
Name of Project: Rural Livelihood and Resilience Project (RLRP)
Duration: One-year renewable
Duty station: insert
Type of contract: short term
Closing date: insert

Background

[INSERT]

Job Description

- 1) Assist the Financial Controller with overall financial management activities of the Project.
- 2) Support preparation of Annual Work Plan & Budget (AWPB) for each SPCU and consolidation.
- 3) Review and provide professional feedback on monthly accounts;
- 4) Work alongside the Financial Controller to ensure timely and accurate submission of withdrawal applications to IFAD. This will include follow-up of the retirement of imprest advances especially to the SPCUs.
- 5) Assist the Financial Controller in Preparation and submission of all financial statements, budgets, financial Projections, cash flow forecasts and all other Projects reports as needed by the NPCU, IFAD and the Ministry of Agriculture & Irrigation and Project Steering Committee;
- 6) Prepare specific budgetary documentation, according to the Somali legislation, issue payment vouchers and obtain the necessary approvals for finalizing payments to the suppliers/contractors. Apply checklists recommended in the PIM and as improved up to ensure completeness of documents before the NPC uploads any payment instruction online using the SMFIS.
- 7) Facilitate timely transfer of advances/funds where the SPCUs have ably justified expenditures
- 8) In cases like for duties, taxes and beneficiary contribution where the SMFIS cannot report upon, maintain set of alternative ledgers to be able to capture the related transactions;
- 9) Ensure that all RLRP financial transactions (hard and soft copies) are filled properly on daily basis in a chronological order and easily with clear audit trail and easy to retrieve;
- 10) Monitor actual expenditure and disbursements against allocations for each category and components;
- 11) Review and validate Payment Vouchers against approved AWPB and supporting documents;
- 12) Maintain the master contract register for all contracts;
- 13) Maintain and update the fixed assets register for the entire RLRP;
- 14) Maintain and update advance registers and ensure timely clearances;
- 15) Prepare monthly salaries for Project staff and other statutory deductions;
- 16) Prepare on monthly basis the bank reconciliation, including reconciliation;
- 17) Apply accounting standards and policies consistently (IPSAS- Cash Basis);
- 18) Occasional field visit to field for overall oversight;
- 19) Deputize for Financial Controller during his/ her leave and as required;
- 20) Assist the Financial Controller in preparation of the Accounting Manual of the RLRP;
- 21) Perform other duties, of financial nature which pertains to the implementation of the Project, as may be requested by the NPC and FC.

Qualifications and Experience

- 1) An acceptable accounting and finance qualification (MBA or CPA).
- 2) A minimum of 5 years professional experience in accounting and financial management.
- 3) The candidate would be expected to have a thorough understanding of accounting practices, finance and investment. Familiarity and experience in use of accounting software is a must.
- 4) Good command of English, both oral and written
- 5) Prior experience working with donor-funded Projects as well as experience with government of Somalia regulations and procedures.
- 6) Good knowledge of Microsoft Office
- 7) Ability to work in team and multi-tasking.
- 8) Good communication skills.
- 9) Ability to work with multi stakeholders, including government, private sector companies, civil society organizations, and community.
- 10) Professional and personal endurance and commitment to complete complex assignments efficiently and effectively in a high demanding working environment.

The initial contract will be for one year with six-month probation, period, renewable every year on continued satisfactory performance.

Post title: Project Accounts Assistant
Name of Project: Rural Livelihood and Resilience Project (RLRP)
Duration: One-year renewable
Duty station: insert
Type of contract: short term
Closing date: insert

Background
[INSERT]

Job Description

- 1) Based at the SPCU, the incumbent will ensure proper documents for the imprest advances received from the NPCU;
- 2) Ensure proper filing of the documentation in support of retirement of the imprest advances;
- 3) Provide all the required documentation to the NPCU in order to retire advances to be able to replenish the imprest advance account;
- 4) Support preparation of Annual Work Plan & Budget (AWPB) for each SPCU and consolidation.
- 5) Review and provide professional feedback on monthly accounts;
- 6) Work alongside the Financial Controller to ensure timely and accurate submission of withdrawal applications to IFAD. This will include follow-up of the retirement of imprest advances especially to the SPCUs.
- 7) Ensure that all RLRP financial transactions (hard and soft copies) are filled properly on daily basis in a chronological order and easily with clear audit trail and easy to retrieve;
- 8) Maintain and update the fixed assets register at the SPCU level;
- 9) Undertake field for overall oversight;
- 10) Perform other duties, of financial nature which pertains to the implementation of the Project, as may be requested by the FC

Qualifications and Experience

- 1) An acceptable accounting and finance qualification (at least a bachelor's degree in accounting field).
- 2) A minimum of 3 years professional experience in accounting and financial management.
- 3) Good command of English, both oral and written
- 4) Prior experience working with donor-funded Projects as well as experience with government of Somalia regulations and procedures.
- 5) Good knowledge of Microsoft Office

The initial contract will be for one year with six-month probation, period, renewable every year on continued satisfactory performance.

Annex 4: Audit terms of reference

Terms of reference for the financial audit and factual findings of
[Title of the project]

1. Background

- a) The International Fund for Agricultural Development (IFAD) is aiding the borrower/ recipient in the form of loan(s) [and/or grant(s)].
- b) A financing [and /or grant] Agreements has/have been signed between IFAD and the [borrower/recipient]; refer to appendix 1.
- c) [Insert for private auditor]: IFAD requires the borrower/recipient to appoint an independent auditor to audit the accounts related to the project, in accordance with the IFAD Handbook on Financial Reporting and Auditing.
- d) The reporting entity is [xxx].
- e) The entity prepares its financial statements in accordance with [applicable accounting standards].
- f) The auditor conducts its audit in terms of [applicable auditing standards].
- g) [Insert any other information that may be relevant to the auditor]

2. Objective

The objective of this audit is to enable the auditor to express an opinion on whether the financial statements (including additional disclosures as outlined in section 5) present fairly, in all material respects, the financial position of the reporting entity as at [insert year-end date], and/or the results of its operations and its cash flows for the years then ended, in conformity with the [applicable accounting standards].

3. Responsibilities of the [borrower/recipient]

I. General

- d) Provide financial statements for the activities financed by the loan/[grant] that are reconcilable to its records and accounts.
- e) Provide the auditor with access to all legal documents and correspondence with consultants, contractors and other persons or firms engaged by the project, and any other information associated with the project and deemed necessary by the auditor.
- f) Ensure that the accounting policies are consistently applied and disclosed.
- g) Ensure that appropriate internal controls are implemented to prevent misstatements and susceptibility to fraud.
- h) Ensure compliance with all relevant laws and regulations that pertain to the entity, as well as with the financing agreement between the [borrower/recipient] and IFAD.
- i) Provide the financial statements to the auditor within a reasonable time and be available for any queries that the auditor may have.

II. Financial Statements

The [borrower/recipient] shall:

- a) Prepare financial statements covering the reporting period [date] to [date], in accordance with acceptable accounting standards that will be identified in the Notes to the Financial Statements.
- b) In addition, the following specific disclosures will be included in the financial statements:
- c) Withdrawal application statement– appendix 1 to the IFAD Handbook on Financial Reporting and Auditing of IFAD-financed Projects.
- d) Sources and uses of funds statement – appendix 2 to the IFAD Handbook on Financial Reporting and Auditing of IFAD-financed Projects.
- e) Designated Account statement and reconciliation – appendix 3(a) and 3(b) to the IFAD Handbook on Financial Reporting and Auditing of IFAD-financed Projects.

- f) [Statements of Expenditures – appendix 4 to the IFAD Handbook on Financial Reporting and Auditing of IFAD-financed Projects] – applicable to grants.
- g) Expenditure transaction list – online provided in [IFAD Grant Forms](#) repository see document C.2 'Transaction List' – applicable to grants.
- h) Where the amount transferred to the Implementing Partners is substantial, the NPCU should receive a copy of the audited FS from the IPs.

4. Responsibilities of the auditor

I. Auditing standards

The auditor is responsible for the formulation of an opinion on the financial statements in accordance with [ISA/ISSAI/national auditing standards].

II. General Principles

By agreeing to these terms, the auditor confirms that:

- a) The firm is independent from the project, its staff and activities, in accordance with international best practices.
- b) The firm is not providing consultancy services to the project or preparing its project financial statements (nor has it done so in the previous two years).
- c) The auditor is suitably qualified and a member of a professional body affiliated with the International Federation of Accountants.
- d) [The office of [public auditors] is a member of the International Organization of Supreme Audit Institutions (INTOSAI)].
- e) The auditor is able to conduct the audit in line with auditing standards acceptable to IFAD, pursuant to paragraph 4 (I).
- f) The firm can assign an audit team to the audit that has the necessary competence and skills.
- g) The firm has a proven track record in conducting audits of a similar nature and complexity.

III. Reporting

The Auditor is required to deliver an audit package in compliance with ISA 700, and include:

- a) The audited financial statements, including additional disclosures as outlined in paragraph 3 (II).
- b) A report on factual findings, within the scope of agreed-upon procedures as outlined in paragraph 6. Any ineligible expenditure identified should be clearly mentioned.
- c) A management letter, including the information outlined in paragraph 4 (IV).

IV. Management letter

The management letter is an integral part of the audit package that documents accounting and internal control issues identified by the auditors. The format of the management letter needs to classify the findings by risk priority. The management letter should:

- a) Provide comments and observations on the accounting records, systems, and internal controls that were examined during the course of the audit; and identify specific deficiencies and areas of weakness in systems and controls and make recommendation for their improvement;
- b) Include the responses of project management to the identified control issues, and its proposal to address the issues identified within a specific time.
- c) Where applicable, follow up on the issues identified in the previous year's management letter.
- d) Give comments on economy, efficiency, and effectiveness in the use of resources by the project management.

- e) Report on the degree of compliance of each financial covenant in the financing agreement and give comments, if any, on internal and external matters affecting such compliance.
- f) Communicate matters that have come to the auditor's attention during the audit which might have a significant impact on the implementation of the project.
- g) Review results and findings on IFR reliability for the reporting period
- h) Any other matters that the auditors consider pertinent.
- i) List additional procedures, if applicable.

The audit report should provide sufficient detail as to the nature and extent of the procedures performed by the auditor. The auditor is required to provide the audit package by no later than [insert date]. Reports are to be delivered in the official language of the financing agreement.

5. Scope of the financial audit

In performing the audit, at a minimum the auditor shall:

- a) Confirm whether the financial statements have been prepared following international (IPSAS, GAAP, IFRS), regional or national accounting standards; in the latter case, identify elements of difference with the international standards.
- b) Confirm the auditing standards used for the audit.
- c) Obtain audit evidence that the financial statements are fairly presented and free from material mis-statements, in accordance with the applicable accounting framework.
- d) Assess internal controls related to the financial reporting process, and identify any weakness that might result in mis-statements, whether due to fraud or error.
- e) Verify the reliability of SoE or IFRs, as the case may be, used to support Withdrawal Applications, ensure they are reliable and accurately reflect expenditures incurred and activities carried out during the reporting period.
- f) Verify whether expenditure that was incurred in the name of the project is in line with the terms of the financing agreement(s) (appendix xx) and incurred for the purposes intended in this agreement. Both IFAD and third-party funding should be taken into consideration.
- g) Verify whether counterpart funds provided by the Government of [Country] have been provided and used in accordance with the relevant financing agreement; verify that the amount of in-kind contribution is reported according to the agreed accounting principles and the reported fair-market value for all in-kind contribution items is reasonable and correctly and fully disclosed in the financial statements.
- h) Verify that the inventory and fixed assets held by the entity exist, are complete, are properly accounted and are used for the project purposes; at project closure, confirm that the project assets are transferred to the Borrower/Recipient or the entity identified in the financing agreement.
- i) Verify the project's recurrent costs (salaries and operating costs) claimed under WAs and ensure they are reasonable, congruous with project's implementation's needs and within the acceptable threshold (FA schedule II and its revisions).
- j) The audit should cover selected project's regional/provincial implementing units as per the audit plan agreed with the NPCU/PCU.
- k) [List others]

6. Scope of the agreed upon procedures

The auditor is required to perform the following specific procedures and report on factual findings as required in paragraph 4.3.

I. Withdrawal application statement

The auditor is requested to obtain the individual withdrawal applications (WAs) submitted to IFAD, as summarized in the withdrawal application statement, and develop test procedures to:

- a) Confirm that the withdrawal application statement is reconciled with the amounts disbursed by the Fund and deposited to the DA.
- b) Confirm that the withdrawal application statement is reconciled with the IFRs submitted to the Fund.
- c) Determine whether the Designated Account currency equivalent was determined using the historical exchange rate of transfers to the operating account or the accounting rules used.
- d) [List additional procedures, if applicable]⁴

II. Designated account statement

The auditor is requested to review the activities of the designated account(s) associated with the project, including the initial advance, replenishments, interest that may accrue on the outstanding balances, and the year-end balances. The auditor is requested to develop test procedures to:

- a) Check the accuracy of the Designated Account (DA) reconciliation(s).
- b) Confirm that the Designated Account(s) have been maintained in accordance with the provisions of the financing agreement, and transactions from the DA are accurately and correctly recorded in the financial accounts and statements of the project.
- c) Check that expenditures as reported in the project financial statements are reconciled with the amounts withdrawn from the Designated Account and the amounts deposited to the DA are reconciled with the amounts disbursed by the Fund.
- d) Reconciliation should also be made with the amounts paid from the pre-financing account and direct payments (if any).
- e) [List additional procedures, if applicable]

III. Interim Financial Reports (IFRs) and Certified Statement of Expenditures (SoEs)

The auditor is requested to obtain the certified SoEs or IFRs as submitted to IFAD, and apply such tests and control, as the auditor considers necessary under the circumstances, to:

- a) Ascertain that the financial management system is reliable to produce the IFRs and has met Fund's requirement during the year.
- b) Determine if expenditures incurred are related to activities outlined in the AWPB and in accordance with the grant agreement.
- c) Determine whether the funds have been utilised for the intended purposes, with due regard to economy, efficiency and social equity.
- d) Determine if the SoE threshold was set for the financing instrument and IFRs prepared accordingly.
- e) Determine whether the expenditures claimed through IFRs or SOEs were properly and appropriately authorized, classified⁵ and supported by adequate documentation.
- f) Identify any ineligible expenditure, including nature of ineligible expenditures, date incurred, and IFRs period.
- g) [List additional procedures, if applicable]

IV. Agreed upon procedures for donors' funded projects

In the case of projects financed by the Green Climate Fund (GCF), the auditors will assess the compliance of the project accounting records and the GCF Annual Progress Report (APR) with the applicable GCF requirements (e.g. expenditure eligibility, categorization vis-à-vis the GCF budget categories; etc.).

- a) To include specific requirements for other donors, as needed.

⁴ Procedures may include enquiry/analysis/recalculation/comparison/observation/inspection.

⁵ The threshold for SOE transactions will be stipulated in the FMFCL.

- b) [List additional procedures, if applicable]
- c) Other
- d) [List additional procedures, if applicable]

V. Public disclosure

IFAD promotes public disclosure of project financial information to enhance the level of transparency and accountability. IFAD will disclose project audit reports, as appropriate, in line with the Fund's disclosure policy. Management Letters issued by auditors are not subject to public disclosure by IFAD. In agreeing to the terms of reference, the auditor explicitly acknowledges IFAD's right to publicly disclose audit reports (audited financial statements and audit opinion) and will issue reports without a limitation of use clause.

To facilitate the public disclosure process, the auditor is requested to submit two separate files as follows:

- a) Audited financial statements, audit opinion and report on factual findings (the latter where applicable).
- b) Management Letter.

7. Appendices

- a) [list as applicable]
- b) Appendix: Financing/grant agreement(s) Appendix: Letter to the Borrower
- c) Appendix: IFAD Handbook on Financial Reporting and Auditing of IFAD-financed Projects

Signed by: _____

Date: _____

Annex 5: IFRs Reviewing Tool

Project Name
IFAD Instrument number:
Project ID:
For the Period:
Reviewer Name:
Date of Review:

COMPONENT	No.	STEPS	Y / N	Comments	FOLLOW UP ACTION
1.Basic	1.1	Is reporting period of IFR correct?	N		1. Correct the period in IFR. 2. If you've been delayed in previous quarters, use the latest IFR as WA's supporting document. E.g. A project didn't submit WA or IFR in 2022 Q3, in 2023 January, it should submit: a) 2022 Q3 IFR without WA b) 2022 Q4 IFR (the latest period) as the WA's supporting document.
	1.2	WA submit with IFR and all other documents specified in the FMFCL? (If no need to submit WA, IFR should also be submit quarterly for financial reporting purpose.)	N		Collect all the documents required before submit.
	1.3	IFR contain all the active Financing instruments?	N		Correct the information before submit.

COMPONENT	No.	STEPS	Y / N	Comments	FOLLOW UP ACTION
2. Sources Uses of Funds	2.1	Opening balances and its components (DA balance, Operation Account balance, petty cash) comply with supporting records (e.g. bank statements).	N		Correct the errors before submit. (Providing bank account report when needed)
	2.2	"Uses of Funds by category" comply with the amount in WA for justification?	N		1. Fill in "Uses of Funds by category" based on accounting records. 2. Correct WA according to IFR, cause IFR is the supporting document.
	2.3	In each column of "Uses of Funds", total number "by category" equal to "by component"?	N		Correct the number in IFR based on accounting records.
	2.4	Closing balances calculated in IFR comply with supporting records (e.g. DA bank statements, Operation Account bank statement, petty cash).	N		Correct the errors before submit.
	2.5	Cumulative figures per category, minus expenditures of the quarter reconcile with IFAD records (Status of Funds report available in ICP)			Check your accounting records and previous WAs. If your accounting is correct, contact your Finance Officer at IFAD
	2.6	The amount of the closing balance is the same for all periods (quarter, year and cumulative)			Check your IFRs as there will be a mistake either in the opening balances or in the uses of funds

COMPONENT	No.	STEPS	Y / N	Comments	FOLLOW UP ACTION
	2.7	Cumulative figures comply with previous IFRs.	N		<p>1. Correct the errors before submit.</p> <p>2. Use the same method to check cumulative numbers in "cash forecast" and "variance analysis".</p> <p>Reviewing method:</p> <p>a) "Yearly cumulative in this quarter's IFR" = "Yearly cumulative in previous quarter's IFR" + "Funds used in this reporting quarter" (For Q1 IFR, yearly cumulative equal to quarterly number).</p> <p>b) "Inception to date cumulative in this quarter's IFR" = "Inception to date cumulative in previous quarter's IFR" + "Funds used in this reporting quarter"</p>
3. Cash Forecast	3.1	Cash forecast comply with approved AWPB?	N		<p>1. Check reasonableness of cash forecast with AWPB by both category or component.</p> <p>2. Correct errors or explain reasons if not comply with.</p> <p>Reviewing method:</p> <p>a) For Q1 and Q2 IFR "Cash Forecast in next 2 quarters" + "Yearly cumulative expenditure" not exceed this year's AWPB budget.</p> <p>c) For Q3 IFR d) "Cash Forecast in Q4" + "Yearly cumulative expenditure" not exceed AWPB budget "Cash Forecast in next Q1" not exceed next year's AWPB budget by both category or component.</p> <p>c) For Q4 IFR "Cash Forecast in next 2 quarters" not exceed next year's AWPB. This year's cumulative expenditure not exceed this year's AWPB.</p>
	3.2	The direct payment and Reimbursement methods had been already deducted from the cash forecast?	N		<p>Check the direct payment in "cash forecast" and make sure it was correct.</p> <p>2. Check the formula, make sure the direct payment was deducted for calculating "DA additional Advance".</p>
	3.3	WA amount equal to or less than the IFR "Cash Forecast" result "DA additional Advance for next 2 quarters"?	N		<p>1. Reduce the amount in WA according to IFR cash forecast, or</p> <p>2. Correct the cash forecast if it's lower than the actual need.</p>

COMPONENT	No.	STEPS	Y / N	Comments	FOLLOW UP ACTION
4. DA activity	4.1	"DA activity Part 1" comply with project's historical records?	N		Correct "DA activity Part 1" accordingly. Reviewing method: a) Cumulative funds received, is all the funds received from IFAD , including Direct Payment (add all the amount in WAs). b) Cumulative expenditures can be linked from "Sources and Uses of Funds". c) Theoretically, the result in "Part 1" would equal to "Total closing balance" + "The reporting quarter's expenditure" (unjustified expenditure).
	4.2	"DA activity" Part 2 comply with Part 1?	N		1. Correct the errors. 2. Explain the difference. Reviewing method: a) All the numbers were linked from "Sources and Uses of Funds". b) Ideally, the result in Part 2 should equal to Part 1, if there's any difference, it should be explained at the bottom of "DA activity".
	4.3	Funds received and expenditure in "DA activity" equal to the amount in "Sources and Uses of Funds"?	N		Correct the errors before submit. The amount in "DA activity" can be linked from "Sources and Uses of Funds".
5. Variance analysis	5.1	The planned number comply with approved AWPB?	N		Correct the errors according to AWPB.
	5.2	The formulas are correct?	N		1. Correct the errors. 2. Make sure all the required variance analysis is in IFR. Reviewing method: a) Actual expenditures link from "Sources and Uses of Funds". b) Variance calculation is correct. c) Percentage calculation is correct. d) IFR contain all the required variance analysis: "quarterly" "yearly cumulative" "inception to date cumulative".

Annex 6: Appendix 1

Financial: actual financial performance by financier; by component and disbursements by category

Table 1: Financial performance by financier (US\$ '000)

Financier	Appraisal	Disbursements	Percent disbursed
IFAD Grant			
Government			
Beneficiaries			
Other financiers (one line each, if any)			
Total			

Table 2: Financial performance by financier by component (US\$ '000)

Component	IFAD grant			Government			Beneficiaries			Other financiers (one column each, if any)			Total		
	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%

Table 3: IFAD Grant disbursements (US\$, as at)⁶

Category	Category description	Original Allocation	Revised Allocation	Disbursement	W/A pending	Balance	Per cent disbursed
I							
II							
III							
IV							
	Initial deposit						
	Total						

⁶ One additional table will be added for each co-financier if relevant

Annex 7: Vehicle Log

Vehicle registration number _____ Assigned driver _____

Date	Time		Mileage		Trip		Fuel purchase		Driver signature	Responsible staff
	Departing	Arrival	Departing	Arrival	Destination	Purpose	Mileage	Quantity		

Vehicle History Record

Vehicle registration number _____ Assigned driver _____

Date	Repairs			Service & maintenance			Insurance			Fitness tests	
	Description of repair	Garage	Cost	Description of service	Garage	Cost	Type	Period covered	Cost	Checked by	Cost

Report accidents in the space below, providing all relevant details for each occurrence:

a) Date:	
b) Name of driver:	
c) Damage to NPCU vehicle:	
d) Injuries (indicate name of victims and describe injuries):	
e) Place:	
f) Circumstances:	
g) Damage to other vehicles:	
h) Insurance settlement:	

Annex 8: Interim Financial Reports

Report I: Cash Forecast for Next 2 Quarters				
RLRP				
Interim Financial Report No.				
Financing Instrument:				
For the Period:			To	
			IFAD Grant	
Disbursement Category	Ref	Next Reporting Quarter	Following Reporting Quarter	Total for 2 Reporting Quarters
		A	B	C
		USD		
Forecast by Category:				
1	Category 1			-
2	Category 2			-
3	Category 3			-
4	Category 4 (etc.)			-
Total	I	-	-	-
Forecast by Component:				
1	Component 1			-
2	Component 2			-
3	Component 3			-
4	Component 4 (etc.)			-
Total	(must be equal to I)	-	-	-
Total Cash Forecast Expenditure	III	-	-	-
Less: Planned Direct Payments/Reimbursements	IV	-	-	-
Net projected expenditure from DA	V=III-IV			-

Report II: Summary of Sources and Uses of Funds - DA Account				
RLRP				
Interim Financial Report No.				
Financing Instrument:				
For the Period:		TO		
Description	REF	IFAD Grant		
		Quarter	Year	Inception
			To-Date	To-Date
		A	B	C
USD				
Sources of Funds:				
DA Opening Balances				
Operating account opening balance				
Petty cash opening balance				
Funds received				
Total Cash Available	I	-	-	-
Uses of Funds by Category:				
		<i>Actual for Qtr</i>	<i>Actual for FY</i>	<i>Actual since inception</i>
Category 1				
Category 2				
Category 3				
Category 4 (etc.)				
Total Funds Used by Categories	II	-	-	-
Uses of Funds by Component:				
Component 1				
Component 2				
Component 3				
Component 4 (etc.)				
Total Funds Used by Component (must be equal to II)	III	-	-	-
Category not yet identified/Adjustment/advance, if any	IV			
Closing Cash Balances:	V=I-II-IV	-	-	-
Represented by:				
DA Closing Balance				
Operating account Closing Balance				
Petty cash Closing Balance				
Total Closing Balance (must equal V):	VI	-		

Report III: Designated Account Activity Statement		
RLRP		
Interim Financial Report No.		
Financing Instrument:		
For the Period:	9-Jan-1900	9-Jan-1900
PART I		
	IFAD Grant	Remarks
	USD	
PART I (Advances and Expenditure)		
1. Cumulative Advances into the DA by IFAD to the end of Reporting Quarter	-	
2. Cumulative Expenditure justified by IFAD until the end of previous reporting Quarter	-	This should match with IFAD records. In case of any differences between project figures and justified figures as per IFAD records, it has to be explained in Line 11 below.
3. Outstanding Advances to be accounted for (Line 1 minus Line 2)	-	This should match with IFAD records.
PART II (DA Activity)		
4. DA balance at beginning of Reporting Quarter	-	
5. Advances by IFAD during the Quarter	-	
6. Add/Subtract - Cumulative Adjustments (if any)	-	If not zero, please provide explanation
7. Sub total of Advances and Adjustments (Line 5 plus Line 6)	-	
8. Outstanding Advances to be accounted for (Line 4 plus Line 7)	-	
9. DA balance at end of Quarter	-	
10. Expenditure incurred during the Reporting Quarter	-	
11. Add/Less - Adjustments (if any)	-	If not zero, please provide explanation
12. Total expenditure reported (net of adjustments) (Line 10 plus Line 11)	-	
13. Total Advance accounted for: Add Line 9 and Line 12	-	
14. Difference if any (Line 8 minus Line 13)	-	If not zero, please provide explanation
PART III (CASH FORECASTS)		
15. Total Forecasted amount for subsequent 2 Quarters	-	
16. Planned Direct Payments, Reimbursements, if any	-	
17. Net Forecasted Expenditures from Designated Account (Line 15 less Line 16)	-	
18. Closing DA balance at the end of reporting Quarter after adjustments	-	
19. WAs submitted but not yet credited, if any.	-	If not zero, please provide explanation
20. WA received after the end of the quarter (for emergency advances only)	-	If not zero, please provide explanation
21. Replenishment Requirement for Subsequent 2 Reporting Quarters (Line 17 minus Line 18 to 20)	-	
PART IV (SUMMARY OF WITHDRAWAL APPLICATION)		
22. Amounts to be justified against the expenditure incurred during current quarter	-	This amount is to be submitted as justification through the "WA for justification" <i>(this line could be not considered for emergency advances applications)</i>
23. DA Additional Advance - Cash requirement for Subsequent 2 Reporting Quarters, if required.*	-	This amount is to be submitted through a separate "WA for advance" to request this additional advance
Explanation for Line 2 (if not matching with IFAD records):	FMR & AW Ref.	
Supporting documents for rejected expenses had been submitted to IFAD for reconsiderations		
Explanation for Line 6 (if not zero):	FMR & AW Ref.	
Explanation for Line 11 (if not zero):	FMR & AW Ref.	
Supporting documents for rejected expenses had been submitted to IFAD for reconsiderations		
Explanation for item 14 (if not zero):	FMR & AW Ref.	

Report IV: Variance Analysis of Use of Funds by Quarter				
RLRP				
Interim Financial Report No.				
Financing Instrument:				
For the Period:	<u>0-Jan-1900</u>	TO	<u>0-Jan-1900</u>	
	IFAD Grant			
	Planned	Actual Expenditure from DA	Direct Payment/Reimbursements	Execution rate
	A	B	C	E
	<i>Ref: AWP/Forecast</i>	<i>Actual for the Quarter</i>	<i>Actual for the Quarter</i>	<i>(B+C)/A</i>
	USD			%age
Expenditure by Categories:				
Category 1		-		
Category 2		-	-	
Category 3		-	-	
Category 4 (etc.)		-	-	
TOTAL I	-	-	-	
Expenditure by Components:				
Component 1		-		
Component 2		-	-	
Component 3		-	-	
Component 4 (etc.)		-	-	
TOTAL II (must be equal to I)	-	-	-	
<i>* Note: Provide reasons if the quarterly execution rate equal +/- 10% from the planned amounts</i>				

Report V: Variance Analysis of Use of Funds - FY							
RLRP							
Interim Financial Report No.							
Financing Instrument:							
For the Period:	1-Jul-2021	To	0-Jan-1900				
IFAD Grant							
	Planned	Actual Expenditure from DA	Direct Payment/ Reimbursements	Balance	Forecast	Variance*	Progress
	A	B	C	D=A-B-C	E	F=D-E	G=(B+C)/A
	Ref. AWP/ Forecast	Actual Cumulative year to date	Actual Cumulative year to date	AWPB Available Balance	Cash Forecast for next 2 quarters	Variance b/w AWPB Balance and Cash Forecast	Actual Progress against AWPB
USD							%age
Expenditure by Categories:							
Category 1		-		-	-	-	
Category 2		-	-	-	-	-	
Category 3		-	-	-	-	-	
Category 4 (etc.)		-	-	-	-	-	
TOTAL I		-	-	-	-	-	
Expenditure by Components:							
Component 1		-	-	-	-	-	
Component 2		-	-	-	-	-	
Component 3		-	-	-	-	-	
Component 4 (etc.)		-	-	-	-	-	
TOTAL II (must be equal to I)		-	-	-	-	-	

* Note: Provide reasons if the Cash Forecast is over and above AWPB Balance (i.e. the Forecast includes the Quarter 1 of the Subsequent AWPB)

Report VI: Variance Analysis of Use of Funds - Cumulative						
RLRP						
Interim Financial Report No.						
Financing Instrument:						
For the Period:		<u>Since Inception</u>	<u>TO</u>	<u>0-Jan-1900</u>		
		IFAD Grant				
		Planned	Actual Expenditure from DA	Direct Payment/ Reimbursements	Balance	Progress
		A	B	C	D	E
		<i>As per Project Design</i>	<i>Actual Cumulative todate</i>	<i>Actual Cumulative todate</i>	<i>A-B-C</i>	<i>D/A</i>
		USD				
						%age
Expenditure by Categories:						
Category 1			-			
Category 2			-	-		
Category 3			-	-		
Category 4 (etc.)			-	-		
TOTAL	I	-	-	-		
Expenditure by Components:						
Component 1			-			
Component 2			-	-		
Component 3			-	-		
Component 4 (etc.)			-	-		
TOTAL	II (must be equal to I)	-	-	-		

6.3 GOOD GOVERNANCE FRAMEWORK

6.3.1 Government Initiatives

112. The FGS has taken many bold steps to reduce corruption and ensure good governance, backed by the following major laws:
113. The 2012 Provisional Constitution of the FRS, in which Article 111C provides for the establishment of an independent, impartial, representative and inclusive Anti-Corruption Commission, with a mandate to: (i) investigate allegations of corruption that implicate the public sector, including conducting inquiries at its own discretion even without a complaint; (ii) promote and strengthen measures to prevent and combat corruption more efficiently and effectively; (iii) advance, facilitate and support international co-operation related to anti-corruption policies; and (iv) promote integrity, accountability, and proper management of public matters and property. The Anti-Corruption Commission has powers to: prevent, investigate and publish corruption allegations; freeze, seize, confiscate or return any gains from criminal activity; support the adoption of such laws and other measures necessary to effectively prevent and prosecute criminal offenses relating to corruption. The scope of the Anti-Corruption Commission includes issues relating to: corruption of national or foreign public officials and officials of public international organizations; embezzlement, misappropriation or other diversion by a public official of any public or private property; trading in influence; abuse of functions and illicit enrichment.

6.3.2 Programme Measures for Good Governance

114. To address the concerns about the corruption potential in the Programme, the design of RLRP incorporates the following measures:
- a) Transparency of information: Enhanced disclosure provisions will be done through: (i) making all key documents public, (ii) informing all bidders promptly of contract awards and bid evaluation summaries; (iii) allowing representatives of end-users of the goods or works being procured to attend the public bid openings; (iv) making available the details of all contracts awarded; and (v) making available the date of request for all contract payments and the date of each payment, with an explanation of the reason for any delays.
 - b) Participation and consultation: Establishing a complaint handling mechanism (and the use of sanctions), whereby community members and the general public can channel complaints or inquiries e.g. through the use of mobile phone text messaging. Complaints and inquiries will be systematically recorded and answered. The Programme will also post complaints on the Programme's website so that case processing will be more transparent. Designated staff at the NPCU and SPCUs will handle complaints and respond in a timely manner.
 - c) Monitoring and oversight: The Programme will establish an operational M&E system from the community to the national level to proactively monitor and report on programme activities and performance across the result chain (including financial and physical progress). There will be an in-depth and intensive supervision to ensure the successful implementation of the FM arrangements and at least one on-site FM visit during one of the semi-annual supervision missions. Alternatively, a separate mission by a consultant complemented by desk-based review of financial and internal audit reports will be done every year. Annual meetings will be held to review the Programme performance, and during the Country Programme review, lessons learned and best practices will be shared among programme staff and government counterpart agencies. There will be annual assessments of service providers by CDAs and EIGs to feed into the annual project planning process. The Programme will be subject to independent and external auditing in line with IFAD procedures and requirements.

6.3.3 IFAD Support for Good Governance

115. In support of the Government's Good Governance Agenda, IFAD avails the implementers of the Programme the following guidelines:

- a) In exercise of its fiduciary responsibility to ensure that Programme funds are used only for the intended purposes, the Country Director, the FMD, the AUO, and the LEG will all perform their statutory functions in the implementation of the Programme.
 - b) The Lead Agency shall inform IFAD when a candidate or tenderer is guilty of misrepresentation in supplying the information required as a condition of participation in the procedure or if they fail to supply this information, or when a contractor financed from IFAD funds has been found guilty of making false declaration or committing substantial errors, irregularities and fraud. Without prejudice to the power of IFAD to exclude an entity from future contracts and grants financed by IFAD, financial penalties may be imposed by the Government according to its own rules and procedures. In the event of failure to comply with the above provisions the relevant expenditures may be declared ineligible for funding by IFAD, at the latest before the acceptance of the Programme Completion Report (PCR).
 - c) If IFAD determines that any amount of the IFAD financing disbursed to the Borrower has not been used exclusively in accordance with the requirements of the Financing Agreement, the Borrower shall, promptly upon receipt of notice of declaration of non-eligibility from IFAD, refund to IFAD such amount in US\$.
 - d) To ensure that procurement under the Programme is not only conducted in an ethical, transparent and fair manner, but it is seen to be conducted that way, the IFAD Procurement Guidelines require that no person or entity shall use his/her/its authority, position or office for personal gain, which will be defined as soliciting, accepting or otherwise benefiting from anything of material value, in any form, either in person or indirectly through close relatives or associates, as a result of procurement financed by IFAD. Benefits include but are not restricted to gifts, services, favours or hospitality. Borrower officials engaged in procurement have a duty to: (a) maintain and enhance the reputation of the Federal Republic of Somalia by maintaining the highest standards of honesty and integrity and professional competence in all their relationships; and (b) respect the confidentiality of information gained in the course of duty and not use such information for personal gain or for the unfair benefit of any bidder, supplier or contractor.
 - e) Any IFAD staff member or official of the Borrower involved in Programme procurement activity shall: (a) not accept any business gifts from current or potential suppliers, contractors or consultants unless such gifts are of very small intrinsic value such as a calendar or business diary; (b) refrain from accepting any business hospitality that might be viewed by others as having an influence in making a business decision as a result of accepting that hospitality; and (c) promptly report and refer any cases of irregular practices which include but not limited to fraud and corruption as defined in IFAD's Fraud Policy 2018 (see Appendix X) by a colleague, bidder, supplier, contractor or consultant to IFAD and national authorities as required.
 - f) Any public official of the Borrower involved in Programme procurement activity shall declare any personal interest that may affect, or might reasonably be deemed by others to affect impartiality in any matter relevant to his duties (conflict of interest). Upon being aware of such a situation arising or having the potential to arise, the officials concerned should immediately recuse themselves from any aspect of the procurement process to avoid being placed in a position of conflict. Where there is doubt that a conflict of interest or potential conflict of interest may exist or arise, IFAD may be consulted for advice or guidance. Where IFAD becomes aware of a situation where a conflict of interest may have existed but was not declared then this is sufficient grounds to declare mis-procurement in line with IFAD Procurement Guidelines.
116. Corruption in procurement may manifest in the form of non-adherence to IFAD procurement guidelines and a capacity gap in new states' officers. These risks will be mitigated by emphasizing: (i) capacity-building for procurement staff; and (ii) regular monitoring, oversight, supervision, training and sanctions.

CHAPTER 7 – PLANNING, MONITORING AND EVALUATION, LEARNING AND KNOWLEDGE MANAGEMENT

7.1 INTRODUCTION

1. The main objectives of Programme Monitoring and Evaluation (PME) are to: (i) provide timely and accurate information on progress of programme implementation, as well as constant feedback into the system for decision making and addressing potential plan deviations and problem areas; (ii) evaluate the performance of implementing agencies and service providers; and (iii) assess the Programme's achievements at the outcome and impact levels. Therefore, M&E is critical for effective and efficient utilization of resources in order to achieve the Programme's outputs and development objectives.
2. M&E will be directly linked to planning since the quality of an M&E system depends on the quality of the planning framework. Planning provides the basis for implementation, M&E and reporting, while M&E can only be carried out and will be meaningful if plans with clear objectives and targets exist. The coherent PME system for the RLRP will provide the basis for results-based programme management. The PME system will be further closely linked to the Knowledge Management and Communication (KMC) system and both systems will be integral parts of the Programme's overall Management Information System (MIS). The KMC system will be domiciled in the PME Unit of the NPCU, but closely link with the M&E units of the SPCUs.

7.1.1 The Management Information System

3. The Programme will work with a MIS service provider to establish a reliable chain system for data storage, retrieval, transformation and use at all levels in a manner to cause flow of information along the data collection and utilization chains and make Programme performance information accessible to users to stimulate knowledge sharing. Other key elements of the Programme's MIS will include: FM system; human resources/service provider data base; data storage system – all of which will be properly linked in a platform to show coherency and flow in result data and result stream.

7.1.2 Levels of PME

4. PME activities will be implemented at three main levels: (i) planning and internal monitoring of implementation progress by each of the relevant implementing partners and service providers, based on the indicators in the Logical Framework and M&E Plan, and targets set in the AWPBs; (ii) participatory PME activities which give Programme beneficiaries a key role in planning for results, including formulation of indicators and assessment of outcomes, as well as full participation of the staff and key stakeholders in the preparation of the AWPB each year. These will be facilitated by the relevant implementing partners/service providers involved in the implementation or by a specialized service provider; and (iii) impact assessments conducted by a specialized service provider.

7.1.3 Establishment of a PME System

5. The NPCU and SPCUs will be responsible for setting up an effective PME System during the first six months of Programme implementation which includes fine-tuning the M&E Plan, reviewing the indicators in the logframe for SMART and validity in meeting programme objectives, developing a performance monitoring plan (PMP) and defining logistics for data collection, in consultation with the main Programme stakeholders (see Appendix X).
6. The PME System, which is a part of the integrated PME/KMC system will provide: (a) timely and accurate information on implementation progress and constant feedback for decision making and addressing potential plan deviations and problems during implementation; and

(b) the basis for assessing the achievement of Programme results. The logframe and M&E Plan⁷ may be revised at a later stage if required.

7.2 PROGRAMME PLANNING

7. The NPCU will involve the key stakeholders (SPCUs, DPLOs and selected private sector operators) in the preparation of the Programme’s overall Work Plan and Budget (OWPB) and the review of the first AWPB. The NPCU will also review, if necessary, the logframe, following the start-up workshops. The AWPB will define outputs and activities with their related indicators and targets, as well as responsibilities and input requirements for the first year. Appendix x presents the outline of an AWPB for guidance.

7.2.1 The AWPB planning and preparation process

8. Stages in the preparation of the AWPB: The logframe approach and a bottom-up approach will be applied to planning Programme interventions at all levels (including CDPs and EIG plans), actively involving the beneficiaries in the formulation of activities and indicators. The first AWPB has been prepared drawing mainly on the provisions of the cost tables in the PDR and the guidelines in the Financing Agreement. Subsequent AWPBs shall be prepared in the following stages:

- a) The NPC issues guidelines and standard forms to assist each implementing agency in defining its activities and the estimated costs
- b) The implementing agencies submit to the NPC for the attention of the PME Specialist, their planned activities together with a summary that explains and justifies the focus for the year. The NPCU reviews the plans and budgets, seeks clarifications from the implementing agencies where needed and enters the activity and budget data into the computer along with appropriate activity/agency codes
- c) The PME Specialist in collaboration with the Financial Controller consolidate: (a) the activity schedules into tables with planning information on activities/outputs/budget/text summarizing the focus for the year and explaining any proposed deviations from the Programme design; and (b) the budget information into budget summary tables
- d) The consolidated AWPB is submitted by the NPC for approval by the NSC and IFAD and integration into the Budget Estimates of FGS.

9. Responsibilities in preparing the AWPB: At District level, DPLO facilitates the development of the CDPs by the communities. The CDPs are cleared by the Director of Agriculture of the District, as the basis for all Programme interventions at the district level. This process keeps the district officials aware of the implementation plan, and provides feedback to the district authority to ensure the internalization of the Programme activities and achievement in the district development effort. The SPCU will consolidate the district plans and send the overall State AWPB to the SPSC for approval. The State AWPBs will be submitted to the NPCU for consolidation at least two months before the start of the next programme year and sent by the NPCU to the MoAI for approval and to IFAD for no-objection. IFAD reviews the draft AWPB within one month and provides its view (either by giving a no-objection or providing comments to the NPCU). If no response is received from IFAD after two months, the NPCU will regard that IFAD has no-objection to the submission and proceeds with implementation.

10. AWPB preparation calendar: Subsequent AWPBs shall be prepared to correspond with the FGS budget calendar as indicated in Table X.

Table X: AWPB preparation calendar and responsibilities

Deadline	Activity	Responsibility
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⁷ The M&E Plan will specify for each indicator: baseline and target values, data requirements, data source, collection method and frequency of data collection, responsibilities for data collection, and use of information.

April 30	<ul style="list-style-type: none"> Annual review workshop at State level 	NPCU, SPCU, implementing partners, service providers
May 7	<ul style="list-style-type: none"> Annual review workshop at National level 	
May 15	<ul style="list-style-type: none"> Distribution of annual guidelines for planning, budgeting and reporting for the following financial year. 	National Programme Coordinator
June 15	<ul style="list-style-type: none"> Preparation of revised work plans and budgets for the current year by all parties. 	NPCU, SPCU, implementing partners
July 15	<ul style="list-style-type: none"> Preparation of draft NPCU AWPB 	NPCU
July 15	<ul style="list-style-type: none"> Preparation of EIG business plans and CDP 	CDA, EIGs, O&M committees, etc
August 1	<ul style="list-style-type: none"> Preparation of District Plan, consolidated State Plan 	DLPOs, SPCU
August 15	<ul style="list-style-type: none"> Submission of consolidated State Plan to SPSC and approval of consolidated State Plan 	SPCU and SPSC
September 1	<ul style="list-style-type: none"> Consolidation of AWPBs for following year. Submission of AWPB to NSC and then to IFAD 	NPCU
November 1	<ul style="list-style-type: none"> IFAD approval 	Country Director
November 5	<ul style="list-style-type: none"> Submission of AWPB for inclusion on MoAI's annual estimates 	NPCU, MoAI
November 15	<ul style="list-style-type: none"> Submission of budget to Parliament 	MoAI
January	<ul style="list-style-type: none"> Approval of budget by National Assembly. Budget releases. 	MoAI
January 31	<ul style="list-style-type: none"> Inform implementing parties of allocations. 	NPCU

7.3 PROGRAMME M&E FRAMEWORK

7.3.1 Results Monitoring Framework

11. The Programme will adopt a result chain framework. Programme results are expected at three different levels which are reflected in the Programme logframe: (i) the PDO as the aggregated long-term impacts of the Programme on the beneficiaries; (ii) Outcomes as the short- and medium-term effects of the Programme resulting from the use of Programme outputs by beneficiaries (e.g. improved performance of groups and institutions); and (iii) Outputs which result from the implementation of Programme activities and use of inputs. At each level, indicators have been developed and integrated into the Results Monitoring Framework (RMF). Using the IFAD Operational Results Management System (ORMS) the RLRP logframe comprises relevant Core Indicators, and a few programme specific indicators.
12. The indicators will be operationalized in the form of an M&E Plan prior to the start of the AF. The Programme will use the result framework of the PMP to simplify the M&E process, harmonize the definition of the indicators, develop data collection protocols and templates, quality assurance process and data transmission process. The existing PMP is expected to be adapted for use in the three new states.

7.3.2 Core Principles Guiding the M&E System

13. The Programme M&E system is guided by the following principles:
 - e) Establishment of a sound planning framework (logframe) with a limited number of indicators that can be monitored in a timely manner and at reasonable cost;
 - f) Use of simple M&E processes, structures and instruments, including a tailor-made M&E software with a simple user interface which can be adjusted to make M&E information accessible to key stakeholders in a timely manner;
 - g) Alignment with existing M&E frameworks at national, state and district level to strengthen the link between the Programme and MoAI, Prime Minister's Office (PMO), and their

counterparts in the participating FMSs/districts and avoid duplication of efforts. The Programme databases will become an integral part of the MoAI databases;

- h) Timely collection of baseline data for key indicators in the logframe as specified in the M&E Plan;
- i) Integration of KMC in all aspects of Programme PME to encourage feedback and reflection on results for effective adaptive management including replication and up-scaling of successes; and
- j) Provision of adequate resources for capacity building of stakeholders involved in PME activities at all levels, with a focus on participatory PME approaches.

7.3.3 Surveys and Review/Evaluation Studies

- 14. Baseline surveys: During 2024, baseline surveys will be undertaken to assess the situation and establish benchmarks against which the outcomes and impact on the beneficiaries would be assessed in the FMSs and districts. Baseline data will also be collected in the process of preparing the CDPs which will assess: (i) the scope, capacity, and development needs of the main community institutions; (ii) markets, agro-processing enterprises and technologies (including constraints and potentials), critical infrastructures and services; and (iii) needs for capacity building for district staff, service providers and beneficiaries. The baseline must capture the situation of the indicators, social and economic standing as well as infrastructure situations at start-up.
- 15. Annual programme implementation reviews will be carried out, involving implementers at all levels and key stakeholders to analyse and review lessons and challenges. The reviews will be linked with the AWPB planning processes to ensure that lessons lead to improved implementation. In addition, regular implementation support missions from IFAD will be undertaken. All reviews especially from the MTR must place emphasis on capturing successes including innovations, and devising ways to replicate them or upscale them.
- 16. Periodic special (thematic) studies and impact assessment studies may be carried out as appropriate (as indicated in the M&E Plan) to assess the performance of thematic areas like gender, production/productivity/income, and knowledge management, as well as the impact of Programme interventions on the rural households engaged in farming, value addition and off-farm economic activities. Two impact surveys will be conducted – mid-term and end of programme.
- 17. Midterm review: A joint (IFAD/Government) MTR will be undertaken, during the second quarter of 2027. The main objectives will be to assess: (i) Programme achievements against targets; (ii) interim Programme impact; (iii) efficiency and effectiveness of programme management; (iv) sustainability arrangements; (v) innovations arising from implementation; (vi) scalability of successes; and (vii) in general the validity of programme design. The MTR will strongly review Programme performance on draw-down of IFAD loan and develop solutions to the challenges that limit disbursement performance. The MTR mission will also identify constraints encountered during implementation and propose measures to overcome them. On the basis of its findings, the MTR mission will adjust approaches, activities and/or implementation arrangements for the remaining programme life and suggest any changes to the PIM, if required. This may include revising the logframe, M&E Plan and cost tables, if necessary. The Programme will engage a consultant to undertake internal review for inputs to the main MTR. The MTR team for the main review will comprise the Government and IFAD, engaged experts from within and outside Somalia as well as key actors in the Programme from the private sector. IFAD will initiate the process of the joint MTR and lead the mission.
- 18. Programme completion report: At the end of RLRP, the NPCU will liaise with the MoAI to prepare an internal PCR, which will include an assessment of the achieved versus the planned outcomes and impact, to be submitted to Government and IFAD within three months after Programme completion. The process to prepare the PCR will include a stocktaking of innovations, lessons and good practice. The PCR will also assess to what

extent programme knowledge and experience have been captured, analysed and documented for wider dissemination and possible scaling-up of Programme interventions. This PCR will provide the basis for IFAD's PCR which will focus on an assessment of: (i) Programme effects and impact; (ii) sustainability of the Programme effects; (iii) potential for scaling-up of Programme activities; and (iv) lessons learnt in terms of Programme implementation and recommendations for upcoming resilient food and nutrition programmes. IFAD will engage a consultant to lead the PCR mission.

19. Outcome monitoring of programme development: The M&E Unit will, together with concerned implementing partners, monitor systematically once a year the evolution of productivity at the farm, processing levels as well as the performance of the market outlets for farmers produce/products throughout the life of the Programme. The Output and Activity Monitoring Format reflected in Appendix X provides overall guidance on monitoring of programme activities and results emanating from implementation. The MoF and the PMO will exercise oversight functions in the M&E process.

7.3.4 Monitoring and Evaluation of Infrastructure Sub-projects

20. Service providers and beneficiaries will play a key role in the M&E of infrastructure sub-projects. Within six months after completion of each sub-project, a post-implementation evaluation of the sub-project will be carried out by a contracted independent body under the overall responsibility of the SPCU. The evaluation will be carried out in close consultation with the respective local communities and involve beneficiaries and relevant service providers/contractors. The evaluation will assess the achievement of sub-project objectives and draw lessons for the design and implementation of future infrastructure sub-projects. Specifically, the evaluation will focus on the following key outcome/impact indicators: (i) level of satisfaction of beneficiaries with sub-project outcomes, based on a beneficiary assessment rating (e.g. level of increased productivity or market access as a result of the sub-project); and (ii) number of people with increased access to assets or services resulting from the sub-project⁸. In addition, the evaluation will examine technical and management aspects of the sub-projects, in particular with regard to appropriateness, sustainability and potential risks, as well as their environmental impact.

7.3.5 Reporting

21. Each implementing partner and service provider will submit to the SPCU regular progress reports which will be compiled and submitted to the NPCU as state progress reports on a quarterly basis. The NPCU will consolidate these reports into the Programme's overall half-yearly and annual progress reports to be submitted to IFAD. The half-yearly and the annual progress reports will be presented at the NSC and SPSC meetings and provide the basis for adjustments of the current AWPB, if necessary, as well as for the preparation for the next year's AWPB. Service providers will also submit a Work Plan and Budget to the SPCU on a quarterly basis.
22. The half-yearly and annual progress reports will provide key qualitative and quantitative information on Programme progress including:
 - a) a descriptive and analytical account of achievements relative to original targets;
 - b) an assessment of Programme outcomes and impact on annual and cumulative basis; (c) implementation problems and reasons for plan deviation; and
 - c) proposals for corrective measures.
23. The NPCU/SPCUs will conduct periodic field checks and verifications on a random basis through independent auditors or other service providers. Annual reports will reflect cumulative progress, compliance with legal requirements and reconciliation of the expenditures. All Programme reports will substantially account for the performance of the Programme on the logframe. Progress reports must also reflect gender disaggregated data.

⁸ Disaggregated by gender and beneficiary group.

The PME Advisor in the NPCU will be responsible for initiating all baseline, thematic and impact surveys as well as reviewing TORs from other staff to ensure that they are result focused and responsive to the Programme development objective.

7.3.6 Operational Results Management System (ORMS)

24. ORMS reporting to IFAD: This is an online reporting that accounts for programme performance and represents an annual stock taking. The PME Specialist in the NPCU is responsible for compiling and sending the information to IFAD by 15 March of every year using the format in Table X. It is one of the compulsory reporting deliverables for all IFAD programmes every year and reflects a measure of management effectiveness. The M&E Specialist shall work with the M&E committees at all levels to produce and submit the ORMS report to IFAD. Usually it is produced from existing data on programme performance that were collected during the previous year.

Results Hierarchy	Indicators				Means of Verification			Assumption	Project Yr. 2024			Project Yr. 2025		
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility		Year Targets	Year Results	Cumulative	Year Targets	Year Results	Cumulative
	People trained in infrastructure management				Progress report	Annual	NPCU							
	Males-Number	0	150	300				150	100	166	60	47	213	
	Females-Number	0	75	150				30	35	49	30	10	59	

25. Indicator-based report: In addition to the ORMS report, the Programme management will comply with indicator-based reporting in the submission of various progress reports to the ICO. Table x and the explanation that comes after it are indicative of the indicator-based report format and quality.

Table X: Indicator based reporting

1.1.1: ORMS Core indicator (it could be programme indicator or IFAD Core indicator)	People trained in infrastructure management	Measured in Males/Females
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Definition: This is the number of males/females that participated in training events held during the period under review. It refers to the number of people trained in techniques for management and/or maintenance of rural infrastructure.

7.4 LEARNING AND KNOWLEDGE MANAGEMENT

7.4.1 Programme Knowledge Products and Learning Processes

26. The Programme will package and disseminate information to the respective stakeholders in the appropriate formats (e.g. brochures, studies, articles, newsletter, TV and radio programmes), using the central KMC platform established by the ongoing programmes under the leadership of the Country Team. The Programme will also develop an online information system which will focus its services on market information, technologies, training materials and CDAs/EIGs and disseminate the information through a web portal. This knowledge sharing process will be supported by a well-focused series of workshops and learning events. In addition, the Programme will use relevant institutions like commodity groups, apex groups, stakeholders' forum and inter-professional bodies as

mechanisms for learning and knowledge exchange among the IFAD-supported programmes and between them and other in-country programmes. The KM learning and sharing will be strongly linked to the M&E system.

7.4.2 Knowledge Networking.

27. The RLRP will collaborate with and benefit from available framework of IFAD grant agreement with institutions on learning, KM facilitation and capacity building events globally, and in the NEN Region in particular. The knowledge platforms will be important fora for the Project to build and share approaches, tools, methodologies, technologies and best practices on VC development for youth with staff of IFAD-funded projects and other experts working on agriculture-related projects in the region and globally.

7.5 INSTITUTIONAL ARRANGEMENTS

28. The PME Specialist at the NPCU will be in charge of overall coordination of KMC activities, in close collaboration with the NPC and the SPCs, the M&E Officer at the FMS level, and the other NPCU/SPCU staff⁹, the technical specialists and service providers. This will include supervising the work of specialized service providers who will be contracted to implement specific KMC activities, and carry out most of the surveys. The PME Specialist and OME Officers will also be responsible for making subsequent adjustments during the programme life as required, supported by short-term experts and service providers.

Other main functions of the PME Specialist and the PME officers include: (i) facilitating the mainstreaming of programme KMC activities into the national and state processes; and (ii) contributing to and coordinating KMC capacity building, including coaching and mentoring, at national, state and LGA level and service providers. The main area for which service providers will be contracted is information and communication technology (ICT) development and maintenance, including database development and maintenance.

⁹ See Appendix X for Terms of Reference.

Annex 1: Terms of Reference of NPCU and SPCU staff

Annex 1.1. National Programme Coordinator Specialist

Main Responsibilities

The National Programme Coordinator (NPC) will be responsible for the overall management and implementation of the Rural Livelihoods Resilience Programme (RLRP). S/he will also be responsible for managing the team of experts within the NPCU and ensuring their performance and that of the service providers hired to implement programme activities. A key element of the position will be to ensure that the programme achieves its development objectives.

Specific Duties

- Secretary to the secretariat of the National Steering Committee (NSC) for RLRP.
- Responsible for the coordination of implementation of the programme among the participating FMS.
- Provide guidance to the Programme Staff at both the national and FMS levels.
- Liaise with other relevant programmes and technical departments in the public sector and private Sector.
- Consolidate the FMS' Annual Work Plan and Budget (AWPB) and submit to the MoAI and IFAD for approval.
- Oversee the contracting of support staff and consultants.
- Supervision and coordination of the State Programme Coordination Unit (SPCU)
- Convene monthly management meetings and periodic meetings with the staff.
- Ensure timely delivery of quality reports (AWPB, semi-annual reports, financial statements, audit reports, ORMS data, etc.) to the NSC and IFAD.
- Coordinate supervision missions and other assessment missions and ensure the implementation of recommendations.
- Organize impact evaluation, beneficiary assessment, Mid-Term Review and Final Evaluation of the programme.

Reporting and Location

The position will be in the NPCU office located in Mogadishu. The NPC will report directly to the Minister of the (Federal) Ministry of Agriculture and Irrigation (MoAI) or his/her representative.

Qualification and Experience

- Masters or higher-level University degree in Agriculture, Agricultural Economics or other relevant discipline.
- Minimum of 10 years' post-qualification experience, including at least 6 years in agriculture-related management position, preferably in donor-assisted projects.
- Proven record in the field of project preparation, coordination and supervision of agricultural and rural development projects.
- Good writing skills and computer literacy.

Annex 1.2. Nutrition and Social Inclusion Specialist

Main Responsibilities

1. Coordinate and lead the targeting process with appropriate guidance and process to reach the vulnerable, poor, women, youth and other priority disadvantage groups in the Programme area and ensure their meaningful participation and share of benefits from Programme interventions
2. Monitor progress in such areas and ensure evidence on progress is regularly reported to the Programme Director and Steering Committee

3. Integrate Nutrition, Gender, Youth, Targeting in the M&E system, in the AWP/Bs and Progress reports and in the social inclusion/gender strategy of RLRP
4. Implement the targeting strategy of RLRP by identifying implementation arrangements, risks and mitigation measures and analyse data to ensure that there are no adverse impacts on target groups as a result of programme
5. In close collaboration of the PMU staff, develop a gender and social inclusion strategy, including implementation mechanisms, to ensure opportunities to support gender equality and women's empowerment and facilitates youth and women's participation in subsequent interventions; for promoting youth engagement in project activities and ensuring the benefits reaches the target groups.
6. Undertake regular capacity assessment and provide capacity-building for staff at the field level, PMU, implementing partners and service providers on targeting, gender, youth and nutrition.
7. Contribute to the knowledge development by generating lessons/cases studies on targeting, gender and inclusion and others.
8. Responsible for the overall content and the links with other external knowledge on targeting, gender, nutrition, youth and social inclusion.
9. Together with M&E and knowledge management staff, establish an M&E system that captures data and analyses disaggregated data on gender, youth, socio-ethnicity, poverty status, IDPs. The Specialist will support the M&E Specialist in the design and conduct of specific studies aimed at an in-depth at assessing the manner in which project activities may have contributed to the socioeconomic empowerment of women and the youth. Also, he/she will play a role in ensuring that the intended target groups are being effectively reached by the project in the manner intended, through the regular analysis of outreach data.
10. Provide technical assistance and guidance to field level staff in the implementation of gender, youth and nutrition sensitive interventions and nutritional challenges in programme areas
11. Oversee the set up and implementation of the project's grievance redress mechanism including beneficiary feedback system that is accessible to all segments of the population. This will be closely coordinated with the Social Safeguards Specialist.
12. Ensure that targeting, youth, gender and nutrition-related activities are budgeted and that financial resources are allocated and reflected into all the Annual Working Plan & Budget during implementation
13. Develop localised training materials on the relevance of improved nutrition and gender to climate resilient productivity, sustainable value chains and livelihoods diversification. On nutrition, this should include a specific measures and actions on early childhood nutrition and steps to improve the nutritional status of children and teenage girls.
14. Serve as a focal point for communication between the programme and others working on issues of targeting, gender, youth, nutrition and social inclusion in government, implementing agencies, other development projects and IFAD.
15. Participate in the development of detailed TORs and tender documents of national, third party and local service providers to various project components to ensure that target groups will be able to participate effectively in all components and meet the programme's targets
16. Analyse opportunities to work with key partners, including in policy engagement on nutrition, gender, youth, IDPs and related domains

Experience & qualifications Required.

1. At least 10 years work experience in the development sectors and with demonstrated results on socio-economic mobilization, gender, youth, nutrition and social inclusion issues in agriculture.
2. Experiences in capacity building on gender, youth, community mobilization, business skills etc.
3. Experiences that demonstrate creativeness, innovativeness and entrepreneurial skills
4. Experience in projects integrating targeting and social inclusion considerations across components/activities and M&E
5. Possesses high quality attributes on leadership, facilitations and coaching
6. Good spoken and written in Somali and English.
7. Proven skills in staff and budget management, networking and external communication.
8. Good interpersonal skills and capacity to work effectively as part of a team.
9. Highly motivated and committed to poverty alleviation and gender and social inclusion issues.

Somalia

Rural Livelihoods Resilience Programme

Project Design Report

Annex 9: Integrated Project Risk Matrix (IPRM)

Mission Dates: 20/06/2023 - 13/07/2023

Document Date: 31/10/2023

Project No. 2000004325

Report No. 6602-SO

Near East, North Africa and Europe Division
Programme Management Department

Overall Summary

Risk Category / Subcategory	Inherent risk	Residual risk
Country Context	High	Substantial
<i>Political Commitment</i>	<i>Moderate</i>	<i>Low</i>
<i>Governance</i>	<i>High</i>	<i>Substantial</i>
<i>Macroeconomic</i>	<i>High</i>	<i>Substantial</i>
<i>Fragility and Security</i>	<i>High</i>	<i>High</i>
Sector Strategies and Policies	Moderate	Moderate
<i>Policy alignment</i>	<i>Low</i>	<i>Low</i>
<i>Policy Development and Implementation</i>	<i>Substantial</i>	<i>Moderate</i>
Environment and Climate Context	Substantial	Moderate
<i>Project vulnerability to environmental conditions</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Project vulnerability to climate change impacts</i>	<i>Substantial</i>	<i>Moderate</i>
Project Scope	Substantial	Moderate
<i>Project Relevance</i>	<i>Moderate</i>	<i>Low</i>
<i>Technical Soundness</i>	<i>Substantial</i>	<i>Moderate</i>
Institutional Capacity for Implementation and Sustainability	High	Substantial
<i>Implementation Arrangements</i>	<i>High</i>	<i>Substantial</i>
<i>Monitoring and Evaluation Arrangements</i>	<i>Substantial</i>	<i>Moderate</i>
Project Financial Management	High	High
<i>Project Organization and Staffing</i>	<i>High</i>	<i>Substantial</i>
<i>Project Budgeting</i>	<i>High</i>	<i>Substantial</i>
<i>Project Funds Flow/Disbursement Arrangements</i>	<i>High</i>	<i>Substantial</i>
<i>Project Internal Controls</i>	<i>High</i>	<i>High</i>
<i>Project Accounting and Financial Reporting</i>	<i>High</i>	<i>Substantial</i>
<i>Project External Audit</i>	<i>High</i>	<i>High</i>
Project Procurement	Substantial	Substantial
<i>Legal and Regulatory Framework</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Accountability and Transparency</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Capability in Public Procurement</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Public Procurement Processes</i>	<i>High</i>	<i>High</i>
Environment, Social and Climate Impact	Moderate	Low
<i>Biodiversity Conservation</i>	<i>Moderate</i>	<i>Low</i>
<i>Resource Efficiency and Pollution Prevention</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Cultural Heritage</i>	<i>Low</i>	<i>Low</i>
<i>Indigenous People</i>	<i>Low</i>	<i>Low</i>
<i>Labour and Working Conditions</i>	<i>Moderate</i>	<i>Low</i>
<i>Community Health and Safety</i>	<i>Substantial</i>	<i>Low</i>
<i>Physical and Economic Resettlement</i>	<i>Low</i>	<i>Low</i>
<i>Greenhouse Gas Emissions</i>	<i>Moderate</i>	<i>Moderate</i>
<i>Vulnerability of target populations and ecosystems to climate variability and hazards</i>	<i>Substantial</i>	<i>Moderate</i>

Risk Category / Subcategory	Inherent risk	Residual risk
Stakeholders	Substantial	Moderate
<i>Stakeholder Engagement/Coordination</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Stakeholder Grievances</i>	<i>Substantial</i>	<i>Moderate</i>
Overall	Substantial	Moderate

Country Context	High	Substantial
Political Commitment	Moderate	Low
<p>Risk:</p> <p>At the IFAD Governing Council in February 2023, the President reaffirmed the commitment of the FGS to support an enlarged IFAD programme in Somalia with PBAS resources and supplementary funding. However, the commitment of the FMS to such an expanded IFAD programme has not been ascertained as security restrictions have prevented direct interactions between IFAD and the FMS. Moreover, some FMS are still seeking to be politically independent of the FGS.</p>	Moderate	Low
<p>Mitigations:</p> <p>Tripartite agreements and memorandum of understandings between IFAD, FGS and FMS are to be established to facilitate and ownership to the appropriate implementation of project activities. Further consultations with FGS, and if possible the FMS, to clarify IFAD development focus in Somalia, will reduce the residual risk to low.</p>		
Governance	High	Substantial
<p>Risk:</p> <p>The governance structures, law and order were weakened by 30 years of conflict, and there are recurring violent conflicts between the clans and with Al Shabaab. Corruption is perceived to be high in this fragile situation. The new government that took office in 2022 is working towards state building and rebuilding economic governance institutions. The clearance of the debt arrears to IFAD, AfDB, IMF and IDA have restored Somalia's access to regular concessional financing and the prospects of support to governance capacity building.</p>	High	Substantial
<p>Mitigations:</p> <p>The residual risk is expected to reduce with the envisaged capacity building interventions to raise the country's current governance index above 2.41, and its ranking of 129 out of 137 countries. The country is now nearly at the end of the HIPC interim period, and Completion Point is anticipated in the last quarter of 2023. Initiatives by the government to fast-track all legislative milestones as required by the international financial institutions and strengthen relevant institutions' capacities have been met. In the 2nd quarter of 2023, the IMF concluded its 5th review and announced that Somalia had reached its staff-level agreement on the Extended Credit Facility (ECF). Somalia is planning to implement a Post-HIPC and Post-ATMIS strategy that is expected to enhance the country's governance structure</p>		
Macroeconomic	High	Substantial
<p>Risk:</p> <p>The COVID-19 of 2020-2021 and the ongoing Russia-Ukraine conflict that started in 2022 adversely affected macroeconomic stability and growth in Somalia due to: (i) the country's weak baseline economic context, (ii) the reliance on external markets for food and agricultural and industrial inputs, (iii) reduced volume of remittances which had served as a social safety net, (iv) the spike in cost of electricity and transport due to increased fuel price, arising from the Russia-Ukraine conflict; and (v) high internal insecurity.</p>	High	Substantial

<p>Mitigations:</p> <p>RLRP will build resilience capacity in small-scale agro-pastoralists to improve food production, incomes, and food and nutrition security in an inclusive context of youth and women. Focus is on: (i) the capacity building of the community institutions for governance, the extensive capacity building of the target group, especially women and youth, and relevant government staff; (ii) support to Government for development of conducive policies for resilient agricultural development; (iii) mainstreaming new technologies to increase productivity; and (iv) improving access to local markets and financial services. import substitution.</p>		
<p>Fragility and Security</p>	High	High
<p>Risk:</p> <p>With a Fragile States Index of 110.9 in 2021 and 110.5 in 2022, Somalia has been considered one of the three most fragile countries since 2007. The drivers of fragility still prevail: ethnic divisions and violent struggles for power and resources that have lasted for 30 years; some FMS seeking to be independent of FGS; weak governance and institutional capacity; poverty; youth unemployment; youth radicalization; the Al-Shabaab and Islamic State insurgencies; weakened community institutions that support rural livelihoods; drought and flood; and large displacement of people within Somalia and to neighbouring countries, because of conflict or drought.</p>	High	High
<p>Mitigations:</p> <p>The RLRP will take off from states and districts that are considered less violence-prone based on a rapid analysis of incidences of violence. Other areas will be sequenced into the target areas based on the regular review of the situation and further developments.</p>		
<p>Sector Strategies and Policies</p>	Moderate	Moderate
<p>Policy alignment</p>	Low	Low
<p>Risk:</p> <p>The Somalia National Development Plan (NDC-9) envisages economic growth and greater employment opportunities by transforming traditional industries, such as livestock and crop production, and adapting them to climate change, while inducing growth in the private sector and social inclusiveness. The policies are developed with participation of stakeholders. The draft Agriculture Development Strategic Plan (2022-2026) also aligns with IFAD priorities of improving productivity of smallholder farmers through introduction of improved crop varieties adapted to the local environment, development of value chains and ensuring adequate infrastructure for production including irrigation support.</p>	Low	Low
<p>Mitigations:</p> <p>There are no risks that national policies may not be relevant to IFAD and beneficiary needs.</p>		
<p>Policy Development and Implementation</p>	Substantial	Moderate
<p>Risk:</p> <p>Somalia is currently developing most of its policies as a new administration has recently been in office. The NDC-9 identifies critical areas to address to include climate change and agriculture as an important entry to improving food security. The draft Agriculture Development Strategic Plan outlines the importance of reviving the agriculture sector. The major risks are inadequate capacity to implement policies, especially the regulatory aspects on seed, phytosanitary checks , Agriculture policies may not be relevant for IDPs where there is conflict between development and emergency support. The process of adoption of policies may take a long time.</p>	Substantial	Moderate

<p>Mitigations:</p> <p>RLRP will support policy engagement in the areas of agriculture development and may support evidence-based refinement and implementation of some policies. RLRP will also: build the capacity of public institutions to effectively implement the policies; support relevant interventions on entrepreneurship for IDPs; and involve communities in development planning and implementation. Somalia is equally developing a centennial vision (2060) and agriculture and food security form a big component. RLRP focus interventions are aligned with the government priorities in the sector. IFAD will actively participate in UNCT coordination activities and support the policy agenda with other stakeholders</p>		
Environment and Climate Context	Substantial	Moderate
Project vulnerability to environmental conditions	Substantial	Moderate
<p>Risk:</p> <p>RLRP is very vulnerable to the escalating environmental challenges that characterize the Somali landscape. Somalia's semi-arid climate, characterized by recurrent droughts, erratic rainfall, and prolonged dry spells, directly impacts the agriculture and livestock sectors upon which the project is focused. Moreover, these challenges are exacerbated by environmental degradation resulting from deforestation, overgrazing, and soil erosion coupled with weak environmental governance in the country, which undermine the long-term sustainability of the RLRP. However, the project is not expected to cause any irreversible or unprecedented social or environmental adverse impacts.</p>	Substantial	Moderate
<p>Mitigations:</p> <p>RLRP will promote environmentally responsible agricultural techniques, natural resource management, community governance, and the incorporation of climate adaptation measures. To address the possible environmental risks, the project will develop an Environmental and Social Management Plan that will comprise adequate mitigation measures; climate-smart agriculture practices and adaptation to climate change activities; and the necessary compliance with IFAD environmental, social and climate change safeguard procedures whilst seeking sustainable management of natural resources in the targeted regions.</p>		
Project vulnerability to climate change impacts	Substantial	Moderate
<p>Risk:</p> <p>Somalia is extremely vulnerable to the effects of climate change and extreme weather events. RLRP's effectiveness is inherently vulnerable to the impacts of climate change, which pose significant threats to the livelihoods of these communities. Rising temperatures, erratic rainfall patterns, prolonged droughts, and frequent extreme weather events exacerbate existing vulnerabilities in agriculture, water availability, and food security, potentially undermining the RLRP's objectives. These climate change impacts also heighten the risk of land degradation, desertification, and loss of biodiversity, further threatening the natural resource base upon which the project's interventions are built.</p>	Substantial	Moderate
<p>Mitigations:</p> <p>To mitigate such risks, the project's investments will be fully climate proofed during the design and implementation stages and climate adaptation measures will be mainstreamed across the project activities to enhance the resilience and improve the adaptation of target communities and investments. The project's interventions would not be expected to increase the vulnerability of target populations and resources to climate hazards. As the risk classification is Substantial, SECAP requires Climate Risk Analysis and Targeted Adaptation Assessment to be conducted for this project.</p>		
Project Scope	Substantial	Moderate
Project Relevance	Moderate	Low

<p>Risk:</p> <p>The RLRP is being implemented in an unpredictable context which is often associated with conflict, and vulnerability to climate change may hamper the abilities of farmers to sustainably produce. These changes may also consider moving towards emergency operations.</p>	Moderate	Low
<p>Mitigations:</p> <p>The design provides for communities to identify their challenges and pathways for improving their livelihoods, thereby ensuring that interventions are relevant. RLRP will partner with FAO SWALIM to provide early warning for disaster preparedness and will promote climate resilient enterprises. The design has a contingency measure to adjust the AWPB to deal with any disasters declared by the government to reduce complete loss in livelihood sources.</p>		
Technical Soundness	Substantial	Moderate
<p>Risk:</p> <p>There is limited technical capacity of the government due to insufficient know-how and availability of technical expertise. There is limited in-country assessment due to the insecurity, which may underestimate the major technical opportunities and challenges at hand.</p>	Substantial	Moderate
<p>Mitigations:</p> <p>Consultations have been made with relevant ministries to understand the needs, gaps and opportunities for livelihood improvement in the country. The team held meetings with implementing partners of supplementary funded projects, WB and FAO who also provided some lessons and areas of focus. At design, a design team comprised of technical specialists that have strong knowledge of the country context as relates to agro-pastoralism, IDPs and infrastructure development. The technical design: (i) drew on lessons learnt from current IFAD interventions and other development agents, (ii) simple, focusing on key issues of building capacity to address fragility to rural livelihoods, and (iii) ensures active participation and contribution of national, state and community partners. At the start-up phase and during the implementation period, the Programme will initiate capacity strengthening, in addition to those of the seconded MoAI and MoECC personnel to the NPCU, that will enable and enhance the effective delivery of the Programme activities.</p>		
Institutional Capacity for Implementation and Sustainability	High	Substantial
Implementation Arrangements	High	Substantial
<p>Risk:</p> <p>There is a potential substantial erosion of implementation capacity, due to the long period of crisis in Somalia, at the national level of the key ministries that are expected to be key implementers of the RLRP. At this PCN stage, it was not possible to undertake an assessment of the available human and material capacity on the ground because of security considerations. Another risk is that the RLRP will need to coordinate sector ministries that are used to operating independently of one another.</p>	High	Substantial
<p>Mitigations:</p> <p>The decentralisation of implementation to the state, district and community levels will help mitigate the low capacity at the national level. A third-party implementation arrangement is also foreseen to help build capacity. A detailed assessment of capacity building needs at design will guide the refinement of the capacity building needs of the government agencies. The design will further explore the actual capacity of the private sector which is said to be buoyant, to devise how private-public partnership and service provision would improve the implementation arrangements. Implementation capacity building of community institutions is a major focus under RLRP.</p>		
Monitoring and Evaluation Arrangements	Substantial	Moderate

Risk: The primary risks and challenges identified while preparing the concept note for M&E activities include: (i) insufficient data in the sector to provide an updated and comprehensive diagnosis, (ii) insufficient capacity in data management, and (iii) scattered data across different sources and institutions, making it difficult to access and generate official, aggregated data for the country	Substantial	Moderate
Mitigations: (i) collect secondary data from government statistics available, engage with key stakeholders in the sector and gather information for a design process; (ii) insufficient data management capacity: not applicable at this point; (iii) engage key stakeholders to establish a centralised data repository during the RLRP design process, committing each institution to contribute and share existing information among all stakeholders.		
Project Financial Management	High	High
Project Organization and Staffing	High	Substantial
Risk: MoAI does not have experience in managing donor supported projects and IFAD mission could not fully assess MoAI capacities and human resources that would be fully dedicated to the project financial management.	High	Substantial
Mitigations: Key FM staff will be competitively recruited. IFAD No Objection will be required before staff is appointed.		
Project Budgeting	High	Substantial
Risk: <ul style="list-style-type: none"> •There are capacity issues affecting Budget and Finance Committee (BFC) of Parliament. •The budget submitted for No Objection to IFAD may change along the way before parliamentary approval. •SFMS can only control the budget if properly configured to the detailed level of the project. 	High	Substantial
Mitigations: <ul style="list-style-type: none"> •To corroborate and reconcile yearly the project AWPB and the and the budget finally approved by parliament. •To ensure that SFMS is configured to a level to be able to ensure effective budget control at project level and report to IFAD accordingly. To always undertake budget vs actual analysis and especially pay particular attention to adverse variances. 		
Project Funds Flow/Disbursement Arrangements	High	Substantial
Risk: <ul style="list-style-type: none"> •Separate DA will be open but will be powered by SFMS as the payment platform. If SFMS fails, payments under RLRP will be affected. •Dealing with SPCUs can be challenging in terms of following up expenditure justifications and ensure eligibility of expenditures incurred at state level; •IFAD supervision and implementation support capacities may be limited by the security situation in country and therefore limit IFAD capacities to ensure that funds are spent for the project intended purposes. 	High	Substantial

<p>Mitigations:</p> <ul style="list-style-type: none"> •Ensure proper coding and customisation of SFMIS to meet the requirements and level of detail of RLRP. •IFAD will review the proforma reports produced by SFMIS before going live using RLRP transactions. •Imprest advances to the SPCUs will be retired after reviewing the related expenditure justifications. • The initial imprest advance will be small amount not exceeding USD 5,000 to be reviewed as the project gains experience. 		
Project Internal Controls	High	High
<p>Risk:</p> <p>In Somalia, Internal audit is still weak aspiring for a KPI score of a C by 2024. C is the second lowest score in PEFA ratings. IFAD mission was not able to directly assess MoAI capacities in terms of internal audit.</p> <p>Also IFAD supervision and implementation support capacities as well as auditors' capacities may be limited by the security situation in country and therefore limit IFAD capacities to ensure that funds are spent for the project intended purposes</p>	High	High
<p>Mitigations:</p> <ul style="list-style-type: none"> •Given the importance that internal audit in RLRP will be operating, provisions made to recruit an accounting firm to provide internal audit services for at least 10 days per quarter. •IFAD will rely if needed on third party supervisory body having access to project areas and ensuring that funds have effectively reached final beneficiaries. 		
Project Accounting and Financial Reporting	High	Substantial
<p>Risk:</p> <p>Under the area of financial reporting, Somalia is still aiming for very low PEFA based scores by 2024. For instance,</p> <ul style="list-style-type: none"> •Under KP1 6.1, financial data integrity FGS is targeting a D+; •Similarly for in-year budget reporting a very low aspiration for 2024 of is a D+ •For Annual Financial reporting a C is the target for 2024. This contradicts the much-acclaimed abilities of SFMIS although it is understood that some MDAs have not yet been rolled on SFMIS. 	High	Substantial
<p>Mitigations:</p> <ul style="list-style-type: none"> •Start-up events to include a proper configuration/ customisation of SFMIS well noting the country level challenges documented in Somalia Public Financial Management Road Map Action Plan 2021-2024. 		
Project External Audit	High	High
<p>Risk:</p> <p>According to the National Economic Council 2019), the OAG has been one of the weak pillars of Financial Integrity System in the country. Its overall performance has weakened over recent years, mainly due to deficiency in the legal framework, and inadequate financial and human resources. The lack of skilled professional staff, that have technical audit knowhow, has remained a major obstacle to its effectiveness.</p>	High	High
<p>Mitigations:</p> <p>As per country procedures, the OAG will recruit an accredited external audit firm to carry out RLRP audit reports. The audit missions will be carried out on the basis of IFAD non-objected TORs. These arrangements will be described in the project FMFCL. In addition, in order to build up the capacities of the OAG, IFAD will endeavour to include the OAG teams selected to audit RLRP either during missions, or in FM forums.</p>		
Project Procurement	Substantial	Substantial
Legal and Regulatory Framework	Substantial	Moderate

<p>Risk:</p> <p>Public procurement in Somalia is governed by the 'Public Procurement, Concessions and Disposal Act' (PPCDA), of 23rd November 2015, but (i) Standard bidding documents do not exist; (ii) in the absence of an independent assessment (e.g. PEFA), it is difficult to justify if procurement methods are applied appropriately; (iii) 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 some key procurement information e.g. publication of PP, complaints, blacklisted companies, Contract awards etc. is not published.</p>	Substantial	Moderate
<p>Mitigations:</p> <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 the 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 using existing project procurement systems (such as OPEN); (iv) a quarterly report shall be submitted to the implementing agency on a regular basis.</p>		
<p>Accountability and Transparency</p>	Substantial	Moderate
<p>Risk:</p> <p>The Somalia CPI score for 2022 by Transparency International was 12/100 and ranked 180th (of 180 countries assessed) in the world, and the last in Sub-Saharan Africa. (i) There is no system to manage complaints; (ii) Procedures for debarment are mentioned in Article 33 of the PPCDA. The Ministry of Finance should publish the list of debarred firms on own website. In addition, RLRP shall make Reference to World Bank Debarment System (https://www.undp.org/content/undp/en/home/operations/procurement/business/protest-and-sanctions/ineligibility-list/); (iii) 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.</p>	Substantial	Moderate
<p>Mitigations:</p> <p>(i) the project 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 under the RLRP shall be investigated as per the requirements of the IFAD anti-corruption policy.</p>		
<p>Capability in Public Procurement</p>	Substantial	Moderate
<p>Risk:</p> <p>(i) a procurement unit exists, but it has one employee with over 4 years of experience. The Finance Unit works with the procurement unit for preparing the annual budgets; (ii) 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; (iii) 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.</p>	Substantial	Moderate

<p>Mitigations:</p> <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 IFAD's project procurement systems (such as OPEN) will allow the systematic tracking of procurement activities throughout the project cycle; (iv) 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>Public Procurement Processes</p>	<p>High</p>	<p>High</p>
<p>Risk:</p> <p>The procuring entity (PE) is 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 Government's fiscal year and takes into account the Government's annual budget. (i) there are no means in place for monitoring and managing public procurement performance.</p>	<p>High</p>	<p>High</p>
<p>Mitigations:</p> <p>(i) given that Somalia is rated high risk in procurement, IFAD's procurement methods, thresholds and time-limits defined for the Project shall apply; (ii) the Project shall strictly adhere to AWPB and PP preparation according to IFAD templates and requirements; (iii) CM systems and framework shall be put in place and elaborated in PIM; (iv) Training on CM is required.</p>		
<p>Environment, Social and Climate Impact</p>	<p>Moderate</p>	<p>Low</p>
<p>Biodiversity Conservation</p>	<p>Moderate</p>	<p>Low</p>
<p>Risk:</p> <p>For Somalia's biodiversity and ecosystem services the key issues remain overgrazing, charcoal production, habitat losses and degradation, climate change effects, overexploitation, pollution, invasive alien species, civil war, and tsunamis.</p>	<p>Moderate</p>	<p>Low</p>
<p>Mitigations:</p> <p>RLRP will promote environmentally responsible agricultural techniques, natural resource management, community governance, and the incorporation of climate adaptation measures. To address the possible environmental risks, the project will develop an Environmental and Social Management Plan that will comprise adequate mitigation measures; climate-smart agriculture practices and adaptation to climate change activities; and the necessary compliance with IFAD environmental, social and climate change safeguard procedures whilst seeking sustainable management of natural resources in the targeted regions</p>		
<p>Resource Efficiency and Pollution Prevention</p>	<p>Substantial</p>	<p>Moderate</p>
<p>Risk:</p> <p>Resource efficiency and pollution prevention is highly interlinked with vulnerability of communities to climate change.</p>	<p>Substantial</p>	<p>Moderate</p>
<p>Mitigations:</p> <p>The project will promote best agricultural and agro-pastoral practices which will contribute to reduction of quantity of inputs needed to produce a given output as well as reduced production of by-products.</p>		
<p>Cultural Heritage</p>	<p>Low</p>	<p>Low</p>

<p>Risk:</p> <p>Construction of infrastructure in the RLRP will take place in close consultation with communities who during community consultation meetings will indicate the locations of the infrastructure to be constructed. Locally available and culturally acceptable materials shall be used to the extent possible.</p>	Low	Low
<p>Mitigations:</p> <p>Not applicable to this point.</p>		
<p>Indigenous People</p>	Low	Low
<p>Risk:</p> <p>Minority clans, vulnerable groups are part of RLRP's main target group. Their active involvement is needed for the project to reach its development objective. There is a risk of these groups not being adequately included in project activities given their social status under normal circumstances.</p>	Low	Low
<p>Mitigations:</p> <p>: CBO formation is usually undertaken when 80% of the community is present to ensure that all parts of society are included. Third party implementation will be present during CBO formation and first community meetings to ensure equitable participation and voice. A grievance redress mechanism will be established which allows minority clans and vulnerable groups to inform IFAD when their views were not taken into account.</p>		
<p>Labour and Working Conditions</p>	Moderate	Low
<p>Risk:</p> <p>The additional interventions for increased production under RLRP may potentially increase the workload of women and youth.</p>	Moderate	Low
<p>Mitigations:</p> <p>The labour-saving technologies (e.g. irrigation and simple post-harvest equipment) introduced by RLRP are likely to outweigh the workload factor. The risk dimension shall be further scrutinised during design.</p>		
<p>Community Health and Safety</p>	Substantial	Low
<p>Risk:</p> <p>The risk is that nutritional outcomes will not be achieved if participating beneficiaries do not use surplus production (e.g. crop production or milk production) for home consumption or sold in the market to purchase nutritional food.</p>	Substantial	Low
<p>Mitigations:</p> <p>Nutritional awareness sessions and education will be integrated in the nutrition sensitive value chain approach.</p>		
<p>Physical and Economic Resettlement</p>	Low	Low
<p>Risk:</p> <p>The RLRP shall not promote activities that lead to the resettlement of smallholder farmers. Small infrastructure to be constructed shall be done on sites identified by and accepted by the communities.</p>	Low	Low
<p>Mitigations:</p> <p>In case physical or economic resettlement needs to take place, the implementation of activities will be halted and a comprehensive resettlement plan shall be developed in line with IFAD guidelines.</p>		

Greenhouse Gas Emissions	Moderate	Moderate
<p>Risk:</p> <p>The project is not expected to contribute to an increase in GHG emissions, however some inefficient agricultural practices can undermine the overall project results.</p>	Moderate	Moderate
<p>Mitigations:</p> <p>The project will promote best production and/or agro-processing practices and relevant mitigation measures. Specifically, improved fodder and livestock production can help reduce the cost of negative externalities, such as desertification of arid areas, GHG emissions, and the incidence of zoonotic diseases.</p>		
Vulnerability of target populations and ecosystems to climate variability and hazards	Substantial	Moderate
<p>Risk:</p> <p>The country is extremely vulnerable to the effects of climate change and extreme weather events. Climate change poses significant threats to the livelihoods of these communities. Rising temperatures, erratic rainfall patterns, prolonged droughts, and frequent extreme weather events exacerbate existing vulnerabilities in agriculture, water availability, and food security, potentially undermining the objectives of the project. These climate change impacts also heighten the risk of land degradation, desertification, and loss of biodiversity, further threatening the natural resource base upon which the project's interventions are built.</p>	Substantial	Moderate
<p>Mitigations:</p> <p>To mitigate such risks, the project's investments will be fully climate proofed during the design and implementation stages and climate adaptation measures will be mainstreamed across the project activities to enhance the resilience and improve the adaptation of target communities and investments. The project's interventions would not be expected to increase the vulnerability of target populations and resources to climate hazards. As the risk classification is Substantial, SECAP requires Climate Risk Analysis and Targeted Adaptation Assessment to be conducted for this project.</p>		
Stakeholders	Substantial	Moderate
Stakeholder Engagement/Coordination	Substantial	Moderate
<p>Risk:</p> <p>The risks here are related to eroded government capacities due to decades of conflict. Many government entities have low technical capabilities, limited financial resources and few human resources to support stakeholder engagement and coordination. At the local level, some CBOs have filled the gap for a coordinating agency at the community level. However, there are no networks of these CBOs for knowledge sharing. Also, the CBOs usually do not have experience in coordinating value chain activities.</p>	Substantial	Moderate
<p>Mitigations:</p> <p>Multilateral agencies and the UNCT are stepping up efforts in stakeholder coordination. RLDP's capacity building activities with the government will ensure strengthening of capacities, allowing for better coordination of activities in the long run. Third party implementation will assist CBOs with coordination activities as well as supporting value chain interventions. IFAD's country team will support coordination of RLDP through the wider UNCT.</p>		
Stakeholder Grievances	Substantial	Moderate
<p>Risk:</p> <p>Conflicts could arise during programme implementation due to diverging views on the type of infrastructure to be selected in the community, CBO leadership and targeting of beneficiaries. Inadequate community buy-in can, in turn, affect the long-term usage and maintenance of infrastructure as well as the institutional sustainability of interventions.</p>	Substantial	Moderate

Mitigations:

Third-party implementation will apply best practices in community sensitization in order to ensure adequate selection of community infrastructure, leadership and targeting. Third-party implementation will be considered a "neutral" broker and hence allow stakeholders to give frank feedback on the interventions to be undertaken. A detailed targeting strategy will be developed at design in order to provide clarity on final beneficiaries. Under the auspices of the third-party implementer, a GRM will be established in line with IFAD guidelines.

Somalia

Rural Livelihoods Resilience Programme

Project Design Report

Annex 10: Exit Strategy

Mission Dates: 20/06/2023 - 13/07/2023

Document Date: 31/10/2023

Project No. 2000004325

Report No. 6602-SO

Near East, North Africa and Europe Division
Programme Management Department

Annex 10: Programme Exit Strategy (at design stage)

Activity to continue post-project	IFAD support end date	Who will take up the activity	Mechanisms for handover	Commitments from national actors to continue activity	Further inputs required (funds, trainings, seeds, etc)? Who will provide them?	Can this activity reach greater scale? How?	Comments
Development and implementation of rolling gender sensitive, climate and environmentally focused CDP, incorporating emerging opportunities and innovations	2031	From 2028 the District Council makes budgetary provision to support the CDAs in the district to implement their CDPs	Reflected in the PIM. At start-up, RLRP will negotiate with District Councils to take over IFAD contribution to the cost of the CDP on an increasing ratio from Year 5: 25%, 50%, 75%, and 100%, to reduce RLRP contribution	State Ministers of Agriculture at the Validation Workshop committed to support programme implementation for enhanced food security	From 2032, the District Council takes over the payment of stipends of the community facilitators (CFs) for refresher training of community members, and any SMS required to train the CFs for new opportunities	The CDP approach for community development needs can be extended by the District Council to new communities through peer support, learning visits	
Capacity building of community institutions (CDAs, EIGs and CSGs) for governance, O&M, and technical capacities for resilient livelihood and NRM	2031	From 2028, outstanding CDAs, EIGs and CSGs will act as peer service providers to train new community institutions	Reflected in PIM. Announcement by RLRP at start-up workshop	None	New communities benefiting from the training will pay stipends to the trainers as agreed	Not likely to be scaled beyond 2031 if there is no extension of RLRP or new funding to the programme area to support rural community institutions	
Capacity building of the community for disaster risk management of their livelihoods and natural resources	2031	From 2024, all the Community Disaster Risk Management Plans (CDRMPs) will be logged with the National Disaster Management Agency, to continue oversight after RLRP	Reflected in the PIM. Extracts of progress on implementation of the CDRMPs are filed annually with the National Disaster Management Agency	None	Depends on type and cost of projects after RLRP, which is further dependent on the actual disasters and risk assessments	Scale up depends on ownership generated with the National Disaster Management Agency	
Supporting access to production inputs and CSA technologies	2031	(a) Seed, to IFAD Seed Systems Project and seed companies (b) Chemicals and farm tools to private companies (c) GAP, to local service providers, including village-based advisors (d) Improved livestock breeds, to MoLFR	Reflected in the PIM. Agreements will be concluded during RLRP between the farmers and the input/CSA technology service providers	None	Farmers' access to productive inputs will be at market cost after 2031 through the partnership sources established during RLRP	With the confidence established between the farmers and service providers, scaling up is likely to new farmers	

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Annex 11: Grievance redress mechanism

1. **Grievance redress mechanisms (GRM)** provide a formal avenue for affected groups or stakeholders to engage with the project implementers or owners on issues of concern or unaddressed impacts. Grievances are any complaints or suggestions about the way a project is being implemented. They may take the form of specific complaints for damages/injury, concerns about routine project activities, or perceived incidents or impacts. Identifying and responding to grievances supports the development of positive relationships between projects and affected groups/communities, and other stakeholders.
2. IFAD-supported projects and programmes are designed in a participatory process thus taking into account the concerns of all stakeholders. IFAD works to ensure that all IFAD investments are implemented in accordance with the Fund's policies, standards and safeguards. IFAD considers it equally important that parties adversely or potentially adversely affected by IFAD-supported projects and programmes should be able to bring issues to the Fund's attention.
3. The IFAD's SECAP procedures outline requirements for grievance redress mechanisms for some projects. GRM should receive and facilitate resolution of the affected institutional or communities' concerns and grievances. These concerns should be addressed promptly using an understandable and transparent process that is culturally appropriate and readily acceptable to all segments of project affected communities, at no cost and without retribution nor fear. Mechanisms should be appropriate to the scale of impacts and risks presented by a project. Grievances can be an indication of growing stakeholder concerns (real and perceived) and can escalate if not identified and resolved. The management of grievances is therefore a vital component of stakeholder management and an important aspect of risk management for a project.
4. Management of Grievances in Somalia, some communities maintain their own community-based system for grievance redress. These structures are within the village structure through the existing village leadership and the Elders/clan Council. Village leadership involvement in grievance redress allows for swift resolution given their knowledge of the community (e.g. around ownership structures and local customs) and proximity to the community. Hence community-based approaches are prioritized and efforts are made by project counter parts to ensure that complaints are resolved at community. Residual grievances, which are not resolved within the traditional system, are resolved through a formal GRM.
5. Hence, IFAD's Grievance Redress Mechanism (GRM) can be accessed when necessary to manage project-related grievances that cannot be resolved by communities. The purpose of the GRM is to provide a complaints procedure for alleged non-compliance with IFAD's Social, Environmental and Climate Assessment Procedures (SECAP).
6. **IFAD's Complaints Procedures** aims to serve as an accountability mechanism with a clear entry point and transparent process for people and communities to raise concerns with IFAD-supported projects and to provide effective sustainable solutions. Its mandate is to: i) facilitate the resolution of complaints from people who may be affected by projects or subprojects in a manner that is fair, objective and constructive; ii) enhance the environmental and social outcomes of projects; and iii) foster public accountability and learning to enhance the environmental and social performance of IFAD and reduce the risk of harm to people and the environment. The Procedure is organized in two complementary functions:
 - a) Problem solving function: to help resolve issues raised about the environmental and/or social impacts of project through a neutral, collaborative, problem-solving approach and contribute to improved social and environmental outcomes of the project.
 - b) Impartial review function: to carry out reviews of IFAD's compliance with its SECAP and other related policies, assess harm done, and recommend remedial actions where appropriate.

Table 1: Management guide for GRM

Step	Process	Approach	Duration
1	Identify the grievance	Through direct reports to CFs, toll free phone number, letter, email, community general feedback	1-2 days
2	Assessment of the grievance and logging in in the appropriate file	Log book or files according to type of grievance Apply the significance of the complaint. Level 1- new Level 2- Repeated report or complaint Level 3- If complaint is related to breach of ESMF	3-5 days
3	Acknowledge receipt of the complaint / grievance using an appropriate communication method	Method of communication should meet the capacity of the complainant – phone call, through CFs etc	2-4 days
4	Investigate and develop a response	Assign the grievance to appropriate persons for seeking resolution and develop a response with input from management and relevant stakeholders.	3-14 days
5	Response is deliberated and signed off through the relevant hierarchy/ channels	Redress action is approved at appropriate levels	
6	Implementation of the feedback through appropriate communication channel	Redress action implemented and update of progress on resolution	14 days

2.1. Project-level GRM

7. The project team will establish communication channels at community level to file complaints. Contact information (including contact postal code, phone number and/or email) and information on the process to file a complaint will be disclosed in all meetings, workshops and other related events throughout the life of the project. RLRP will include in the capacity building program information on the GRM and will organize consultations to determine the most suitable way for beneficiaries and stakeholders to communicate their concerns and ideas.
8. Whenever a project causes negative environmental or social impacts there will be grievances (complaints) from people who are affected. "Having a good overall community engagement process in place and providing access to information on a regular basis can substantially help to prevent grievances from arising in the first place, or from escalating to a level that can potentially undermine project performance. In order to reduce conflicts, a robust grievance / complaints mechanism that meets at least the following 'effectiveness' criteria should be instituted:

- a) Legitimate: enabling trust from the stakeholder groups for whose use they are intended, and being accountable for the fair conduct of grievance processes;
 - b) Accessible: being known to all stakeholder groups for whose use they are intended, and providing adequate assistance for those who may face particular barriers to access;
 - c) Predictable: providing a clear and known procedure with an indicative time frame for each stage, and clarity on the types of process and outcome available and means of monitoring implementation;
 - d) Equitable: seeking to ensure that aggrieved parties have reasonable access to sources of information, advice and expertise necessary to engage in a grievance process on fair, informed and respectful terms;
 - e) Transparent: keeping parties to a grievance informed about its progress, and providing sufficient information about the mechanism's performance to build confidence in its effectiveness and meet any public interest at stake;
 - f) Rights-compatible: ensuring that outcomes and remedies accord with internationally recognized human rights; g) A source of continuous learning: drawing on relevant measures to identify lessons for improving the mechanism and preventing future grievances and harms; and
 - g) Based on engagement and dialogue: consulting the stakeholder groups for whose use they are intended on their design and performance, and focusing on dialogue as the means to address and resolve grievances.
9. Complaints must concern environmental, social and climate issues only and should not be accusations of fraudulent or corrupt activities in relation to project implementation – these are dealt with by IFAD's Office of Audit and Oversight.

Eligibility criteria:

10. To file a complaint for alleged non-compliance with IFAD's social and environmental policies and mandatory aspects of its SECAP, IFAD will consider only complaints meeting the following criteria:
- a) The complainants claim that IFAD has failed to apply its social and environmental policies and/or the mandatory provisions set out in SECAP.
 - b) The complainants claim that they have been or will be adversely affected by IFAD's failure to apply these policies.
 - c) Complaints must be put forward by at least two people who are both nationals of the country concerned and/or living in the project area. Complaints from foreign locations or anonymous complaints will not be taken into account.
 - d) Complaints must concern projects/programmes currently under design or implementation. Complaints concerning closed projects, or those that are more than 95 per cent disbursed, will not be considered.
11. Project-level GRM and guidelines may be further fine-tuned and sensitized during the implementation of RLRP taking into account IFAD's corporate Complaints Procedure to receive and facilitate resolution of concerns and complaints with respect to alleged non-compliance of its environmental and social policies and the mandatory aspects of its SECAP. The project will also be responsible for documenting and reporting to IFAD as part of the safeguards performance monitoring on any grievances received and how they were addressed.
12. Complaints can be raised directly to RLRP representatives at the district level in the concerned project area and the field team should help the complainant fill the complaint ensure the following information is included:

- a) Name and contact details of the person(s) (and/or their representative) or community affected by RLRP;
- b) Clear statement of RLRP adverse impact(s). This includes direct and material harm which can be actual present harm, or harm that is expected in the future; and
- c) Whether the complainants wish to keep their identity confidential.

2.2. The process

13. The complainants should first bring the matter to the attention of the government or non-governmental organisation responsible for planning or executing the project or programme (the Lead Agency/ service provider), or to any governmental body with the responsibility for overseeing the Lead Agency/ service provider. If the Lead Agency/ service provider does not adequately respond, then the matter may be brought to the attention of IFAD. The issue may be brought straight to IFAD if the complainants feel they might be subject to retaliation if they went to the Lead Agency directly.

Level 1

14. Affected beneficiaries and community members represented at Level 1 will be expected to submit their complaints in writing on standard forms or orally to the project representative directly or through their village council leader. The claimants will be assisted by the village leadership to put their complaints and claims in writing. At this level, received complaints will be registered, investigated and resolved by the project officer. Eligible complaints will be addressed by the implementing entity (see eligibility criteria below). The Project Coordinator and with support from the M&E Officer will be responsible for recording the grievance and how it has been addressed if a resolution was agreed.

Level 2

15. If the grievance is not resolved at the field level, it should be escalated to the central NPCU. Received complaints will be registered, investigated and solved by the NPCU together with (i) district level authorities and (ii) state level authorities. The Project Steering Committee should be made aware of the complaint and the measures being taken to address it. The Project Coordinator and the M&E Officer will be responsible for recording the grievance and how it has been addressed if a resolution was agreed.

Level 3

16. If the complaint has not been solved in level 2, the complaint must be submitted to IFAD by downloading the complaint form (<https://www.ifad.org/documents/38711624/40169860/IFAD+Complaints+Submission+Form+Final+Draft+%28Downloadable%29.docx/52c75cad-439f-4e4a-8a70-45056ebde826>) and sending an email to SECAPcomplaints@ifad.org or a mail to:

IFAD
 SECAP Complaints (PMD)
 Via Paolo di Dono 44
 00142 Rome, Italy

17. The full complaint procedure at IFAD is stipulated in the sections below.
18. Complaints can be submitted in any language by letter, e-mail and/or web form (available on IFAD's website). Any communication thereafter will be in English with a translation into the Somali language. Processing of *complaints* not submitted in English may require additional time due to the need for translation. IFAD will timely notify the complainant of any delays caused by translation.

19. When a complaint is received, IFAD will first assess its admissibility. For complaints to be considered, the following eligibility criteria must be met:
 - a) The complainant alleges that IFAD has failed to implement its social and environmental policies and/or the mandatory provisions set out in SECAP;
 - b) The complainant alleges that they have been or will be adversely affected or harmed (direct or material) as a result of such non-compliance; and
 - c) The complainant must be submitted by a group of at least two people (an organization, association, society, or other group of individuals) who are both nationals of the country concerned and/or residing in a RLRP target area.
20. The following complaints will not be considered eligible:
 - a) Matters not related to IFAD's actions or omissions in designing or implementing RLRP;
 - b) Matters already considered by IFAD's Complaints Procedure, unless complainants have new evidence previously not available to them and unless the subsequent complaint can be readily consolidated with the earlier complaint;
 - c) Submissions from foreign entities or anonymous;
 - d) Matters related to procurement of goods, services and consulting services;
 - e) Accusations of fraudulent or corrupt activities in relation to project implementation – these are dealt with by IFAD's Office of Audit and Oversight.
 - f) Allegations of fraud and corruption in IFAD-supported projects – these are dealt with by IFAD's Office of Audit and Oversight.
 - g) Matters that are frivolous, malicious, trivial, or generated to gain competitive advantage.
21. Allegations of sexual harassment, exploitation and abuse are dealt with through IFAD's existing policy to preventing and responding to sexual harassment, sexual exploitation and abuse, and are forwarded to IFAD's Ethics Office.

Retaliation

22. The key principle underlying IFAD's Complaint Mechanism is that every individual or group has the right to voice their criticism or file a complaint with relation to an IFAD-supported project without threats to their safety or fear of retaliation. IFAD expects its partners not to prevent or harm stakeholders who may (or have) criticised an IFAD-supported project or filed a complaint.
23. According to IFAD's Whistle Blower Protection Procedures, any retaliatory behaviour by IFAD personnel against an external party engaged in any dealings with IFAD because such person has reported unsatisfactory conduct and/or misconduct will be considered unsatisfactory conduct or misconduct.
24. During the project design and implementation process IFAD will inform stakeholders of its SECAP as well as of the Complaints Procedures in force. To this end, IFAD will ensure that stakeholders are aware that they can contact IFAD directly and file a complaint if they believe that they are, or will be, adversely affected by RLRP and that the NPCU, district level and state level authorities is/are not responsive to their concerns.
25. Hence, complainants can go directly to level 3 and send his/her complaint to IFAD if they fear retaliation from the executing agency(ies).

Receipt and Registration of Complaint

26. After receipt of a complaint, the SECAP Redress Service (SRS) in IFAD will ensure that an acknowledgement of receipt is sent to the complainant(s) within five business days. Complaints submitted in another language than English, may require additional time for

translation. The acknowledgement informs the complainant(s) the date by which IFAD will determine the eligibility of the complaint, and whether additional information is required.

27. Upon receipt, the SRS will verify whether the complaint is known and/or already being processed by the project-level grievance redress mechanism. If not, the SRS decides within 21 business days after the acknowledgement of receipt on the eligibility of the complaint, based on the criteria defined above. During this phase, further information may be requested from the complainant and/or the regional division to clarify the complaint. In case of partial or total ineligibility, the SRS will, if possible, advise the complainant on which alternative measures could be taken and/or to which institution the concerns may be addressed. In the case of full eligibility, the complainant will receive a notice with information on the next steps, and the complaint will be registered.
28. The SRS will also notify the following internal stakeholders regarding receipt of the complaint: the Country Director and other relevant staff including the Regional Director, Director Environmental, Climate, Gender and Social Inclusion Division (ECG), Director Sustainable Production, Markets and Institutions Division (PMI), Director Operational Policy and Results Division (OPR), Office of the General Council (LEG), Communications Division (COM), Office of Enterprise risk Management (RMO) and others as appropriate.

Assessment of Complaint

29. Once a complaint is deemed eligible and registered as such, the SRS will initiate the assessment process. During this phase, the SRS will set up a review group consisting of the Country Director, ECG representative, PMI representative and a LEG representative to carry out an assessment of the complaint to:
 - a) Develop a thorough understanding of the issues and concerns raised;
 - b) Engage with the Project Delivery Team (PDT);
 - c) Engage with the complainant, the Borrower and the NPCU;
 - d) Identify local communities and additional stakeholders as relevant;
 - e) Explain the different functions of the Procedure, their scope and possible outcomes to the parties involved; and
 - f) Determine whether the parties seek to initiate a problem-solving process or impartial review.
30. The assessment process is used to give the complainant(s), the Borrower, and the PDT an opportunity to ask questions and consult with the SRS to facilitate informed decision making and understanding of the Procedure. Typical activities during this phase include:
 - a) Review of project related documents;
 - b) Meetings with the complainant(s), Borrower, NPCU staff, and if relevant local government officials, representatives of civil society and other stakeholders;
 - c) Visit to the project site(s); and
 - d) Public meetings in the project area as necessary.
31. When planning a visit, the SRS will inform all parties upfront of its planning.
32. At the end of this phase, the Complainant(s) and the Borrower/Recipient/Partner decide whether they would like to proceed with the problem-solving process or an Impartial compliance review. If both parties agree to the problem-solving process, this will be started by the SRS. If there is no agreement, the complaint will be forwarded to the Impartial Review Function.
33. The assessment should be finalized within 120 business days after the registration of the complaint with an assessment report prepared by the SRS. The report should include:

- a) Summary of the information gathered and parties' perspectives of the issues raised;
 - b) Decision of the parties to pursue a problem-solving process or compliance review;
 - c) Action plan with timeframe for implementation, including appointment of mediator as relevant (see paragraph 27 below); and
 - d) Copy of the complaint, anonymized as necessary, as well as any Borrower's response that may be provided.
34. The report will be shared with all parties. Any comments should be received within 30 business days before the report is finalized and published (as necessary).

Problem Solving

35. If the parties agreed to a problem-solving procedure, the SRS will facilitate the process to help resolve issues raised about the environmental and/or social impacts of the project through a neutral, collaborative, problem-solving approach. During the assessment phase, it should have been clarified what problem-solving approach will be followed:
- a) Facilitation and information sharing: in case the complainant(s) raise(s) questions regarding existing or foreseen impacts of a project, the SRS may facilitate the involved parties to obtain the information and clarifications resulting in a resolution;
 - b) Mediation: a neutral third party who acts as a mediator may be appointed to assist the parties involved in voluntarily negotiate a mutually satisfying resolution; and
 - c) Fact-finding mission: the SRS may contract (an) external consultant(s) to conduct a fact-finding mission to examine the issues agreed upon by the parties to reach a common understanding and possible solution.
36. Engagement in the problem-solving process is in any case a voluntary decision and requires agreement between the complainant and the Borrower. Each party reserves the right to exit at any point in the process.
37. Any agreement reached following the problem-solving process should be specific in terms of objective, nature and requirements, and documented in written form (to be prepared by the SRS or involved mediator or consultant). The timeline for the process is to be defined in the assessment report, but in any case, the process should not take longer than 2 years. In pursuit of a solution, IFAD will not knowingly support agreements that would coerce one or more parties, be contrary to IFAD policies, or violate the domestic or international laws applicable.
38. Where an agreement is reached, the SRS will monitor the implementation of the agreement and share interim updates with the parties, IFAD management and on the website (as applicable).
39. Where there is no or only partial agreement reached, the SRS will verify whether the complainant(s) would like to transfer the case to the Impartial Review Function.

Impartial Review Function

40. In the case no or partial agreement is reached during the problem-solving process, or if decided during the assessment phase, the SRS will forward the case upon agreement of the Complainant(s) to the Impartial Review Function, based in the Office of the President and Vice-President (OPV).
41. Out of a roster of independent experts, a minimum of two will be contracted to review the complaint and lead the impartial review. The role of these independent experts is to carry out reviews of compliance with IFAD's SECAP and other relevant policies, assess related harm and recommend remedial actions where appropriate. The impartial review will consider

issues raised in the complaint or identified during the assessment process, but not those already resolved during the problem-solving process.

42. The Impartial Review should be finalized within a reasonable timeframe, no later than 2 years. The number of days to finish the review will depend on the complexity of the case (i.e. need for field visit, number of stakeholders involved), as well as the findings and conclusions of the review.
43. After completion, the independent experts will prepare a final report of their findings and in the case of non-compliance, specific actions to undertake. The report may also contain recommendations for IFAD on how to improve existing policies and/or procedures. After receiving internal comments, the (revised) draft report will be sent to the complainant(s) and the Borrower for fact checking. Comments should be received within 15 business days. The final report will then be prepared for disclosure to IFAD management and the Executive Board within 10 business days. IFAD management will provide a management response to the final report within 10 business days. The final report including the management response will be sent to the complainant(s) and a summary will be published at IFAD's website.
44. In cases where non-compliances are identified, the SECAP Redress Service will monitor the situation until actions are taken to assure non-compliance(s) are addressed.

Reporting and Information Disclosure

45. All information relevant to the case, including updates on the status and progress of the complaint process, to the extent possible and consistent with IFAD's disclosure policy, is shared with the complainant(s). In addition, IFAD will publish a case registry on its website. The registry will contain the following information in relation to eligible complaints:
 - a) A brief summary of the issues raised
 - b) Date of receipt
 - c) Date of registration
 - d) Project details
 - e) Information on the status
 - f) Link to available report(s)
 - g) The case registry will also contain information in relation to ineligible complaints, namely:
 - (i) Key issues raised
 - (ii) Date of receipt
 - (iii) Project details as above
 - (iv) Basis for ineligibility
46. Once a case is closed, IFAD will prepare a summary of the complaint, including follow-up actions and recommendations, taking into account privacy and confidentiality regulations and IFAD's disclosure policy, to be published on its public website. The summary will also be included in IFAD's Annual Report which is published on its website.

Resolution

47. Upon acceptance of a solution by the complainer, a document with the agreement should be signed.
48. In all cases, if the complainants disagree with IFAD's response, they may submit a request to SECAPcomplaints@ifad.org and request that an impartial review be carried out by the Office of the Vice-President. The Office of the Vice-President will decide on the steps to be

taken to examine such complaints, including, if necessary, contracting external experts to review the matter. The complainants will be informed of the results of the review. IFAD will include in its Annual Report a list of received complaints and a summary of actions taken to address them.

How to submit a complaint

49. A complaint relating to non-compliance with IFAD's Social and Environmental Policies and mandatory aspects of its SECAP can be submitted in any of the following ways:
- a) Download the complaints form (Word)
 - b) Send an email to SECAPcomplaints@ifad.org If you email or mail your complaint, please include the following information: Name, address, telephone number and other contact information
 - c) Whether the complainants wish to keep their identity confidential, and if so, why
 - d) Name, location, and nature of the IFAD project/programme (if known)
 - e) How the Complainants believe they have been, or are likely to be, adversely affected by the IFAD-supported project or programme Complaints sent by mail should be addressed to:

[IFAD](#)
[SECAP Complaints \(PMD\)](#)
[Via Paolo di Dono 44 144](#)
[00142 Rome, Italy](#)

Appendix 10 - Exit Strategy

annex	IFAD support end date	Who will take up the activity	Mechanisms for handover	Commitments from national actors to continue activity	Further inputs required (funds, trainings, seeds, etc)? Who will provide them?	Can this activity reach greater scale? How?	Comments
Development and implementation of rolling gender sensitive, climate and environmentally focused CDP, incorporating emerging opportunities and innovations	2031	From 2028 the District Council makes budgetary provision to support the CDAs in the district to implement their CDPs	Reflected in the PIM. At start-up, RLRP will negotiate with District Councils to take over IFAD contribution to the cost of the CDP on an increasing ratio from Year 5: 25%, 50%, 75%, and 100%, to reduce RLRP contribution	State Ministers of Agriculture at the Validation Workshop committed to support programme implementation for enhanced food security	From 2032, the District Council takes over the payment of stipends of the community facilitators (CFs) for refresher training of community members, and any SMS required to train the CFs for new opportunities	The CDP approach for community development needs can be extended by the District Council to new communities through peer support, learning visits	
Capacity building of community institutions (CDAs, EIGs and CSGs) for governance, O&M, and technical capacities for resilient livelihood and NRM	2031	From 2028, outstanding CDAs, EIGs and CSGs will act as peer service providers to train new community institutions	Reflected in PIM. Announcement by RLRP at start-up workshop	None	New communities benefiting from the training will pay stipends to the trainers as agreed	Not likely to be scaled beyond 2031 if there is no extension of RLRP or new funding to the programme area to support rural community institutions	
Capacity building of the community for disaster risk management of their livelihoods and natural resources	2031	From 2024, all the Community Disaster Risk Management Plans (CDRMPs) will be logged with the National Disaster Management Agency, to continue oversight after RLRP	Reflected in the PIM. Extracts of progress of the CDRMPs are filed annually with the National Disaster Management Agency	None	Depends on type and cost of projects after RLRP, which is further dependent on the actual disasters and risk assessments	Scale up depends on ownership generated with the National Disaster Management Agency	
Supporting access to production inputs and CSA technologies	2031	(e) Seed, to IFAD Seed Systems Project and seed companies (f) Chemicals and farm tools to private companies (g) GAP, to local service providers, including village-based advisors (h) Improved livestock breeds, to MoLFR	Reflected in the PIM. Agreements will be concluded during RLRP between the farmers and the input/CSA technology service providers	None	Farmers' access to productive inputs will be at market cost after 2031 through the partnership sources established during RLRP	With the confidence established between the farmers and service providers, scaling up is likely to new farmers	

Somalia

Rural Livelihoods Resilience Programme

Project Design Report

Annex 11: Mainstreaming themes – Eligibility criteria checklist

Mission Dates: 20/06/2023 - 13/07/2023

Document Date: 31/10/2023

Project No. 2000004325

Report No. 6602-SO

Near East, North Africa and Europe Division
Programme Management Department

Mainstreaming themes – Eligibility criteria checklist						
	<input type="checkbox"/> Be gender transformative	<input checked="" type="checkbox"/> Be youth sensitive	<input checked="" type="checkbox"/> Be nutrition sensitive	<input type="checkbox"/> Prioritize persons with disabilities	<input type="checkbox"/> Prioritize indigenous peoples	<input checked="" type="checkbox"/> Include climate finance <input checked="" type="checkbox"/> Build adaptive capacity
Situation analysis	<input checked="" type="checkbox"/> National gender policies, strategies and actors <input checked="" type="checkbox"/> Gender roles and exclusion/discrimination <input checked="" type="checkbox"/> Key livelihood problems and opportunities, by gender	<input checked="" type="checkbox"/> National youth policies, strategies and actors <input checked="" type="checkbox"/> Main youth groups <input checked="" type="checkbox"/> Challenges and opportunities by youth group	<input checked="" type="checkbox"/> National nutrition policies, strategies and actors <input checked="" type="checkbox"/> Key nutrition problems and underlying causes, by group <input checked="" type="checkbox"/> Nutritionally vulnerable beneficiaries, by group	<input type="checkbox"/> National policies, strategies and actors <input type="checkbox"/> Main groupings among PwDs <input type="checkbox"/> Context-based barriers and opportunities for PwDs	<input type="checkbox"/> International standards, national policies, strategies and key IPs' organizations <input type="checkbox"/> Main IPs communities, demographic, social, cultural and political characteristics <input type="checkbox"/> Important livelihoods constraints and opportunities for IPs and their cultural heritage	
Theory of change	<input checked="" type="checkbox"/> Gender policy objectives (empowerment, voice, workload) <input type="checkbox"/> Gender transformative pathways <input type="checkbox"/> Policy engagement on GEWE	<input checked="" type="checkbox"/> Pathways to youth socioeconomic empowerment <input checked="" type="checkbox"/> Youth employment included in project objectives/activities	<input checked="" type="checkbox"/> Nutrition pathways <input checked="" type="checkbox"/> Causal linkage between problems, outcomes and impacts	<input type="checkbox"/> Pathways to PwDs' socioeconomic empowerment using a twin-track approach	<input type="checkbox"/> Pathways to IPs' socioeconomic empowerment	
Logframe indicators	<input checked="" type="checkbox"/> Outreach disaggregated by sex, youth and IPs (if appropriate) <input checked="" type="checkbox"/> Women are > 40% of outreach beneficiaries <input type="checkbox"/> IFAD empowerment index (IE.2.1)	<input checked="" type="checkbox"/> Outreach disaggregated by sex, youth and IPs (if appropriate) <input checked="" type="checkbox"/> Persons with new jobs/employment opportunities (CI 2.2.1)	<input checked="" type="checkbox"/> Outreach disaggregated by sex, youth and IPs (if appropriate) <input checked="" type="checkbox"/> Targeted support to improve nutrition (CI 1.1.8) Outcome level CIs <input checked="" type="checkbox"/> CI 1.2.8 MDDW <input type="checkbox"/> CI 1.2.9 KAP	<input type="checkbox"/> Outreach disaggregated by sex, youth, disability and IPs (if appropriate)	<input type="checkbox"/> Outreach indicator disaggregated by sex, youth and IPs <input type="checkbox"/> IPs are > 30% of target beneficiaries	
Human and financial resources	<input checked="" type="checkbox"/> Staff with gender TORs <input checked="" type="checkbox"/> Funds for gender activities <input type="checkbox"/> Funds for IFAD empowerment index in M&E budget	<input checked="" type="checkbox"/> Staff with youth TORs <input checked="" type="checkbox"/> Funds for youth activities	<input checked="" type="checkbox"/> Staff or partner with nutrition TORs <input checked="" type="checkbox"/> Funds for nutrition activities	<input type="checkbox"/> Staff with disability inclusion-specific TORs <input type="checkbox"/> Funds for disability inclusion-related activities (including accessibility)	<input type="checkbox"/> Staff with IPs-specific TORs <input type="checkbox"/> Funds for IPs related activities, including FPIC	IFAD Adaptation Finance \$6,412,000 IFAD Mitigation Finance \$0 Total IFAD Climate-focused Finance \$6,412,000

ECG Remarks	Gender Nutrition Youth Persons with Disabilities Indigenous Peoples <input type="checkbox"/> No social inclusion themes
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Somalia

Rural Livelihoods Resilience Programme

Project Design Report

Annex: Annex 14 Stakeholder Engagement Plan

Mission Dates: 20/06/2023 - 13/07/2023

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Project No. 2000004325

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Near East, North Africa and Europe Division
Programme Management Department

RLRP STAKEHOLDER IDENTIFICATION AND ENGAGEMENT PLAN

I. Introduction

The Stakeholder Engagement Plan (SEP) is designed to ensure effective engagement between various stakeholders throughout the lifecycle of RLRP project. This plan will build on any other work which is being undertaken with regard to planning and impact assessment processes. The RLRP project will aim to maintain dialogue with the relevant government ministries, other stakeholders and selected local community groups and NGOs and international community.

Definitions

Consultation: Consultation involves information exchanges among the government, the Implementing Agency, the project executing agencies, and other stakeholders. Although decision making authority rests with the government, the Implementing Agencies, and the project executing agencies, periodic consultations throughout the project cycle help managers make informed choices about project activities. More important, it provides opportunities for communities and local groups to contribute to project design, implementation, and evaluation.

Public Involvement: Public involvement consists of three related, and often overlapping, processes: information dissemination, consultation, and stakeholder participation. Stakeholders are the individuals, groups, or institutions which have an interest or "stake" in the outcome of RLRP or are potentially affected by it. Stakeholders include the government; project executing agencies; groups contracted to carry out project activities and/or consulted at various stages of the project; project beneficiaries; groups of people who may be affected by project activities; and other groups in the civil society which may have an interest in the project.

Stakeholder participation: Where stakeholders collaboratively engage in the identification of project concepts and objectives, selection of sites, design and implementation of activities, and monitoring and evaluation of project outcomes. Developing strategies for incorporating stakeholder participation throughout the project cycle is particularly necessary in projects which have impacts on the incomes and livelihoods of local groups, especially disadvantaged populations in and around project sites (e.g., indigenous peoples, women, poor households)

1.1. Background

Somalia has been on a trajectory toward political stabilization and reconstruction. The sustained political, economic, and institutional reforms have enabled the rebuilding of core state functions, though the country's fiscal position remains largely supported by official development assistance, remittances, and foreign direct investment. The country still faces persistent insecurity, conflict, and unresolved political tensions. As a result, an estimated 72 percent of the population live below the poverty line with the majority of the population having experienced a reduction in income compared to pre-pandemic levels. Population in Somalia face severe food insecurity in due to frequent droughts and failed rain. This is exacerbated by rising global food prices and conflict-induced population displacement leading to a decline in the coping capacity of poor and vulnerable populations across Somalia.

Stakeholder engagement is an inclusive process conducted throughout the project life cycle. Where properly designed and implemented, it supports the development of strong, constructive, and responsive relationships that are important for the successful management of a project's environmental and social risks. Stakeholder engagement is most effective when initiated at an early

stage of the project development process, and remains an integral part of early project decisions and assessment, management, and monitoring of the project's environmental and social risks and impacts.

This Stakeholder engagement plan is created as a result of the need to comply with Somalia's environmental policies and land use. All of these measures unanimously advocate that project stakeholders are meaningfully involved in influencing decisions, participatory planning, and transparent complaint management mechanisms. The Environmental policies and regulations are evolving, article 25 of the provisional constitution states:

- Every person has the right to an environment that is not harmful to their health and well-being, and to be protected from pollution and harmful materials.
- Every person has the right to have a share of the natural resources of the country, whilst being protected from excessive and damaging exploitation of these natural resources¹.

1.2. Project description

The Project: Rural Livelihood Recovery Programme (RLRP).

The project seeks to build sustainable climate resilient food systems through increase productivity, incomes, nutrition security and enhance the resilience of rural smallholder families in Somalia. The project will invest in enhancing the institutional capacity, production infrastructure and promote gender equality and women empowerment to ensure inclusion of vulnerable poor farming households into profitable agricultural value chains. This will be achieved through the following key components:

Component 1: Support to Community Resilience: This component aims to empower socially and economically, the participating programme communities to articulate their sustainable development needs, prioritise these needs in a gender sensitive, climate and environmentally focused CDP, and implement the plan in order to build the resilience of the community. The outcome of this component is: Strengthened and inclusive communities with enhanced social cohesion that are able to define their livelihood development pathways and manage conflict. Component 1 provides the entry point for the RLRP, as well as the base for the implementation of Component 2. The component consists of two subcomponents: Strengthening community governance and services, and Community investment support.

Component 2: Support to Smallholder Livelihoods Enhancement: The outcomes of Component 2 are increased production and productivity of priority crops and livestock for resilience, dietary diversity, food security, and improved incomes. The interventions under this component will be informed by the CDP. The subcomponents are: (i) Strengthening resilience in selected crop and livestock VCs; and (ii) Entrepreneurship for value chain development.

Component 3: Programme Coordination and Capacity Building: The expected outcome of this component is an “efficiently and effectively managed programme with the integration of gender, youth, nutrition, environment, climate change, monitoring and evaluation (M&E), knowledge management and communication (KMC) considerations in all aspects of the programme”. For programme coordination, RLRP will leverage information and communication technology for development (ICT4D) tools such as agile data and remote sensing to capture programme results,

¹ Government of Somalia. (2012). The Federal Republic of Somalia Provisional Constitution. 1–66.
<http://unpos.unmissions.org/LinkClick.aspx?fileticket=RkJTOSpoMME=>

impact and lessons learned. This component will assist in building the capacity of the relevant Somali line ministries for oversight of programme implementation, support appropriate training of state and district implementing partners staff on sustainable and resilient crop and livestock production technologies, and provide the experience basis for policy dialogue, ultimately resulting in evidence-based policies tailored to the local context for resilient rural livelihoods.

1.3. Regulations and Requirements

This Stakeholder engagement plan is created as a result of the need to comply with Somalia's environmental policies and land use. All of these measures unanimously advocate that project stakeholders are meaningfully involved in influencing decisions, participatory planning, and transparent complaint management mechanisms. The Environmental policies and regulations are evolving, article 25 of the provisional constitution states:

- I. Every person has the right to an environment that is not harmful to their health and well-being, and to be protected from pollution and harmful materials².
- II. Every person has the right to have a share of the natural resources of the country, whilst being protected from excessive and damaging exploitation of these natural resources .

Although Somalia doesn't have Environmental Impact Assessment (EIA) stakeholder process regulations, the project will adhere to traditional systems of dispute resolution using religious and clan leaders or elders. The project will legitimize their important roles in society under the IWRM (Integrated Water Resource Management) strategy to support the development of sustainable water management systems.

RLRP will also adhere to the World Bank's Operational Policy 4.01 on Environmental Assessment, which requires stakeholder engagement as part of the environmental assessment process for all investment projects. This includes the disclosure of relevant material in a timely manner, in an accessible place and in a form and language understandable to affected people and other stakeholders.

Furthermore, In accordance with IFAD's stakeholder engagement policies, public participation is critical to the development of constructive institutional, public-private relations which are key to the design and implementation of sustainable projects. Effective stakeholder participation often times improves project ownership and acceptance and strengthens the social and environmental sustainability and benefits of supported interventions. Additionally effective stakeholder engagement is central to achieving sustainable development and aligns with the Sustainable Development Goals (SDGs) where the principle of "leaving no one behind" is basic in combatting inequality and ensuring equity and non-discrimination across all programming areas. IFAD's commitment to stakeholder engagement arises from internal policies, procedures and strategy documents as well as key international human rights instruments, principles and numerous decisions of international bodies, particularly as they relate to the protection of citizens' rights related to freedom of expression and participation.

1.4. Objectives of Stakeholder Analysis and Assessment plan

The stakeholder engagement plan is a critical component of the proposed program. It applies to all components of the program, and all stakeholders are expected to adhere to it when performing their assigned activities.

Stakeholder engagement is an inclusive process conducted throughout the project life cycle. Where properly designed and implemented, it supports the development of strong, constructive, and responsive relationships that are important for successful management of a project's environmental and social risks. Stakeholder engagement is most effective when initiated at an early stage of the

project development process, and is an integral part of early project decisions and the assessment, management, and monitoring of the project’s environmental and social risks and impacts.

- a) Identify stakeholders for RLRP, including their priorities and challenges
- b) Identify strategies for stakeholder information sharing and communication
- c) Define roles and responsibilities for the implementation of the SEP;
- d) Develop stakeholder participation strategies to monitor the impact of the project and report or share results among different stakeholder groups.
- e) Proposing enabling platforms for influencing decisions
- f) Defining roles and responsibilities of different actors in implementing the Plan
- g) Setting the grievance redress mechanism (GRM)

The SEP is a living document that may be modified and changed following input and suggestions from project stakeholders.

II. Stakeholder Identification and Analysis

2.1. Methodology

The methodology employed in this stakeholder analysis has been adapted from the BiodivERsA² method 2.1. Stakeholders are characterized into the following categories: At the **descriptive level**: types of actor, location (District), geographic scope (local, national or regional); At the analytical level: **Level of influence** (low, medium or high), **level of interest** (low, medium or high), **level of involvement** (low, medium or high) and its corresponding response (explained below Table 1).

Table 1 Types of Stakeholders

International Cooperation	International financial and technical support institutions to provide bilateral or multilateral support for development and conservation
National Public Institutions	They are bodies that serve a public interest function assigned within the structures of the national states.
Private Institutions	They are private companies of diverse productive sectors. These include organizations for the articulation and association of a private nature. These integrate second-level social organizations (including chambers, federations, associations, cooperatives, among others).
Research Institutions	They are academic institutions dedicated to research and knowledge generation.
NGOs	They are non-governmental organizations, independent from the public administration
Social Organisations	They are bodies formed for organizational purposes and for the exercise of rights. They are established based on common interests.
Indigenous People’s Organisations	These are officially recognized bodies that represent the interests of specific Indigenous Peoples and defend the cultural, territorial and human rights of different Indigenous Peoples.

² The BiodivERsA it is a network of national funding organizations promoting an-European research that offers innovative opportunities for the conservation and sustainable management of biodiversity and ecosystem services. See <https://www.biodiversa.org/>

2.2. Identification of stakeholders

There are several categories of people and institutions that will have an interest in the Project at different levels that will need to be consulted and engaged in the project activities, as summarized in Table 2 below

Table 2: Stakeholder description and areas of interest

Stakeholder	Description	Areas of Interest	Levels of Analysis	
			Interest	Influence
Small scale agro-pastoralists farmers	The small scale farmers, agro-Pastoralists, will be spread across 2 states of Somalia: Jubbaland and Puntland in 5 selected districts.	<ul style="list-style-type: none"> • Engagement on the project design through the CDD process • Clear and transparent selection process of the targeted districts. • Affirmative action in the support to women based groups and farms and focus on the neediest and those with special needs, including those with disabilities. • Equitable access to project benefits across the selected district including access of small scale farmers to seed capital and matching grants • Upgrading of the infrastructures; and • Improved market infrastructure and ecosystem facilitation and trade infrastructure; 	H	M
Target communities that will receive support from the project	Community members, and extension workers including vulnerable groups representatives, women led groups farmers and pastoralists community associations.	<ul style="list-style-type: none"> • Meaningful community engagement in the project implementation • Collect views of lessons learned in the previous or related project, challenges, social risks, and their mitigation measures in the community; • Community capacity building technological transfer • Community level GRM 	H	H
Ministry officers at the Federal Government	MoAI will have the overall responsibility of managing all the components of the project closely working with	<ul style="list-style-type: none"> • FMOAI identifies and meaningfully engages with partners in all aspects of the project • Project design 	H	H

level	MoLFR . It will also work closely with the corresponding MoAI in the FMS receiving project support.	<ul style="list-style-type: none"> • Identification of potential beneficiaries and communities • Project fiduciary processes. • Environment and social risk management, • Capacity building and technological transfer • Technical assistance • The coordination between the Federal and States is done in a transparent and accountable manner • Principles of engagement are observed in all aspects of consultation at the different levels 		
Ministry officers at the Member State and District levels	The MoAI at this level will be responsible for the implementation of the project activities and policies.	<ul style="list-style-type: none"> • The selection of districts to be supported is based on a transparent criterion. • The coordination between the State and districts is done in a transparent and accountable manner • Technical assistance; • Establishment of research institutions or branches of the federal ones; • Equitable distribution of scholarships and training slots. • Principles of engagement are observed in all aspects of consultation at the different levels 	H	H
Other ministries: Finance; livestock, fisheries and range, Energy and Water Services; Public works; Infrastructure and Reconstruction;	The other Ministries will be involved in as far as the implementation of specific activities and linkages with ongoing interventions: Public works – feeder road construction and rehabilitation construction of boreholes, irrigation facilities Technology –development of technological infrastructure in financial inclusion and data protection policy and legislation. Interior and Federal	<ul style="list-style-type: none"> • Principles of engagement are observed in all aspects of consultation at the different levels • Information is shared in a timely manner and feedback is used to inform further engagement on the project; • Participation in project implementation • Clarity on terms of engagement is provided from the beginning 	H	H

Posts, Telecom and Technology; Interior and Federal Affairs; and the National office for Environment	Affairs –ensure security of project workers and investments			
Staff of the involved ministries	These are staff working in the respective ministries that will take part in the project activities like the MoAI	<ul style="list-style-type: none"> • Equitable treatment • Information disclosure • Clear terms of engagements 	H	M
CBOs and NGOs operating in the identified project districts	Most development activities in rural and remote parts of the country are led by NGOs and CBOs funded directly by donors and religious bodies. They have social capital that the project can tap into.	<ul style="list-style-type: none"> • The CBOs/NGOs receive information and provide feedback in a timely manner • There is transparency and accountability in all aspects of the engagement • Principles of engagement are observed in all aspects of consultation • Utilize their social capital to create awareness and community buy in. 	M	L
Development Partners	Most of the agricultural activities are supported by donors who tend to fund the activities separately. Humanitarian partners whose activities will enhance the quality of participation of the target beneficiaries	<ul style="list-style-type: none"> • Principles of engagement are observed in all aspects of consultation • Information is shared in a timely manner • Learning from the past experiences 	H	L
Media and online platforms of communication	The role of the media is key in keeping people informed about the project. Media can also be used to share grievances and complaints on project activities.	<ul style="list-style-type: none"> • Information shared by the media will be accurate • Complaints and grievances shared on social media platforms will be picked and addressed as necessary 	H	L

2.3. Levels of Analysis

For the purposes of stakeholder analysis, the BiodivERSA5 methodology has been used. Four levels of involvement are used: collaboration, information, involvement and consultation. At the highest level, the category of “collaboration” describes a totally active commitment when actors are effectively partnering in the process and contribute with resources and support. At the lowest level, providing access to “information” to the most passive actors should be designed for the project to communicate effectively the results. At this level information is a one-way information flow, but it should be included as a form of project engagement tailored to the actor or stakeholder. There are two intermediate levels of participation whereby those stakeholders that are "consulted" (e.g. asked for opinions or information); and those with whom "involvement" occurs (e.g., more committed and can also provide resources or data). Most projects require at least the first level of participation, i.e. "inform", but different levels are likely to be appropriate for different projects and situations. The RLRP project will include a combination of the three levels of commitment.

2.4. Analysis conducted during design- consultations to inform the project design process

This analysis was based on information gathered during the pre-design phase of the project, which may vary by the time the project starts. Although it is unlikely that the principal stakeholders identified will change over project review and approval period. Nonetheless, it is important to mention that this analysis should undergo periodic review. Additionally, IFAD is in the process of designing other projects (A2R2 and RLRP) that conducted a series of consultations. These consultations have also been used as foundational for preliminary analysis of RLRP stakeholder analysis.

2.5. Stakeholder Analysis

The stakeholder analysis under A2R2 involved a review of grey literature and a process of information and consultation with key stakeholders. The planning for the review included the collation of all prior assessments, baselines, evaluation reports, identification of relevant information, including studies, background documentation, and national strategic development plan, and socio-economic assessment on the impact of Covid-19. Consultations followed with the FMoAI staff, key informant interviews with relevant government ministries, international organizations, the private sector and SMEs engaged in agro-inputs supply, marketing, processors and exporters of agricultural produce and other stakeholders. However, given the rapid nature of the proposal development, the review and consultations largely reflect information from available project documents and consultation with technical staff and representatives of the FMoAI. Summary of key stakeholders engaged is in table 2. Subsequently, participating stakeholders will be identified based on information gathered in the RLRP design process. Coordination and information workshops will be held and validated by the partners during stakeholder information workshops to be conducted at inception.

Table 2: Summary of Stakeholders consulted

International Cooperation	International financial and technical support institutions to provide bilateral or multilateral support for development and conservation	World Bank Group , African Development Bank, United Nations, World Food Program, United Nations Industrial Development Organisation, United Nations Disaster Risk Reduction, Office (UNDRR) Food and Agricultural Organizations (FAO) Organization of Islamic, Cooperation (OIC), King Salman Humanitarian Aid and Relief Center (KSRelief, Intergovernmental Authority of
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		Development (IGAD) Drought Disaster Resilience and Sustainability Initiative (IDDRSI)
National Public Institutions	They are bodies that serve a public interest function assigned within the structures of the national states.	Federal Ministry of Agriculture and Irrigation, Federal Ministry of Trade and industry, Federal Ministry of Planning, and the Federal Ministry of Livestock, Forestry and Range and Ministry of Humanitarian Affairs and Disaster Management, Directorate of Environment and Office of the Prime Minister
Private Institutions	They are private companies of diverse productive sectors. These include organizations for the articulation and association of a private nature. These integrate second-level social organizations (including chambers, federations, associations, cooperatives, among others).	Somali Chamber of Commerce, Food processors and millers, Sesame seed exporters and oil processors, irrigation infrastructure contractors, women owned SMEs, small holder riverine and rain-fed farmers, horticulture producers , civil societies, women and youth, transporters. Private sector operating in agriculture, banking and micro-finance
Research Institutions	They are academic institutions dedicated to research and knowledge generation.	Somali Research and Education Network (SomaliREN) (a consortium of 14 leading Somali universities), Sadar Development and Resilience Institute (Sadar), United Nations University for Peace (UPEACE) and The Somali Institute for Environmental Peace (SIEP)
NGOs	They are non-governmental organizations, independent from the public administration	Somalia Resilience Program (SomRep) consortium of; Oxfam, ADRA ACF, Danish Refugee Council, Care, Cooper and World Vision International Norwegian Refugees Council (NRC) led consortium Building Resilient Communities in Somalia consortium (BRCiS) Save the Children International (SCI), International Rescue Committee (IRC), Concern Worldwide and CESVI
Social Organisations	They are bodies formed for organizational purposes and for the exercise of rights. They are established based on common interests.	Somalia farmer's union and the Somali cooperative association, Save Somali Women and Children (SSWC), Wajir South Development Association (WASDA), WARDI Relief and Development Initiative (WARDI), Gargar Relief and development Organization (GREDO), Humanitarian Initiative Just Relief Aid (HIJRA) and Somali Women Studies Centre (SWSC), Somali Agricultural Youth Organization
Indigenous People's Organisations	These are officially recognized bodies that represent the interests of specific Indigenous Peoples and defend the cultural, territorial and human rights of different indigenous Peoples.	

2.6. Characterisation of the stakeholders in RLRP project areas

- Geographic Scope

Actors will be identified in terms of their geographical scope of intervention during the start up of RLRP. Further information gathering will give special attention to local institutions, both public and private, as well as NGOs. It should be understood that national institutions will also be identified as most relevant due to the importance of governance issues.

- Influence Interest and Stakeholder's involvement

Beyond participation, there is the degree to which a stakeholder could influence local processes, due to the scale of its actions or the particularities of its interests. In the case of RLRP, high, medium and low levels will be identified for both influence and interest and will subsequently be placed within the four categories: Collaboration, Information, Involvement and Consultation. These were placed in the quadrants as follows (table 3)

Table 3: Level of Influence and Levels of participation

Influence	Interest	Levels
High	High	Collaborate
High	Low	Involve
Low	High	Consult
Low	Low	Inform
Medium	Medium	Involve and Consult
Medium	High	Involve and Consult
Medium	Low	Involve and Consult

The determination of the level of involvement of the different stakeholders will be based on the combination of criteria of influence and interest as summarised in table 4. This will be complemented at start-up phase of the project following workshop with various stakeholders to introduce the project. Information workshops will have the objective to present information on the project, to identify the barriers that limit the governance management of selected VCs and the engagement of different segments of the population. Outcome of the consultations will be summarised in table 4 and will guide stakeholder collaboration thereafter.

III. Stakeholder Engagement Plan

The project will finalise the preparation of a Stakeholder Engagement plan (SEP) at inception due to the remote nature of the design which was not exhaustive in conducting rigorous consultations. The main objectives of the SEP is to adopt a systematic transparent participatory approach to stakeholder engagement and information disclosure, maintenance of positive stakeholder relationships, monitoring of stakeholder feedback and implementation of an accessible and responsive grievance and redress mechanism. Furthermore, it is expected that this SEP will facilitate stakeholder feedback and engagement on the project design and implementation including on the identification and mitigation of environmental and social risks and impacts.

The SEP will act as a guiding tool and framework for managing communication and engagement between implementing entities under the guidance of the MoAI. This SEP has been adapted to the nature and scale of the project and its potential environmental and social risks and impacts. It takes into account the institutional and regulatory framework of Somalia Government as well as requirement of the Environmental and Social Management Framework (ESMF) of IFAD.

This SEP includes multiple channels and mechanisms for engaging the stakeholder including publications, project websites, public meetings and consultations, participatory assessments and surveys, participatory planning and existing channels of citizen engagement as per Somalia context. Differentiated measures will be adopted to engage with vulnerable and disadvantaged households including focus groups discussions, inclusive beneficiary identification, inclusion amongst project priority groups. Project related information will be shared with the primary stakeholders in locally appropriate and understood languages when required. All ESS plans and documents will be disclosed on the official project website.

The SEP includes a range of interventions to engage with key stakeholders throughout the project implementation period. These include participatory and inclusive process of preparing the target communities, capacity building of community user groups, tracking inclusion of vulnerable groups, disclosure of project documentation.

Strategy for Stakeholder Engagement

Stakeholder involvement in project activities can be determined a priori. However, this exercise will need to be reviewed and enhanced during the start-up phase, once the project starts. All activities related to the implementation of this project must integrate gender equality related activities. They are outlined in the gender action plan designed as integral part of RLRP. According to the methodology used in the analysis of actors, the following four levels of stakeholder involvement (according to the BiodivERSA methodology) were identified and will be used in this action plan. The following is proposed as a response and involvement strategy:

Information: For this segment of actors, the project's communication strategy will establish general and one-way mechanisms for information about its results. It is proposed to use the project website, general information bulletins and project results.

Consultation: This segment must be provided with appropriate information and keep such information up-to-date to maintain interest. Periodic information must be submitted through newsletters with general information. Occasionally, invitation to meetings. Consultation with targeted women groups will be facilitated, as indicated by the Gender Action Plan (GAP).

Involvement: This segment requires to be adequately informed when necessary. It is proposed to use targeted information to maintain regular contact and send newsletters with general information. Occasionally, invitation to meetings.

Collaboration: This segment of actors whose participation is central to the implementation of the project, considers the use of various means such as: periodic technical reunions or workshops; targeted and culturally appropriate communications (newsletters, among others); monitoring mechanism for appropriation, generation of alliances and participation.

Table 5: Strategies for stakeholder engagement

Involvement method	Description	Tools
Information	Requires general and one-way mechanisms for information on project results.	Project websites, general information bulletins and project results.

<p>Collaboration</p>	<p>It requires constant participation and is central to the execution of the project</p>	<p>Periodic technical meetings or workshops; culturally addressed and appropriate communications (newsletters, among others); monitoring mechanism for appropriation, partnership generation and participation.</p>
<p>Involvement</p>	<p>Requires properly being informed when needed</p>	<p>Regular targeted information, general information bulletins. Occasionally, invitation to meetings.</p>
<p>Consultation</p>	<p>It requires appropriate information and keeping such information up-to-date to maintain interest and to comply with the requirements of FPIC(Free Prior Informed Consent) particularly in the case of Indigenous peoples</p>	<p>Periodic information, general information bulletins. Occasionally, invitation to meetings. Meetings for specific consultations.</p>

3.1. The Stakeholder Plan

The Stakeholder Engagement Plan is a management tool aimed to achieve the successful engagement and participation of relevant stakeholders linked to the design and implementation of the RLRP Project. Particular attention will be given to each group of stakeholders and in order to design actions and guide their involvement in the project implementation phase. The project interventions are in select districts; therefore, the project team needs to be strategic in planning stakeholder activities. The project stakeholder engagement activities need to be streamed horizontally and vertically. The horizontal stream implies an engagement with stakeholders on a national level. Activities on the horizontal level are assumed to improve awareness and coordination of efforts in the financial sector of the country. Whereas, vertical stream implies the application of cascading mode which will allow the project to establish the communication with project-affected parties. Furthermore, the cascading approach will be applicable for capacity building at each project engagement level (national and district levels). Stakeholder engagement activities need to provide specific stakeholder groups with relevant information and opportunities to voice their views on topics and issues that matter to them.

3.2. Project information disclosure

Information will be packaged and shared with the key stakeholders using different methods. The PCU will be responsible for ensuring that the information gets to the stakeholders in a timely manner. Feedback from stakeholders will be taken into view and improvements will be made to ensure robust and consistent information flow. Table 5 below presents a summary of the information disclosure for the project. The SEP is a living document that may be modified and changed following input and suggestions from project stakeholders. The MoAI will provide stakeholders with access to the following information, as early as possible and in a timeframe that enables meaningful consultations with stakeholders on aspects of the project. FMoAI will disclose project information to allow stakeholders to understand the risks and impacts of the project, and potential opportunities.:

- The purpose, nature, and scale of the project;
- The duration of proposed project activities;
- Potential risks and impacts of the project on local communities, and the proposals for mitigating these, highlighting potential risks and impacts that might disproportionately affect VMIG and describing the differentiated measures taken to avoid and minimize these;
- The proposed stakeholder engagement process highlights how stakeholders can participate;
- The time and venue of any proposed public consultation meetings, and the process by which meetings will be notified, summarized, and reported; and The process and means by which grievances can be raised and will be addressed.

Table 5. Information Disclosure Plan at different stages of the project cycle

Information to be disclosed	Method used	Target stakeholders	Responsibilities
After approval			
Publicity on project approval and roll-out plans	<ul style="list-style-type: none"> • Audio-visual messages on project information (radio, TV in different local languages) • Newspaper stories/supplements • Printed materials on project information • Social Media (Twitter, Facebook, Instagram, WhatsApp) • Emails, Press releases, Speeches • Websites (FGS and FMS, IFAD) 	All key project stakeholders	<ul style="list-style-type: none"> • PCU
Disclosure of the project documents: ESMF, PDR, Updated SEP, SECAP,	<ul style="list-style-type: none"> • Brief summaries of the main features of the project SEP • Audio-visual messages on the project (radio, TV in different languages) • Newspaper stories/supplement • Social Media (twitter, Facebook, Instagram WhatsApp) • Press releases, Speeches etc 	<ul style="list-style-type: none"> • MoAI and all partners involved in the project • Open access to all interested parties • Distribution of printed flyers 	<ul style="list-style-type: none"> • PCU • IFAD
During implementation			
Roll-out of direct support to farmers, agro pastoralists	<ul style="list-style-type: none"> • Key informant interviews with key stakeholders • Community discussions (through public meetings) • Print media, press release, Social media, etc 	<ul style="list-style-type: none"> • Farmers • Farmer Producer Organizations (FPOs) • VSLAs, youth groups, other 	<ul style="list-style-type: none"> • PCU • Safeguards , fficers
Highlights on project activities, achievements and lessons learned	<ul style="list-style-type: none"> • TV/Radio spots/activations and announcements • Print materials (newsletters and flyers) • Town hall meetings • Newspaper stories/supplement • Social Media (twitter, Facebook, Instagram WhatsApp) 	<ul style="list-style-type: none"> -Project beneficiaries (learners, teachers, CECs) -Implementing partners -Other interested parties 	<ul style="list-style-type: none"> -Safeguards Officers -Communication experts

Update on project process	<ul style="list-style-type: none"> • Print materials (newsletter, flyers, etc.) • Project progress reports • Town hall meetings 	All stakeholders	<ul style="list-style-type: none"> • PCU
Complaints/Compliments about the project implementation	<ul style="list-style-type: none"> • Logs and reports from the national GM focal person, State GM focal persons (GM complaints points in communities, and project areas) 	<ul style="list-style-type: none"> • Receivers of information and services • Information or Data managers 	PCU and Safeguards Officers
	<ul style="list-style-type: none"> • Surveys and direct observations of the project beneficiaries 	<ul style="list-style-type: none"> • Different stakeholders • Vulnerable populations 	<ul style="list-style-type: none"> • KM and Communication Officer • M&E Officer
Monitoring and reporting			
Feedback of effectiveness of different modalities of engagement	<ul style="list-style-type: none"> • Semi-structured interviews • Online surveys • Satisfaction surveys 	Project priority groups	<ul style="list-style-type: none"> • MoAI • Safeguards Officers • M&E Officer
Quarterly	<ul style="list-style-type: none"> • Progress reports including summaries of complaints and resolution 	<ul style="list-style-type: none"> • MoAI, MoLFR offices at the Federal and State level offices • Implementing partners 	M&E officer

3.3. Target Project Target Group Engagement and Feedback.

RLRP will have a strong focus on vulnerable households, youth, IDPs and differently-abled persons. Given their marginalised status and sometimes lack of confidence, attention will be given in selecting an appropriate mobilisation approach to meaningfully engage them.

They will be engaged to identify priorities, suitable value chains, and specific locations for project interventions. RLRP's annual planning process will include community consultation to identify target groups' needs and issues. The community mobilisation and other capacity building interventions will include building skills and leadership to effectively participate in project planning and implementation.

RLRP has developed beneficiary selection criteria for vulnerable households and quotas; sensitivity to the availability of women and marginalized people when organising events; delivery of services for vulnerable people to their homes; timely and regular assessment of participation of different categories of farmers and vulnerable groups such as women-headed households; and outreach to ensure the participation of poor households in livelihood support packages.

RLRP has adequate mechanisms to gather and consider the target group and key stakeholders' needs, priorities and feedback, including on SECAP processes where applicable. The project Coordinator will collate feedback for improving delivery and enhancing AWPBs. A poster with information of the RLRP project officer's name, photo and easily accessible contact details (including email and phone number) in local language will be placed in visible places of all project offices.

Similarly, a feedback collection box will be placed in visible and easily accessible places with readable sign/language in all project offices. Digital means (email, website, social platforms) will also be widely used to collect feedback. A simple feedback collection format will be developed and made easily available to project beneficiaries and stakeholders. A person, group or organizations' identity - who shares feedback - will be kept anonymous if requested and the project's actions to address the feedback will be shared with them in a timely manner through email, phone, project's ongoing events, website and social media. Periodic and annual progress reports will have a section on key feedback and actions taken by the project to help support adaptive management. RLRP will deploy special studies and field verification visits to collect feedback and to assess stakeholders' satisfaction with project's response. An Annual Outcome Survey will be conducted to review project's performance and outcomes at the household level; assess the efficacy of its targeting strategy and beneficiaries' satisfaction with services delivered.

3.4. Inclusion Plan

In addition to focusing on the most underserved areas, the project will give special consideration to vulnerable and marginalized groups. These include:

- Internally displaced persons and their families;
- Those who live in remote rural areas or areas characterized by violence that are bereft of social services and amenities;
- Youth, women and Female headed families

There are social, economic and physical barriers that prevent vulnerable and marginalized individuals and groups from participating in projects, which include lack of financial resources, inaccessibility of meeting venues, social stigma, lack of awareness and/or poor consultation. For instance, people living with disabilities are often not effectively engaged in consultations due to lack of access and social stigma and cultural beliefs that they are not able to participate or considered to have limited productive roles in society. In this regard, the project will deploy viable strategies to engage target communities and other stakeholders and overcome social stigma and encourage inclusion. Also,

discussions should be conducted in a simplified manner to ensure the illiterate and people with no or limited financial literacy understand the project and its components. In addition, efforts will be made to promote diversity in staffing (see Labor-Management Procedures (LMP) and the 50 percent dedicated for women shall be selected in manner that will see women from different parts of the district partake and benefit in the project activities.

3.5. Engaging marginalized and vulnerable groups

The project will take special measures to ensure that members of disadvantaged and marginalized groups have equal opportunity to project benefits. This will include ensuring that they are involved in consultations on project siting and design, and implementation process. The participation of disadvantaged and marginalized groups in the selection, design, and implementation of project activities will largely determine the extent to which the Inclusion Plan will be achieved. Where adverse impacts are likely, the PCU will undertake prior and informed consultations with the likely affected communities/ groups and those who work with and/or are knowledgeable of the local development issues and concerns. The primary objectives will be to:

- a. Understand the operational structures in the respective communities;
- b. Seek their input/feedback to avoid or minimize the potential adverse impacts associated with the planned interventions;
- c. Identify culturally appropriate impact mitigation measures; and
- d. Assess and adopt measures that could be promoted to complement the measures required to mitigate the adverse impacts

Consultations will be carried out broadly in two stages. First, prior to commencement of any project activities. The PCU will arrange for consultations with community leaders, and representatives of disadvantaged and marginalized groups about the need for, and the probable positive and negative impacts associated with the project activities. Secondly, development of district profiles will also include a rapid assessment to ascertain the prevalence of people with disability and together with that of other vulnerable groups, their perception of interventions in general, and gather any inputs/feedback they might offer for better outcomes, which would inform the project delivery.

Stakeholder and community engagement will be key in the sensitization of community level structures and means by which complaints and grievances related to the project will be received, handled and addressed. The understanding is that communities know their own vulnerabilities than external actors and the engagement of local structures is most effective in such projects where administrative capacity is limited. The PCU will:

- a. Facilitate broad participation of disadvantaged and marginalized individuals and groups with adequate gender and generational representation; community elders/leaders; and CBOs;
- b. Provide the disadvantaged and marginalized individuals and groups with all relevant information about project activities including on potential adverse impacts;
- c. Organize and conduct the consultations in forms that ensure free expression of their views and preferences; and document details of all consultation meetings, with disadvantaged and marginalized groups on their perceptions of project activities and the associated impacts, especially the adverse ones;
- d. Share any input/feedback offered by the target populations; and
- e. Provide an account of the conditions agreed with the people consulted
- f. The following issues will be addressed during the implementation stage of the project:
- g. Provision of an effective mechanism for monitoring implementation of the Inclusion Plan;
- h. Development of accountability mechanisms to ensure the planned benefits of the project are equally received by disadvantaged and vulnerable individuals and groups

- i. Involve suitably experienced CBOs/NGOs to address the disadvantaged and vulnerable people's through developing and implementing action plans;
- j. Ensuring appropriate budgetary allocation of resources for the Inclusion Plan;

Once the disadvantaged and marginalized individuals and groups are identified in the project area, the provisions in this Inclusion Plan will ensure mitigation measures of any adverse impacts of the project are implemented in a timely manner. The project should ensure benefits to the disadvantaged and marginalized by ensuring that they are consulted, have accessible and trusted complaints mechanism and benefit from project activities

3.6. Incorporating consultations into management decisions

The results from the consultations and information sharing meetings will be shared with the Programme Coordination Unit (PCU) and Steering Committee as background information to facilitate decision making from an informed point of view. The expressed views of the target groups will be used as a basis or foundation upon which interventions will be developed or refined. During programme inception, planning documents (operational annual and overall work plan), technical guidelines (participatory planning and appraisal), and management systems (monitoring and evaluation including safeguards, indicators, and complaints mechanisms) will be prepared or specified.

- a) While preparing them, PCUs need to pay particular attention to incorporating gender aspects and need to do the following:
- b) Ensure those project goals, objectives, processes, and activities are gender-sensitive and meet the needs and priorities of both communities' women and men.
- c) Identify constraints to women 's participation and develop strategies to minimize or eliminate them.
- d) Make adequate staff and budget provisions for women 's as well as men's involvement, including plans for hiring female staff at senior and lower levels.
- e) Develop staff recruitment and training strategies for gender analysis (if staff have not yet been trained) to identify community training needs related to women's involvement.
- f) Where the programme utilizes village committees, ensure that a measure's design provides for their constitution in a gender-sensitive manner, which may be the case if women are traditionally in charge of one of the proposed activities, such as fuelwood collection.
- g) Ensure that both women and men are equally involved in key project decisions, such as the choice of technology, service levels, and arrangements for operation and maintenance.

IV. Grievance Response Mechanism

This Stakeholder Engagement Plan has included—in accordance with the IFAD's policies and environmental and social monitoring plan (ESMP) a response mechanism for the concerned interested parties or a grievance mechanism to guarantee that persons, indigenous peoples and communities impacted by projects have access to adequate procedures for claim resolution to listen to and address complaints and disputes related to the project. Therefore, according to the Response Mechanism for the IFAD stakeholders, a mechanism of claim response has been designed to complement the proactive participation of the project stakeholders and implementing partners throughout the RLRP project cycle. This is the Grievance Redress and Response Mechanism (GRM)

The GRM will be accessible to the full range of project stakeholders, including project-affected parties, community members, civil society, media, and other interested parties. Stakeholders can use the GRM to submit complaints, feedback, queries, suggestions, or even compliments related to the overall

management and implementation of the project. The GRM is intended to address issues and complaints from external stakeholders in an efficient, timely, and cost-effective manner. A separate mechanism will be used for worker grievances. The PMU at the MoAI will be responsible for managing the stakeholder GRM.

This effective participation of stakeholders creates opportunities to solve problems that would otherwise lead to conflict. If they are not solved, major problems may emerge, generating conflicts that delay a project, increase costs and, sometimes, stop the project". In this context, any person or group of people who believe they are negatively affected by RLRP, or at risk of adverse impacts, may file a claim. IFAD and project implementation partners are responsible for defining mechanisms to receive and address stakeholder complaints during project design and for these groups to be aware of the existence of such mechanisms. However, in the event that the grievance processes, following due process, have not reached a solution after the process set out in this document, with the highest instance of the Project Board, they may submit an application directly to the staff of IFAD responsible for the operation of the Response Mechanism in the country. For the context of the RLRP project the following GRM has been designed. It integrates various levels for the reception, evaluation and management of solutions on the claims or complaints that arise and that fall within the scope of the project.

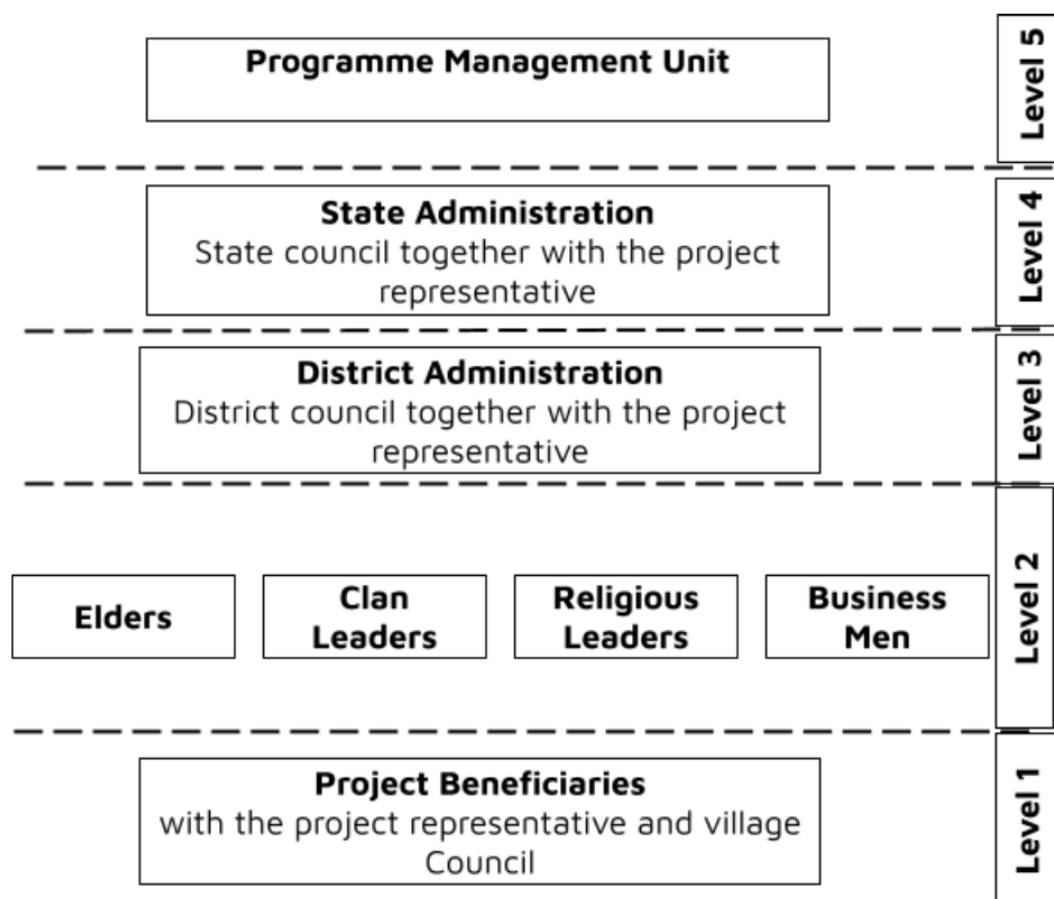
4.1. Project Specific GRM

Achieving the project objectives will require continuing consultations and exchange of information and knowledge. Transparency, consultations and feedback mechanisms with the beneficiaries will be a key part of the project. Facilitating participation of beneficiaries and feedback will be one of the key tasks of the project staff in the field.

A feedback mechanism operating at the national and district/ community levels will allow the project beneficiaries to provide feedback on issues related to project activities. In order to enhance satisfactory results of the project, a GRM for resolving grievances that arise among the project beneficiaries during the project implementation and to provide feedback to them has been developed and will be implemented. Any grievances, disputes, as well as proposals arising during the project implementation should be reviewed and resolved and monitored in accordance with the standards established in this GRM.

4.2. Grievance Redress System

Some communities already have their own community-based system for grievance. These structures are within the village structure through the existing village leadership and the Elders/clan Council. The legitimacy of village leadership involvement is the vast amount of knowledge they have about land ownership and proximity to affected households.



However, not all grievance cases will be resolved within the traditional system- these will be delegated to higher authorities at district level. It is worth noting that all possible community-based approaches will be prioritized and efforts will be made to ensure that complaints are resolved at that level.

The GRM is a set of specific procedures for identifying, evaluating, methodically and expeditiously reviewing complaints, disputes with the project beneficiaries, and proposals arising during the project implementation, and their resolution and monitoring. At the initial stage, the project beneficiaries will be provided with information on the procedure and terms of consideration and processing of grievances and proposals. Any complaints and proposals received at all levels will be documented and registered in the register of complaints and proposals. This Log should be maintained at all levels of consideration of applications submitted by affected persons.

Monitoring and Reporting

Monitoring is an integral component of project management as it tracks and assesses progress towards achieving tangible development results associated with the project being implemented. It is an essential management tool which provides an opportunity to know whether results are being achieved as planned, what corrective action are needed to ensure delivery of the intended results and how they are making positive development contributions. This helps to detect problems earlier and coming up with appropriate measures to address them. Therefore, monitoring usually provides data used for analysis and synthesis prior to reporting for decision making.

Reporting format

	Parameter	Monitoring and reporting responsibility	Reporting period
1	Number of government agencies, civil society organizations, private sector, indigenous peoples and other stakeholder groups that have been involved in the project implementation phase	PCU	Annual basis
2	Number persons (sex disaggregated) that have been involved in project implementation phase	PCU	Annual basis
3	Number of engagement (e.g. meeting, workshops, consultations) with stakeholders during the project implementation phase	PCU	Annual basis
4	Percentage of stakeholders who rate as satisfactory the level at which their views and concerns are taken into account by the project	IFAD – Externally hired consultant	MTR
5	Grievances handling mechanism – how grievances are received and results communicated to all stakeholder	PCU	Annual basis

Roles and responsibilities of Project management for implementing the stakeholder engagement plan

The project coordination unit (PCU) will be charged with supervising and monitoring the implementation of this Stakeholder Engagement Plan, This oversight task will also be conducted in close coordination with national project counterparts, particularly when convening no-state actors and other public institutions. In addition, the project coordinator (or other designated member of the PCU) will be responsible of the plan and in charge of following up the implementation of Stakeholder Engagement Plan , The project coordinator (or other designated member of the PCU) will be responsible for monitoring the plan’s implementation, and report periodically to the senior management of the project . All project staff will be fully briefed on the contents and goals of the Stakeholder Engagement Plan and in particular of its grievance mechanism and will channel accordingly any complaints from local actors and/or affected communities and inform project coordinator.

Annex 1: Reporting Templates

Stakeholder Plan

Table XX: Participation tools per type of stakeholder (This table will need to be completed once we are clear on who the stakeholders are)

Number	Stakeholder group	Why Included (based on interests)	Participation Methods	
			Method	Tools

Activities and Indicators for efficient stakeholder participation

1. Project beneficiaries

Project objective						
Stakeholder participation related activity	Stakeholder Action Plan Indicator	Target	Baseline	Budget	Timeline	Responsibility for data collection

Project Outcomes

Project objective						
Stakeholder participation related activity	Stakeholder Action Plan Indicator	Target	Baseline	Budget	Timeline	Responsibility for data collection

Project objective						
Stakeholder participation related activity	Stakeholder Action Plan Indicator	Target	Baseline	Budget	Timeline	Responsibility for data collection

Component 1			8			
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<i>Stakeholder participation related activity</i>	<i>Stakeholder Action Plan Indicator</i>	<i>Target</i>	<i>Baseline</i>	<i>Budget</i>	<i>Timeline</i>	<i>Responsibility for data collection</i>

<i>Component 2</i>						
<i>Stakeholder participation related activity</i>	<i>Stakeholder Action Plan Indicator</i>	<i>Target</i>	<i>Baseline</i>	<i>Budget</i>	<i>Timeline</i>	<i>Responsibility for data collection</i>

<i>Component 3</i>						
<i>Stakeholder participation related activity</i>	<i>Stakeholder Action Plan Indicator</i>	<i>Target</i>	<i>Baseline</i>	<i>Budget</i>	<i>Timeline</i>	<i>Responsibility for data collection</i>

Project Team

<i>Project objective</i>						
<i>Stakeholder participation related activity</i>	<i>Stakeholder Action Plan Indicator</i>	<i>Target</i>	<i>Baseline</i>	<i>Budget</i>	<i>Timeline</i>	<i>Responsibility for data collection</i>

Somalia

Rural Livelihoods Resilience Programme

Project Design Report

Annex: Annex 15 Grm

Mission Dates: 20/06/2023 - 13/07/2023

Document Date: 31/10/2023

Project No. 2000004325

Report No. 6602-SO

Near East, North Africa and Europe Division
Programme Management Department

Annex 15: Grievance redress mechanism

1. **Grievance redress mechanisms (GRM)** provide a formal avenue for affected groups or stakeholders to engage with the project implementers or owners on issues of concern or unaddressed impacts. Grievances are any complaints or suggestions about the way a project is being implemented. They may take the form of specific complaints for damages/injury, concerns about routine project activities, or perceived incidents or impacts. Identifying and responding to grievances supports the development of positive relationships between projects and affected groups/communities, and other stakeholders.
2. IFAD-supported projects and programmes are designed in a participatory process thus taking into account the concerns of all stakeholders. IFAD works to ensure that all IFAD investments are implemented in accordance with the Fund's policies, standards and safeguards. IFAD considers it equally important that parties adversely or potentially adversely affected by IFAD-supported projects and programmes should be able to bring issues to the Fund's attention.
3. The IFAD's SECAP procedures outline requirements for grievance redress mechanisms for some projects. GRM should receive and facilitate resolution of the affected institutional or communities' concerns and grievances. These concerns should be addressed promptly using an understandable and transparent process that is culturally appropriate and readily acceptable to all segments of project affected communities, at no cost and without retribution nor fear. Mechanisms should be appropriate to the scale of impacts and risks presented by a project. Grievances can be an indication of growing stakeholder concerns (real and perceived) and can escalate if not identified and resolved. The management of grievances is therefore a vital component of stakeholder management and an important aspect of risk management for a project.
4. In Somalia, some communities maintain their own community-based system for grievance redress. These structures are within the village structure through the existing village leadership and the Elders/clan Council. Village leadership involvement in grievance redress allows for swift resolution given their knowledge of the community (e.g. around ownership structures and local customs) and proximity to the community. Hence community-based approaches are prioritized and efforts are made by project counter parts to ensure that complaints are resolved at community. Residual grievances, which are not resolved within the traditional system, are resolved through a formal GRM.
5. Hence, IFAD's Grievance Redress Mechanism (GRM) can be accessed when necessary to manage project-related grievances that cannot be resolved by communities. The purpose of the GRM is to provide a complaints procedure for alleged non-compliance with IFAD's Social, Environmental and Climate Assessment Procedures (SECAP).
6. **IFAD's Complaints Procedures** aims to serve as an accountability mechanism with a clear entry point and transparent process for people and communities to raise concerns with IFAD-supported projects and to provide effective sustainable solutions. Its mandate is to: i) facilitate the resolution of complaints from people who may be affected by projects or subprojects in a manner that is fair, objective and constructive; ii) enhance the environmental and social outcomes of projects; and iii) foster public accountability and learning to enhance the environmental and social performance of IFAD and reduce the risk of harm to people and the environment. The Procedure is organized in two complementary functions:
 - a) Problem solving function: to help resolve issues raised about the environmental and/or social impacts of project through a neutral, collaborative, problem-solving approach and contribute to improved social and environmental outcomes of the project.

- b) Impartial review function: to carry out reviews of IFAD's compliance with its SECAP and other related policies, assess harm done, and recommend remedial actions where appropriate.

Table 1: Management guide for GRM

Step	Process	Approach	Duration
1	Identify the grievance	Through direct reports to CFs, toll free phone number, letter, email, community general feedback	1-2 days
2	Assessment of the grievance and logging in in the appropriate file	Log book or files according to type of grievance Apply the significance of the complaint. Level 1- new Level 2- Repeated report or complaint Level 3- If complaint is related to breach of ESMF	3-5 days
3	Acknowledge receipt of the complaint / grievance using an appropriate communication method	Method of communication should meet the capacity of the complainant – phone call, through CFs etc	2-4 days
4	Investigate and develop a response	Assign the grievance to appropriate persons for seeking resolution and develop a response with input from management and relevant stakeholders.	3-14 days
5	Response is deliberated and signed off through the relevant hierarchy/ channels	Redress action is approved at appropriate levels	
6	Implementation of the feedback through appropriate communication channel	Redress action implemented and update of progress on resolution	14 days

2.1. Project-level GRM

7. The project team will establish communication channels at community level to file complaints. Contact information (including contact postal code, phone number and/or email) and information on the process to file a complaint will be disclosed in all meetings, workshops and other related events throughout the life of the project. RLRP will include in the capacity building program information on the GRM and will organize consultations to determine the most suitable way for beneficiaries and stakeholders to communicate their concerns and ideas.
8. Whenever a project causes negative environmental or social impacts there will be grievances (complaints) from people who are affected. "Having a good overall community engagement process in place and providing access to information on a regular basis can substantially help to prevent grievances from arising in the first place, or from escalating to a level that can potentially undermine project

performance. In order to reduce conflicts, a robust grievance / complaints mechanism that meets at least the following 'effectiveness' criteria should be instituted:

- a) Legitimate: enabling trust from the stakeholder groups for whose use they are intended, and being accountable for the fair conduct of grievance processes;
 - b) Accessible: being known to all stakeholder groups for whose use they are intended, and providing adequate assistance for those who may face particular barriers to access;
 - c) Predictable: providing a clear and known procedure with an indicative time frame for each stage, and clarity on the types of process and outcome available and means of monitoring implementation;
 - d) Equitable: seeking to ensure that aggrieved parties have reasonable access to sources of information, advice and expertise necessary to engage in a grievance process on fair, informed and respectful terms;
 - e) Transparent: keeping parties to a grievance informed about its progress, and providing sufficient information about the mechanism's performance to build confidence in its effectiveness and meet any public interest at stake;
 - f) Rights-compatible: ensuring that outcomes and remedies accord with internationally recognized human rights; g) A source of continuous learning: drawing on relevant measures to identify lessons for improving the mechanism and preventing future grievances and harms; and
 - g) Based on engagement and dialogue: consulting the stakeholder groups for whose use they are intended on their design and performance, and focusing on dialogue as the means to address and resolve grievances.
9. Complaints must concern environmental, social and climate issues only and should not be accusations of fraudulent or corrupt activities in relation to project implementation – these are dealt with by IFAD's Office of Audit and Oversight.

Eligibility criteria:

10. To file a complaint for alleged non-compliance with IFAD's social and environmental policies and mandatory aspects of its SECAP, IFAD will consider only complaints meeting the following criteria:
 - a) The complainants claim that IFAD has failed to apply its social and environmental policies and/or the mandatory provisions set out in SECAP.
 - b) The complainants claim that they have been or will be adversely affected by IFAD's failure to apply these policies.
 - c) Complaints must be put forward by at least two people who are both nationals of the country concerned and/or living in the project area. Complaints from foreign locations or anonymous complaints will not be taken into account.
 - d) Complaints must concern projects/programmes currently under design or implementation. Complaints concerning closed projects, or those that are more than 95 per cent disbursed, will not be considered.
11. Project-level GRM and guidelines may be further fine-tuned and sensitized during the implementation of RLRP taking into account IFAD's corporate Complaints Procedure to receive and facilitate resolution of concerns and complaints with respect to alleged non-compliance of its environmental and social policies and the mandatory aspects of its SECAP. The project will also be responsible for documenting and reporting to IFAD as part of the safeguards performance monitoring on any grievances received and how they were addressed.

12. Complaints can be raised directly to RLRP representatives at the district level in the concerned project area and the field team should help the complainant fill the complaint ensure the following information is included:
 - a) Name and contact details of the person(s) (and/or their representative) or community affected by RLRP;
 - b) Clear statement of RLRP adverse impact(s). This includes direct and material harm which can be actual present harm, or harm that is expected in the future; and
 - c) Whether the complainants wish to keep their identity confidential.

2.2. The process

13. The complainants should first bring the matter to the attention of the government or non-governmental organisation responsible for planning or executing the project or programme (the Lead Agency/ service provider), or to any governmental body with the responsibility for overseeing the Lead Agency/ service provider. If the Lead Agency/ service provider does not adequately respond, then the matter may be brought to the attention of IFAD. The issue may be brought straight to IFAD if the complainants feel they might be subject to retaliation if they went to the Lead Agency directly.

Level 1

14. Affected beneficiaries and community members represented at Level 1 will be expected to submit their complaints in writing on standard forms or orally to the project representative directly or through their village council leader. The claimants will be assisted by the village leadership to put their complaints and claims in writing. At this level, received complaints will be registered, investigated and resolved by the project officer. Eligible complaints will be addressed by the implementing entity (see eligibility criteria below). The Project Coordinator and with support from the M&E Officer will be responsible for recording the grievance and how it has been addressed if a resolution was agreed.

Level 2

15. If the grievance is not resolved at the field level, it should be escalated to the central NPCU. Received complaints will be registered, investigated and solved by the NPCU together with (i) district level authorities and (ii) state level authorities. The Project Steering Committee should be made aware of the complaint and the measures being taken to address it. The Project Coordinator and the M&E Officer will be responsible for recording the grievance and how it has been addressed if a resolution was agreed.

Level 3

16. If the complaint has not been solved in level 2, the complaint must be submitted to IFAD by downloading the complaint form (<https://www.ifad.org/documents/38711624/40169860/IFAD+Complaints+Submission+Form+Final+Draft+%28Downloadable%29.docx/52c75cad-439f-4e4a-8a70-45056ebde826>) and sending an email to SECAPcomplaints@ifad.org or a mail to:

IFAD
SECAP Complaints (PMD)
Via Paolo di Dono 44
00142 Rome, Italy

17. The full complaint procedure at IFAD is stipulated in the sections below.
18. Complaints can be submitted in any language by letter, e-mail and/or web form (available on IFAD's website). Any communication thereafter will be in English with

a translation into the Somali language. Processing of *complaints* not submitted in English may require additional time due to the need for translation. IFAD will timely notify the complainant of any delays caused by translation.

19. When a complaint is received, IFAD will first assess its admissibility. For complaints to be considered, the following eligibility criteria must be met:
 - a) The complainant alleges that IFAD has failed to implement its social and environmental policies and/or the mandatory provisions set out in SECAP;
 - b) The complainant alleges that they have been or will be adversely affected or harmed (direct or material) as a result of such non-compliance; and
 - c) The complainant must be submitted by a group of at least two people (an organization, association, society, or other group of individuals) who are both nationals of the country concerned and/or residing in a RLRP target area.
20. The following complaints will not be considered eligible:
 - a) Matters not related to IFAD's actions or omissions in designing or implementing RLRP;
 - b) Matters already considered by IFAD's Complaints Procedure, unless complainants have new evidence previously not available to them and unless the subsequent complaint can be readily consolidated with the earlier complaint;
 - c) Submissions from foreign entities or anonymous;
 - d) Matters related to procurement of goods, services and consulting services;
 - e) Accusations of fraudulent or corrupt activities in relation to project implementation – these are dealt with by IFAD's Office of Audit and Oversight.
 - f) Allegations of fraud and corruption in IFAD-supported projects – these are dealt with by IFAD's Office of Audit and Oversight.
 - g) Matters that are frivolous, malicious, trivial, or generated to gain competitive advantage.
21. Allegations of sexual harassment, exploitation and abuse are dealt with through IFAD's existing policy to preventing and responding to sexual harassment, sexual exploitation and abuse, and are forwarded to IFAD's Ethics Office.

Retaliation

22. The key principle underlying IFAD's Complaint Mechanism is that every individual or group has the right to voice their criticism or file a complaint with relation to an IFAD-supported project without threats to their safety or fear of retaliation. IFAD expects its partners not to prevent or harm stakeholders who may (or have) criticised an IFAD-supported project or filed a complaint.
23. According to IFAD's Whistle Blower Protection Procedures, any retaliatory behaviour by IFAD personnel against an external party engaged in any dealings with IFAD because such person has reported unsatisfactory conduct and/or misconduct will be considered unsatisfactory conduct or misconduct.
24. During the project design and implementation process IFAD will inform stakeholders of its SECAP as well as of the Complaints Procedures in force. To this end, IFAD will ensure that stakeholders are aware that they can contact IFAD directly and file a complaint if they believe that they are, or will be, adversely affected by RLRP and that the NPCU, district level and state level authorities is/are not responsive to their concerns.
25. Hence, complainants can go directly to level 3 and send his/her complaint to IFAD if they fear retaliation from the executing agency(ies).

Receipt and Registration of Complaint

26. After receipt of a complaint, the SECAP Redress Service (SRS in IFAD will ensure that an acknowledgement of receipt is sent to the complainant(s) within five business days. Complaints submitted in another language than English, may require additional time for translation. The acknowledgement informs the complainant(s) the date by which IFAD will determine the eligibility of the complaint, and whether additional information is required.
27. Upon receipt, the SRS will verify whether the complaint is known and/or already being processed by the project-level grievance redress mechanism. If not, the SRS decides within 21 business days after the acknowledgement of receipt on the eligibility of the complaint, based on the criteria defined above. During this phase, further information may be requested from the complainant and/or the regional division to clarify the complaint. In case of partial or total ineligibility, the SRS will, if possible, advise the complainant on which alternative measures could be taken and/or to which institution the concerns may be addressed. In the case of full eligibility, the complainant will receive a notice with information on the next steps, and the complaint will be registered.
28. The SRS will also notify the following internal stakeholders regarding receipt of the complaint: the Country Director and other relevant staff including the Regional Director, Director Environmental, Climate, Gender and Social Inclusion Division (ECG), Director Sustainable Production, Markets and Institutions Division (PMI), Director Operational Policy and Results Division (OPR), Office of the General Council (LEG), Communications Division (COM), Office of Enterprise risk Management (RMO) and others as appropriate.

Assessment of Complaint

29. Once a complaint is deemed eligible and registered as such, the SRS will initiate the assessment process. During this phase, the SRS will set up a review group consisting of the Country Director, ECG representative, PMI representative and a LEG representative to carry out an assessment of the complaint to:
 - a) Develop a thorough understanding of the issues and concerns raised;
 - b) Engage with the Project Delivery Team (PDT);
 - c) Engage with the complainant, the Borrower and the NPCU;
 - d) Identify local communities and additional stakeholders as relevant;
 - e) Explain the different functions of the Procedure, their scope and possible outcomes to the parties involved; and
 - f) Determine whether the parties seek to initiate a problem-solving process or impartial review.
30. The assessment process is used to give the complainant(s), the Borrower, and the PDT an opportunity to ask questions and consult with the SRS to facilitate informed decision making and understanding of the Procedure. Typical activities during this phase include:
 - a) Review of project related documents;
 - b) Meetings with the complainant(s), Borrower, NPCU staff, and if relevant local government officials, representatives of civil society and other stakeholders;
 - c) Visit to the project site(s); and
 - d) Public meetings in the project area as necessary.
31. When planning a visit, the SRS will inform all parties upfront of its planning.

32. At the end of this phase, the Complainant(s) and the Borrower/Recipient/Partner decide whether they would like to proceed with the problem-solving process or an Impartial compliance review. If both parties agree to the problem-solving process, this will be started by the SRS. If there is no agreement, the complaint will be forwarded to the Impartial Review Function.
33. The assessment should be finalized within 120 business days after the registration of the complaint with an assessment report prepared by the SRS. The report should include:
 - a) Summary of the information gathered and parties' perspectives of the issues raised;
 - b) Decision of the parties to pursue a problem-solving process or compliance review;
 - c) Action plan with timeframe for implementation, including appointment of mediator as relevant (see paragraph 27 below); and
 - d) Copy of the complaint, anonymized as necessary, as well as any Borrower's response that may be provided.
34. The report will be shared with all parties. Any comments should be received within 30 business days before the report is finalized and published (as necessary).

Problem Solving

35. If the parties agreed to a problem-solving procedure, the SRS will facilitate the process to help resolve issues raised about the environmental and/or social impacts of the project through a neutral, collaborative, problem-solving approach. During the assessment phase, it should have been clarified what problem-solving approach will be followed:
 - a) Facilitation and information sharing: in case the complainant(s) raise(s) questions regarding existing or foreseen impacts of a project, the SRS may facilitate the involved parties to obtain the information and clarifications resulting in a resolution;
 - b) Mediation: a neutral third party who acts as a mediator may be appointed to assist the parties involved in voluntarily negotiate a mutually satisfying resolution; and
 - c) Fact-finding mission: the SRS may contract (an) external consultant(s) to conduct a fact-finding mission to examine the issues agreed upon by the parties to reach a common understanding and possible solution.
36. Engagement in the problem-solving process is in any case a voluntary decision and requires agreement between the complainant and the Borrower. Each party reserves the right to exit at any point in the process.
37. Any agreement reached following the problem-solving process should be specific in terms of objective, nature and requirements, and documented in written form (to be prepared by the SRS or involved mediator or consultant). The timeline for the process is to be defined in the assessment report, but in any case, the process should not take longer than 2 years. In pursuit of a solution, IFAD will not knowingly support agreements that would coerce one or more parties, be contrary to IFAD policies, or violate the domestic or international laws applicable.
38. Where an agreement is reached, the SRS will monitor the implementation of the agreement and share interim updates with the parties, IFAD management and on the website (as applicable).
39. Where there is no or only partial agreement reached, the SRS will verify whether the complainant(s) would like to transfer the case to the Impartial Review Function.

Impartial Review Function

40. In the case no or partial agreement is reached during the problem-solving process, or if decided during the assessment phase, the SRS will forward the case upon agreement of the Complainant(s) to the Impartial Review Function, based in the Office of the President and Vice-President (OPV).
41. Out of a roster of independent experts, a minimum of two will be contracted to review the complaint and lead the impartial review. The role of these independent experts is to carry out reviews of compliance with IFAD's SECAP and other relevant policies, assess related harm and recommend remedial actions where appropriate. The impartial review will consider issues raised in the complaint or identified during the assessment process, but not those already resolved during the problem-solving process.
42. The Impartial Review should be finalized within a reasonable timeframe, no later than 2 years. The number of days to finish the review will depend on the complexity of the case (i.e. need for field visit, number of stakeholders involved), as well as the findings and conclusions of the review.
43. After completion, the independent experts will prepare a final report of their findings and in the case of non-compliance, specific actions to undertake. The report may also contain recommendations for IFAD on how to improve existing policies and/or procedures. After receiving internal comments, the (revised) draft report will be sent to the complainant(s) and the Borrower for fact checking. Comments should be received within 15 business days. The final report will then be prepared for disclosure to IFAD management and the Executive Board within 10 business days. IFAD management will provide a management response to the final report within 10 business days. The final report including the management response will be sent to the complainant(s) and a summary will be published at IFAD's website.
44. In cases where non-compliances are identified, the SECAP Redress Service will monitor the situation until actions are taken to assure non-compliance(s) are addressed.

Reporting and Information Disclosure

45. All information relevant to the case, including updates on the status and progress of the complaint process, to the extent possible and consistent with IFAD's disclosure policy, is shared with the complainant(s). In addition, IFAD will publish a case registry on its website. The registry will contain the following information in relation to eligible complaints:
 - a) A brief summary of the issues raised
 - b) Date of receipt
 - c) Date of registration
 - d) Project details
 - e) Information on the status
 - f) Link to available report(s)
 - g) The case registry will also contain information in relation to ineligible complaints, namely:
 - (i) Key issues raised
 - (ii) Date of receipt
 - (iii) Project details as above
 - (iv) Basis for ineligibility

46. Once a case is closed, IFAD will prepare a summary of the complaint, including follow-up actions and recommendations, taking into account privacy and confidentiality regulations and IFAD's disclosure policy, to be published on its public website. The summary will also be included in IFAD's Annual Report which is published on its website.

Resolution

47. Upon acceptance of a solution by the complainer, a document with the agreement should be signed.
48. In all cases, if the complainants disagree with IFAD's response, they may submit a request to SECAPcomplaints@ifad.org and request that an impartial review be carried out by the Office of the Vice-President. The Office of the Vice-President will decide on the steps to be taken to examine such complaints, including, if necessary, contracting external experts to review the matter. The complainants will be informed of the results of the review. IFAD will include in its Annual Report a list of received complaints and a summary of actions taken to address them.

How to submit a complaint

49. A complaint relating to non-compliance with IFAD's Social and Environmental Policies and mandatory aspects of its SECAP can be submitted in any of the following ways:
 - a) Download the complaints form (Word)
 - b) Send an email to SECAPcomplaints@ifad.org If you email or mail your complaint, please include the following information: Name, address, telephone number and other contact information
 - c) Whether the complainants wish to keep their identity confidential, and if so, why
 - d) Name, location, and nature of the IFAD project/programme (if known)
 - e) How the Complainants believe they have been, or are likely to be, adversely affected by the IFAD-supported project or programme Complaints sent by mail should be addressed to:

[IFAD](#)
[SECAP Complaints \(PMD\)](#)
[Via Paolo di Dono 44 144](#)
[00142 Rome, Italy](#)

Somalia

Rural Livelihoods Resilience Programme

Project Design Report

Annex: Annex 17 Rlrp Abbreviated Escmf Rev

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Near East, North Africa and Europe Division
Programme Management Department



FINAL DRAFT

**Abbreviated Environmental, Social and Climate Management
Framework**

SOMALIA LIVELIHOODS AND RESILIENT PROGRAMME(RLRP)

SEPTEMBER, 2023

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1.0 BACKGROUND AND OVERVIEW

1.1 Introduction

Somalia is located in the Horn of Africa region and is bordered by Ethiopia to the west, Djibouti to the northwest, the Gulf of Aden to the north, the Guardafui Channel and Somali Sea to the east, and Kenya to the southwest. With a total land area of 637,657 km² and situated between 2°S and 12°N latitudes and 41° and 52°E longitudes, Somalia has the longest coastline on Africa's mainland. The country's terrain consists mainly of plateaus, plains and highlands. Climatically, hot conditions prevail year-round, with periodic monsoon winds and irregular rainfall.

Somalia is faced with a number of intertwined crises including poverty, environmental, climate change, and socio-political instability. Somalia's population is faces heightened vulnerability to climate change due to their heavy dependence on climate-sensitive livelihoods such as agriculture, livestock rearing, and fisheries. These industries make up over 70% of income sources, particularly in rural areas (FGS, 2020). Additionally, the ongoing process of rebuilding state institutions amid recurring and long-lasting conflict, primarily in the southern region, further exacerbates the challenge. The country, fragmented and debilitated by thirty years of conflict, faces widespread poverty and increased vulnerability due to the destruction of legitimate institutions. Climate-related disasters have, in turn, led to decreased investment in vital sectors like agriculture, water, and infrastructure, thereby escalating poverty levels. Concurrently, the country's natural resources have suffered significant damage and strain. Political discord and divisions pose a continuous threat to sustainable governance (World Bank 2020). However, over the past decade, Somalia has made considerable progress in establishing political, social, environmental, and economic systems that, albeit fragile, show promising signs of advancement.

In response to the challenges and opportunities presented by climate change, the federal government of Somalia has established and implemented key policies, legislation, and institutional frameworks relevant to climate change. Notably, these include the National Climate Change Policy (2020), the Nationally Determined Contributions (2021) under the United Nations Framework Convention on Climate Change (UNFCCC), the Disaster Management Policy, and the Environment Policy, among others. The Federal Government has also recognized climate change adaptation as a crucial element of Somalia's development and climate agenda, integrating it into the National Development Plan (NDP-9) for 2020-2024 and the Resilience and Recovery Framework. Internationally, Somalia has shown commitment to the global climate agenda by signing and ratifying the UNFCCC and the Paris Agreement and submitting its Nationally Determined contributions (NDC) and Adaptation Communications under the Paris Agreement. Despite these strides, there are still significant gaps and challenges in effectively responding to climate change and addressing the environmental crises.

The country has experienced five successive seasons of drought, which has led to extensive livestock loss, crop failure, and population displacement. The situation is further exacerbated by intermittent flooding in riverine regions, destroying vital irrigation infrastructure. Coupled with insecurity, weak governance structures, and the pervasive effects of the COVID-19 pandemic starting from 2020 and the War in Ukraine in 2022, the resilience of agricultural livelihoods has been severely tested. As a result, an estimated 6.5 million Somalians, representing 35 percent of the population, are projected to face acute food insecurity between April and June 2023. Furthermore, approximately 1.8 million children under five are likely to suffer from acute malnutrition by December 2023, including 477,700 who could be severely malnourished. While humanitarian food aid has offered some respite, competing global demands have limited the scope of assistance.

Over the last 30 years, many development partners withdrew from Somalia due to security concerns and unsettled debt arrears, on its part, IFAD maintained a minimal level of support for agricultural development in the country, primarily through grant resources. However, a turning point came in February 2023 when Somalia cleared its debt arrears to IFAD, thereby gaining access to Performance-Based Allocation System (PBAS) resources. IFAD pledged to apply the first allocation from the PBAS to the Rural Livelihoods Resilience Project (RLRP).

The RLRP will capitalize on IFAD's experience in handling fragility in Somalia and other nations, specifically through community-led, climate-resilient agricultural and infrastructure development. The project aims to strengthen the resilience of rural communities' livelihoods in the production, post-harvest, and marketing of priority crops and livestock value chains. Moreover, it ensures attention is given to gender and social inclusion, youth involvement, nutritional and environment and climate considerations.

1.2 Rural Livelihoods Resilient Programme(RLRP)

The goal of the Rural Livelihoods Resilient Programme funded by IFAD and implemented by the Government of Somalia is improved and resilient livelihoods of rural smallholders in Somalia. The Programme Development Objective (PDO) is “sustainably increase productivity, incomes and nutrition security and enhance the resilience of rural smallholder families in Somalia.

The target areas have been jointly selected by FGS and IFAD and based on a number of key criteria such as poverty levels, food and nutrition insecurity, degradation of natural resource based and acceptable level of conflicts and insecurity. Based on these criteria, the geographic area of intervention of RLRP will be three districts in South West state (Bay, Bakool and lower Shabelle) and two districts in Jubaland state (Gedo and lower Juba).

Project financing arrangements will be made directly through IFAD investment to the Ministry of Agriculture and Irrigation (MoAI). The project will be implemented by the Ministry of Agriculture and Irrigation (MoAI) through National Programme Coordination Unit (NPCU) at the MoAI responsible for coordination of the day-to-day implementation of the programme. A National Programme Coordinator shall be recruited to lead the NPCU with technical staff responsible for the implementation of the Environmental, Social, Climate Change Framework (ESCMF) seconded from the Ministry of Environment and Climate Change. Additionally, other specialist skills required at the NPCU, such as Gender Specialist, Financial Inclusion Specialist, Environment and Climate Specialist, etc, will be recruited as consultants on specific terms of reference and assignment duration.

The implementation of RLRP will also be supported by A Programme Steering Committee (PSC) under the Ministry of Agriculture and Irrigation (MoAI) that will be responsible for approving the AWPB and review the report and audit of the RLRP. The PSC will include representatives from MoAI, Ministry of Livestock, Forestry and Range (MoLFR) and the Ministry of Environment and Climate Change (MoECC), and the Ministry of Finance (MoF). The delivery of the project will be done through NGOs and service providers including private companies and project financing will be provided on a rolling basis based on approved annual work plans.

The project aims to provide comprehensive support to various vulnerable groups focusing on capacity-building, social integration, and livelihood improvement, thereby promoting sustainable, resilient and inclusive livelihoods in the target communities. The target beneficiaries include rural and poor small-scale Agro-pastoral households, food insecure small holder producers, women, youth, Internally Displaced Persons (IDPs) and Persons living with Disabilities.

1.3 Programme Components and activities

The programme has three components. These are:

Component 1: Support to Community Resilience

Component 1 of the RLRP focuses on enhancing community resilience by empowering communities socially and economically. It encourages them to determine and prioritize their needs via a gender-sensitive, environmentally sensitive community development plan (CDP). The plan's objective is to strengthen community resilience. This part of the program consists of two subcomponents: Strengthening community governance and services, and Community investment support.

Subcomponent 1.1: Strengthening community governance and services- This subcomponent aims to build institutions and skills within communities to facilitate the ownership and accountability of their own development initiatives. This includes the preparation of District Profiles, recruitment of community facilitators, strengthening existing community-based organizations (CBOs), and promoting new ones. Activities such as community mobilization, community cluster identification and planning, capacity enhancement of rural communities, and facilitated development of CDPs and Capacity building of the community for disaster risk management including Community Disaster Risk Management Plans (CDRMPs), training on disaster risk reduction, support the development of early warning systems and implementation of mitigation measures are carried out to achieve the objectives.

Subcomponent 1.2: Community investment support- This subcomponent finances investment in community water for domestic and households, rehabilitation and climate-proofing of a total of about 25 km of primary and secondary canals production, and market infrastructure, migration to pressurised irrigation (drip or sprinkler) networks using solar-powered pumping systems for improved water management and efficiency and surface water harvesting, including the construction of lined dams. Additionally, market infrastructure activities, establishment or rehabilitation of post-harvest management (PHM) and processing facilities; establishment or rehabilitation of community-owned grain reserves to strengthen food security, market access, and price stabilisation for food crops; introduction of grain drying technology to enhance product quality and reduce microbial proliferation; for the vegetable and meat sectors, establishment of solar energy powered cold chain facilities in major rural markets, to increase produce shelf life and quality; and (v) livestock market sheds.

Component 2: Support to Smallholder Livelihoods Enhancement

Component 2 of the RLRP (Resilient Livelihoods Recovery Project) focuses on enhancing smallholder livelihoods. The outcomes are increased production and productivity of priority crops and livestock, resilience, dietary diversity, food security, and improved incomes.

Subcomponent 2.1 is on strengthening resilience in crop and livestock value chains (VCs) and includes several outputs:

- Promotion of pluralistic approach (use of both public and private extension services) through training workshops, establishing digital platforms, training extension agents etc
- Supporting improved animal health through training and equipping community animal health workers (CAHWs); support the establishment of agrovet supply shops by youth entrepreneurs trained under RLRP; and promote a weather index-based livestock insurance
- Promotion of improved inputs and CSA technologies
- Supporting access to productive inputs including improved climate-resilient seeds, pesticides, fertilisers, and ecosystem friendly farm tools.

- Targeted support to disadvantaged HHs in crop and livestock production including through packages of inputs for low-cost, water-saving technologies for integrated homestead food production, distribution of shoats

Subcomponent 2.2, Entrepreneurship for Value Chain Development, is geared towards developing entrepreneurial skills among youth and women for increased incomes and job creation. It includes activities like mapping existing and potential market opportunities, supporting the development of entrepreneurship, and facilitating access to financial services for business development along the VCs.

Component 3: Programme Facilitation and Capacity Enhancement

The primary aim of this component is to achieve a holistic and adaptive management of the programme, integrating perspectives of gender, youth, environmental conservation, climate change adaptation, monitoring and evaluation (M&E), along with knowledge management and communication (KMC) throughout all facets of the initiative. In this regard, programme facilitation will harness ICT resources, including agile data and remote sensing, to document its accomplishments, impacts, and derived insights.

This component is designed to strengthen the operational capability of relevant Somali ministries, enhancing their role in programme oversight. Moreover, it will facilitate comprehensive training in sustainable and resilient practices for crop and livestock production, equipping state and district implementing partners with necessary skills and knowledge.

1.4 Objectives of ESCMF and Methodology

1.4.1 Objectives

In accordance with IFAD’s Social, Environmental and Climate Assessment Procedures (SECAP), the RLRP was screened as “Substantial risk” in the environmental and social risk screening procedure, thus necessitating the preparation of an Abbreviated Environmental, Social and Climate Management Framework (ESCMF). The ESCMF set out the principles, rules, guidelines and procedures for screening, assessing, and managing the potential environmental, social and climate risks and impacts of the project interventions, which are not specifically identified at the design stage. The specific objectives of ESCMF are:

- i. To ensure that the implementation of the project is carried out in an environmentally and social sustainable manner, minimizing any potential harm to society and natural resources.
- ii. To provide comprehensive information about the scope of potential adverse environmental, social and climate risks and impacts expected during project planning and implementation stages.
- iii. To describe the approach for mitigation and monitoring actions that should be taken to reduce and manage the identified risks, including the implications on project costs.
- iv. To define the roles and responsibilities of the Ministry of Agriculture and Irrigation (MoAI), National Project Coordination Unit (NPCU) at the Federal Member State (FMS) level, participating NGOs, private sector companies, and other stakeholders with regard to environmental due diligence, risk and impact management, and monitoring.
- v. To equip the project implementation team with an environmental screening process and risk management procedures. This will enable them to identify, assess, and mitigate potential risks and impacts of project activities efficiently with the implementation of Environmental,

Climate and Social Management Plans (ESMPs) and preparation of Environment and Social Impact Assessments where applicable.

1.4.2 Methodology

The development of the ESCMF for RLRP involved a comprehensive methodology incorporating multiple data gathering methods and rigorous analysis. The steps taken in this methodology include:

- **Literature Review:** A thorough examination of existing literature was conducted as a primary step towards the preparation of the ESCMF. The review encompassed several key publications focusing on the agriculture and environment sector in Somalia, cited within the framework.
- **Desktop Review of Policy Environment:** To ascertain a deeper understanding of the legislative context, the project design team under IFAD, undertook a comprehensive analysis of the prevailing national laws, policies, and guidelines pertaining to the agriculture, livestock and environment sectors in Somalia. The team also reviewed relevant IFAD SECAP procedures pertinent to the programme.
- **Stakeholder Consultations:** The RLRP design team undertook extensive consultations with key stakeholders in Somalia. Insights and feedback obtained from these virtual dialogues contributed to the development of the draft of the ESCMF. The framework was further refined and finalized through consultations with the Federal Ministry of Environment and Climate Change (MoECC). The final ESCMF including related mitigation measures were presented at the Project validation workshop which was held in Mogadishu in July 2023.

2. Potential Environmental, Social, and Climate Risks and Impacts

2.1 Introduction

The Rural Livelihoods Resilience Project (RLRP) is expected to generate a variety of environmental, social, and climate impacts due to its extensive interaction with the rural agricultural and livestock sectors in Somalia. The following section provides a comprehensive analysis of the potential impacts, both positive and negative, associated with the implementation of the RLRP. These impacts span environmental aspects such as biodiversity, soil health, and water management; social dimensions including labour conditions and community health; and climate considerations like climate change mitigation and adaptation strategies. The evaluation of these impacts is guided by IFAD SECAP Standards and are instrumental in identifying and planning appropriate mitigation measures and capitalizing on potential opportunities to enhance the positive contributions of RLRP. Since all the three components are interlinked and complementary to each, the assessment took a whole of project approach rather than separate assessment of each of the components.

2.2 Environment, Social and Climate Change risk Category

2.2.1 Environmental and Social Category

The environmental and social category for the Resilient Land and Resource Project (RLRP) is classified as 'Substantial Risk.' This classification stems from the understanding that while the project aims to enhance the resilience and productivity of land and natural resources, some of its activities development of community infrastructures identified through the Community Development plans could potentially contribute to adverse impacts on the environment and intensify pressures on already strained resources. Some of the identified potential negative impacts

include biodiversity loss, water and soil pollution, land degradation, among others. Socially, the project could have negative impacts such as inequitable benefit distribution and thus exacerbating gender inequalities, labour including child labour issues, conflicts and tension among others.

2.2.2 Climate risk Category

The RLRP is assigned a 'Substantial Risk' category for climate risks, highlighting the inherent vulnerability of the country to adverse climate events and environmental changes. Somalia is highly susceptible to extreme weather events and long-term climate changes, including frequent droughts, unpredictable rainfall patterns, and occasional floods. These climatic extremes, combined with its socio-economic fragility, make Somalia one of the world's most climate-vulnerable countries. The main factors contributing to this risk classification for RLRP include:

- The project's core components rely heavily on land and water resources that are significantly affected by climate variability and change. As such, changes in rainfall patterns, prolonged droughts and result water scarcity or increased flooding could greatly impact project outcomes and sustainability.
- The project targets rural populations that heavily depend on natural resources for their livelihoods. These populations are already experiencing the effects of climate change and could face increased vulnerability due to potential climate-induced changes in land and water resource availability.
- Project-related infrastructure (such as irrigation systems, storage facilities, or other agricultural structures) could be damaged or destroyed by extreme weather events, affecting the project's efficiency and effectiveness.
- The project activities can have negative impacts such as increase GHG emissions and potential maladaptation.

Given these risks, it is critical that the RLRP incorporates climate risk considerations into its planning and implementation phases. The project should integrate adaptive measures to enhance the resilience of communities and ecosystems to climate change. This will include adopting climate-smart agricultural practices, improving water management, diversifying livelihoods, and strengthening early warning systems and response capacity at the community level. Additionally, a Climate Risk Management Plan should be part of the overall Environmental, Social, and Climate Management Framework (ESCMF) for the project.

2.3 Environmental Impacts Analysis

2.3.1 Positive Environmental impacts

Enhanced Biodiversity: By promoting sustainable agricultural practices, the RLRP can help enhance local biodiversity. For instance, agroforestry and the preservation of natural habitats can provide a sanctuary for various species of flora and fauna, contributing to balanced ecosystems.

Improved Soil Health: The project's focus on sustainable and resilient crop and livestock production technologies can lead to improved soil health. Practices such as crop rotation, cover cropping, and organic fertilization can replenish soil nutrients and improve its structure, promoting healthy soil.

Water Conservation: By introducing and promoting water-saving irrigation technologies, RLRP can help conserve water resources in the region. This can also improve the efficiency of water use in agriculture and help mitigate the impacts of water scarcity.

Increased Environmental Awareness and capacity building: By integrating environmental considerations into its programme coordination and capacity building, the RLRP can help to increase environmental awareness among local communities and stakeholders. The programme will also enhance the capacity of relevant federal institutions and enhance the capacity to integrate an implement environmental consideration. This is particularly the case where the secondment of staff from the ministry of Environment and Climate Change (MoECC) contributing and supporting the ministry of Agriculture and irrigation through the implementation of the project.

2.3.2 Potential negative Environmental Impacts

The Rural Livelihoods Resilience Project (RLRP), though primarily designed for positive outcomes, could lead to some potential negative environmental impacts if not managed carefully. Possible adverse environmental impacts include:

Land degradation: Intensive agricultural activities promoted by the project through activities and possible improper farming practices resulting from activities under component 2.1(strengthening resilience of crops and livestock value chains) through for example introduction of new crops and animal varieties, can result in soil erosion, loss of soil fertility and degradation of land, impacting long-term productivity and sustainability.

Water pollution: The potential use of agrochemicals such as fertilizers and pesticides can lead to contamination of water bodies, negatively affecting water quality and aquatic biodiversity. RLRP under component 2.1 activities will encourage private sector input suppliers to establish outlets at the community level in collaboration with the CDA. The inputs could include drought-resilient seeds, pesticides, fertilisers, and ecosystem friendly farm tools. Upon utilization at farm level, these inputs can result in water pollution.

Biodiversity loss: Community projects such as the construction of community-based water sources for domestic use and crop and livestock production; rehabilitation of a total of about 25 km of primary and secondary canals, to irrigate 8,000 ha of smallholder-owned farms; migration to pressurised irrigation (drip or sprinkler) networks using solar-powered pumping systems for improved water management and efficiency, to enhance the farmers' resilience to climate-induced water scarcity while increasing farm productivity; and surface water harvesting, could have negative effects on local biodiversity and natural resources especially during construction and utilization.

Air and Noise Pollution: Construction of community projects and farming activities such as boreholes drilling, water harvesting such as dams, rehabilitation of canals, roads among others could increase air and noise pollution levels in the target rural areas.

Waste generation: Post-harvest activities and value addition processes, such as packaging and processing, can generate a significant amount of waste materials. If not properly managed, this can contribute to pollution and other environmental issues.

Increased Water Demand and overuse: Under Subcomponent 1.2, investment in community water for domestic and household use, as well as irrigation infrastructure, may lead to increased water demand in areas that are already water-stressed. This could exacerbate competition for limited water resources and potentially harm local ecosystems. Furthermore, the rehabilitation and climate-proofing of canals, while essential for agricultural productivity, can disrupt local aquatic ecosystems and may lead to changes in water flow patterns, affecting aquatic life.

Ecosystem Disruption: Dams can alter the natural flow of rivers and impact local ecosystems. Reduced water flow during droughts can disrupt aquatic habitats, affect fisheries, and harm wildlife dependent on consistent water levels. This disruption can have long-term ecological consequences especially downstream areas and aquatic habitats

2.3 Social impacts Analysis

2.3.1 Positive Social impacts

The Rural Livelihoods Resilience Project (RLRP) is poised to generate several positive social impacts thus contributing to the social development and resilience of the targeted communities in Somalia. The specific positive social impacts include:

Improved Livelihoods: The project, by enhancing productivity, improving access to markets and financial services, and offering capacity-building opportunities, is expected to enhance the livelihoods of smallholder farmers, thereby reducing poverty levels among the targeted population.

Gender equality and women's empowerment: By specifically targeting women (50%) and ensuring their involvement in leadership and decision-making roles, RLRP aims to promote gender equality and women's empowerment, both economically and socially.

Youth Engagement: By targeting and engaging youth (40%), the project provides an avenue for youth participation in agro-pastoral activities, entrepreneurship, and skills development. This not only offers employment opportunities but also mitigates the risks of social instability and insecurity associated with youth unemployment.

Inclusion of Vulnerable Groups: The project is inclusive of various vulnerable groups such as persons with disabilities and internally displaced persons (IDPs), offering them access to economic opportunities, social integration, and capacity building.

Community Building and development: The creation and support of community-based organizations (CBOs) will foster a sense of community, enhancing social cohesion and facilitating collective decision-making and problem-solving.

Improved Health and Nutrition: The project promotes the production of diversified, high nutritional value foods, reduces post-harvest losses, and provides nutrition education. This is likely to improve community health outcomes and reduce malnutrition rates.

Capacity Building and Education: The RLRP involves significant capacity building and training activities, raising the skill levels within the community, promoting sustainable and resilient farming practices, and increasing overall community knowledge and educational levels.

2.3.2 Potential negative social impacts:

While the Rural Livelihoods Resilience Project (RLRP) is expected to provide several positive social benefits, potential negative social impacts may also arise if not properly managed.

These include:

Inequitable Access to Resources and Benefits: Without careful monitoring and management, the distribution of project resources and benefits may be inequitable, exacerbating existing inequalities within the communities and leading to social tensions.

Potential for Exploitation or Discrimination: Certain vulnerable groups such as women, youth, persons with disabilities, and internally displaced persons (IDPs) could face discrimination or exploitation in project activities if not adequately protected and supported.

Substandard Working Conditions and Child Labour Exploitation: The urgency to elevate agricultural productivity and revenue could result in workers facing excessively long work hours, improper handling of agrochemicals, and disregard for necessary safety precautions. Exploitation of child labour, who make up a significant portion of the population in Somalia and especially for rural communities with limited options to hire workers may also become an issue. Child labour in agriculture is particularly troubling as it deprives children of education, exposes them to risky conditions, and could inflict long-term detrimental effects on their physical and psychological wellbeing.

Gender-Based Violence (GBV) Risks: The implementation of RLRP may inadvertently pose certain risks for gender-based violence (GBV), especially for vulnerable populations such as women and young girls. These risks can stem from several sources, such as construction workers, farm management personnel, and project implementation staff. There is a potential risk of sexual exploitation in its various forms. This can occur in situations where women and girls, particularly those in poverty-stricken conditions, may become targets of exploitation due to their vulnerable socioeconomic status. Additionally, the presence of a predominantly male workforce in certain project areas may exacerbate these risks, with power dynamics potentially leading to unsafe environments for women and girls.

Resource-Related Conflicts: As the project enhances the value of agricultural resources through improved farming practices, there could be an escalation in disputes over land ownership, water rights, and access to other critical resources. These disagreements may stem from longstanding grievances, clans affiliations, or socio-economic disparities. Additionally, the introduction of new technologies and practices could foster perceptions of bias or an unequal distribution of benefits, further intensifying tension among distinct social groups. Such conflicts can negatively impact social harmony, overall community welfare, and the long-term viability of the project.

Community Health, Safety, and Security: If not properly managed, project activities could increase health risks due to poor sanitation practices, spread of diseases, or unsafe working conditions. Additionally, security concerns may arise if conflict over resources increases or if project activities inadvertently exacerbate local conflicts.

2.4 Climate Change risks and impacts

2.4.1 Positive impacts

The Rural Livelihoods Resilience Project (RLRP) could result in several positive climate impacts:

Carbon Sequestration: By promoting sustainable and resilient farming practices, such as agroforestry, the RLRP can enhance the capacity of the local ecosystem to sequester carbon, contributing to the global effort to mitigate climate change.

Adaptation to Climate Variability: The project will foster climate-smart agricultural practices, which will better equip smallholder farmers to adapt to climate variability while enhancing productivity. This includes drought-tolerant crops, rainwater harvesting, and soil conservation methods that increase resilience to extreme weather events.

Reduction in Greenhouse Gas Emissions: The promotion of efficient farming techniques and resource use could lead to reduced greenhouse gas emissions. For instance, effective water and fertilizer management can decrease nitrous oxide emissions, a potent greenhouse gas. The project's focus on harnessing renewable energy sources for community projects such as solar power for irrigation and other farming activities will reduce reliance on fossil fuels, thereby reducing the carbon footprint of agricultural practices.

Protection and Restoration of Ecosystems: By advocating sustainable land management and combating desertification, the RLRP can contribute to the protection and restoration of vital ecosystems, which are key to maintaining global climate balance.

Sustainable Livestock Management: The project's focus on sustainable livestock production practices can lead to a decrease in methane emissions, another potent greenhouse gas, thereby contributing to climate change mitigation efforts.

2.4.2: Negative Climate Change related risks and impacts

The Rural Livelihoods Resilience Project (RLRP) operates within a climate-sensitive context, and as such, the following climate risks could potentially influence its outcomes:

Flooding: Flooding is a recurring problem in many of the project's targeted areas, particularly those adjacent to major rivers of Juba and Shebelle. These floods not only endanger the livelihoods of smallholder farmers and other vulnerable communities in the project area but also jeopardize their agricultural assets and livestock promoted by the project. The flooding of farmlands can result in crop losses and pose a severe threat to food security. Additionally, the safety and well-being of livestock are compromised as they face the risk of drowning or displacement. Coastal flooding may result in salinization of arable land due to saltwater intrusion can impede agricultural production, affecting both crops and livestock feed. Furthermore, urban flooding in project areas, caused by poor drainage and rapid urbanization, can disrupt transportation routes and access to markets for smallholders, thereby impacting the sale of agricultural produce and livestock products.

Water Scarcity and risks related associated with dams: Somalia is already experiencing water scarcity due to climate change, and these conditions could worsen in the future. Reduced water availability can impact crop and livestock productivity, affecting the livelihoods of project

beneficiaries. Additionally, some agricultural activities might increase the demand for water and could deplete scarce local water resources, particularly in the face of climate change-induced alterations to rainfall patterns and water availability.

The RLRP will involve the construction of 2 dams to support supply to domestic, crop production, and livestock supply. Climate change can exacerbate existing risks related to dam construction and water storage, making them more unpredictable and challenging to manage. Dams and water storage facilities in Somalia face the persistent challenge of maintaining adequate water levels during extended drought periods. Insufficient rainfall can significantly reduce inflow into these reservoirs, jeopardizing their ability to meet water supply demands.

Decreased water availability during droughts can exacerbate water quality concerns. As water sources become scarcer, they become more susceptible to contamination from pollutants and harmful microorganisms. This poses health risks to communities relying on these water sources for drinking and agriculture. Reduced water flow, especially during drought periods, can impede the functionality of vital infrastructure such as canals and irrigation systems. Insufficient water supply can disrupt the efficient distribution of water for agricultural and irrigation purposes, impacting food security and economic stability.

Risks related to extreme heat: Rising temperatures, prolonged heatwaves, and erratic weather patterns can lead to severe stress on crops and livestock, affecting the livelihoods of vulnerable communities. Crop yields can decline due to heat-induced drought stress, increased evaporation, and a greater prevalence of pests and diseases. Livestock, too, are susceptible to heat stress, resulting in reduced productivity, weight loss, and even mortality. The excessive heat can also affect the sustainability of the community infrastructure projects such as irrigation and water infrastructure developed under the project.

Land Degradation and Desertification: Changes in climate can exacerbate land degradation and desertification, reducing the productivity of arable land and pasture. This poses a significant threat to the project's agricultural and livestock components.

Pest and Disease Outbreaks: Climate change can alter the spread and intensity of pests and diseases, affecting both crop and livestock health. Changes in temperature and rainfall patterns can create more favorable conditions for certain pests and pathogens, potentially leading to significant crop losses and reduced livestock productivity.

Sea-Level Rise and Coastal Erosion: Although not directly linked to the agricultural focus of RLRP, sea-level rise and coastal erosion can have indirect impacts on project outcomes. They can lead to displacement of communities, changes in land use, and potential conflicts over resources, which may influence the social dynamics within the project area.

Increased Greenhouse Gas Emissions: Some of the proposed farming and livestock activities might lead to an increase in greenhouse gas emissions. For instance, expanded livestock production can result in increased methane emissions, a potent greenhouse gas. Similarly, excessive use of fertilizers can cause increased nitrous oxide emissions.

Risks of Maladaptation – Maladaptation are related to actions that may seem beneficial in the short-term or in a limited context but can lead to increased vulnerability or negative impacts in the longer term or other contexts. For the RLRP, maladaptation could potentially manifest due to:

- Overemphasis on Short-Term Productivity eg. increased use of chemical fertilizers and pesticides, could degrade soil health and biodiversity in the long-term
- The introduction of new agricultural technologies or practices not suited to the local context, or not manageable within existing resource constraints, could lead to unsustainable practices, exacerbating local vulnerabilities and inequalities.
- Designing interventions based on past and current climate conditions, without adequately considering future climate projections, could lead to ineffective or detrimental adaptation measures. For example, constructing water storage facilities without taking into account projections of reduced rainfall may result in underutilized infrastructure.
- Efforts to conserve natural resources or reorient land use for climate-resilient agriculture could inadvertently displace vulnerable groups, such as herders or small-scale farmers, if not managed inclusively and equitably. This could lead to social conflict and increased vulnerability for these groups.
- If the benefits of the project disproportionately favor certain groups over others, this can exacerbate existing social inequalities, leading to conflicts and reducing overall community resilience.

2.5 Mitigation measures for Key Environmental, Climate and Social risks

To maximize the positive impacts and avoid environmental, social and climate change related risks and impacts, it is important that RLRP integrates comprehensive environmental, social and climate risk assessment, mitigation measures and participatory planning into its design and implementation processes. This would entail considering future climate scenarios, addressing socio-economic and environmental aspects together, and ensuring that local knowledge and capacities are respected and leveraged in adaptation strategies. It is also crucial to monitor and adjust the project as necessary over time to avoid or mitigate any unintended negative consequences. Below is a summary of key environmental, social and climate risks and mitigation measures:

2.5.1 Key Environmental risks and mitigation measures:

Land degradation

- Implement soil conservation measures through climate smart agriculture practices including reduced tillage
- Develop and implement land use plans that identify suitable areas for agriculture, conservation, and other land uses through the CDPs
- Promote agroforestry practices by integrating trees and shrubs into farming systems, which can improve soil fertility, reduce erosion, and provide additional sources of income.
- Implement sustainable soil management practices, including organic matter incorporation, crop rotation, and balanced nutrient application to enhance soil fertility.
- practice rotational grazing to prevent overgrazing, soil compaction, and vegetation depletion.
- Provide training and extension services to farmers on sustainable agricultural practices, including soil conservation, water management, and agroecology.

Increased Water Demand and overuse

- Promote water-efficient agricultural practices, such as drip irrigation, precision agriculture, and scheduling irrigation based on crop needs.
- Implement comprehensive water monitoring systems to track water availability, usage, and quality.

- Provide training and education programs for farmers and water users on efficient water management practices.
- Upgrade and maintain water infrastructure, such as canals, reservoirs, and distribution systems, to minimize water losses through leaks and evaporation.
- Encourage farmers to choose crop varieties that are more drought-resistant and suited to local water availability.
- Involve local communities and stakeholders in water management decisions to ensure a sense of ownership and responsibility for water resources.

Ecosystem disruption as a result of dams' construction

- Conduct a thorough ESIA before dam construction to identify potential ecological impacts. This assessment should involve experts and consider the local ecosystem's unique characteristics.
- Choose dam locations carefully to minimize disruption to critical habitats and ecosystems.
- Implement sediment management strategies to prevent excessive sediment buildup behind the dam, which can degrade aquatic habitats and water quality.
- Implement adaptive management strategies that allow for adjustments to dam operations based on the monitoring of ecological impacts. Flexibility in dam operation can help mitigate unexpected disruptions.

Pollution and Waste generation:

- Encourage the use of organic and natural fertilizers to reduce the reliance on chemical inputs and minimize soil and water pollution.
- Implement proper waste management systems, including recycling and safe disposal of agrochemical containers and other waste materials.
- Promote the adoption of eco-friendly technologies and practices, such as biodegradable packaging and low-impact production processes.

Air and Noise Pollution:

- Public awareness on concerns and risks associated with noise and air pollution
- Procure equipment that meets recognized emissions and noise standards.
- Schedule construction activities during times of lower wind speed to reduce dust pollution & during the day or times when it is least likely to disturb local communities and wildlife.
- promote sustainable farming practices to minimize air pollution from farming operations.
- Encourage the use of protective equipment, such as masks and respirators, for workers in dust-& noise prone areas.

Biodiversity Loss:

- Encourage agrobiodiversity by promoting the cultivation of diverse crop varieties and the conservation of native plant species.
- Support sustainable land-use practices that incorporate ecological corridors and buffer zones to enhance connectivity between ecosystems.
- Facilitate the implementation of integrated pest management strategies to minimize the need for chemical interventions and reduce impacts on biodiversity.

Energy Consumption:

- Promote the use of renewable energy sources, such as solar or wind power, for agro-processing operations to minimize energy consumption and reduce environmental impacts.
- Improve energy efficiency through the adoption of energy-saving technologies and practices, including optimizing equipment and implementing energy management systems.

2.5.2 Main social risks and mitigation measures

Potential Social/Gender Inequality:

- Implement inclusive policies and activities that ensure equitable distribution of benefits and opportunities among different farmers, including small-scale and large-scale farmers.
- Promote gender-responsive approaches by providing equal access to resources, training, and decision-making processes for women farmers.
- Foster cooperative farming models and platforms that encourage collaboration, knowledge sharing, and collective decision-making among farmers of different scales.

Possible Displacement:

- Conduct thorough social impact assessments and ensure proper consultation with affected communities to minimize the risk of displacement.
- Implement adequate land tenure policies that protect the rights and interests of affected communities, ensuring their participation in decision-making processes.
- Provide assistance and support to displaced communities, including access to alternative land, livelihood opportunities, and necessary social services.

Possible Conflicts:

- Foster inclusive and participatory dialogue among different social groups to address grievances, promote understanding, and prevent conflicts.
- Establish mechanisms for dispute resolution and conflict management, ensuring fair and transparent processes for resolving conflicts related to land, water, and resource use.
- Promote social cohesion and community engagement through capacity-building programs, awareness campaigns, and strengthening local governance structures

Gender based violence

- Create awareness about GBV among all staff, contractors, and the broader community.
- Implement strict policies and codes of conduct to prevent GBV, ensuring these are understood and signed by all staff and contractors.
- Establish confidential and accessible mechanisms for reporting GBV incidents in the GRM processes
- Engage the local communities in discussions around GBV, promoting a community-led approach to prevention.

Unhealthy and Unsafe Work Environment, including the Exploitation of Child Labour:

- Enforce labour laws and regulations that protect workers' rights, including regulations against child labour and hazardous working conditions.
- Support education and awareness initiatives to combat child labour, providing access to quality education and alternative income-generating opportunities for children and their families
- Provide training and awareness programs on occupational health and safety practices to ensure a safe working environment for agricultural workers.

- Promote responsible and sustainable agricultural practices that minimize the use of agrochemicals and encourage the adoption of organic and natural farming methods.

2.5.3 Key climate change related risks and mitigation measures

Flooding risks

- Climate proof all infrastructure project to ensure resilience to climate hazards
- Establish a robust system for monitoring hydrological and meteorological conditions, including rainfall, river levels, and weather forecasts.
- Conduct a comprehensive flood risk assessment for the specific project sites to identify areas susceptible to flooding and potential flood hazards.
- Develop and implement early warning systems that provide timely alerts to communities in flood-prone areas.
- Ensure that community structures are designed to withstand expected flood events.
- Manage reservoirs and dams to control water levels and releases during periods of heavy rainfall to prevent downstream flooding.
- Conduct regular community awareness campaigns to educate residents about flood risks and preparedness measures.

Increased Greenhouse Gas Emissions:

- Promote sustainable farming practices, such as organic farming and agroecology, that minimize reliance on chemical fertilizers and reduce greenhouse gas emissions.
- Encourage the use of precision agriculture techniques to optimize fertilizer application, minimizing excess use and associated emissions.
- Support the adoption of climate-smart livestock management practices, including improved feeding methods and methane capture technologies, to reduce methane emissions from livestock.

Water Scarcity Risks due to Droughts:

- Implement efficient water management practices in the semi-arid regions with no access to river, such as rainwater/surface water harvesting, drip irrigation, and water-efficient technologies, to minimize water consumption and enhance agricultural productivity during periods of drought.
- Promote the use of drought-resistant crop varieties and conservation agriculture techniques that improve soil moisture retention.
- Provide training and support to farmers on climate-resilient agricultural practices that reduce water requirements and enhance water-use efficiency.
- Develop and implement sediment management plans to prevent excessive sedimentation in reservoirs, which can reduce water storage capacity.
- Develop drought preparedness plans that outline strategies for managing water scarcity during extended dry periods.
- Consider the potential impacts of climate change on water availability and adapt dam design, operations and management accordingly.

Spread of diseases and Pests:

- Enhance veterinary surveillance systems to monitor and detect disease outbreaks promptly, enabling early intervention and containment measures.
- Support farmers in implementing biosecurity measures, such as proper sanitation and hygiene practices, to reduce the risk of disease transmission.
- Promote diversified livestock farming systems to reduce the concentration of susceptible animals and enhance resilience against diseases and pests.
- Strengthen extension services to educate farmers about climate-related disease and pest risks and provide guidance on preventive measures and integrated pest management strategies.

Heat stress

- Construct livestock sheds, rest shelters, or cooling stations at project sites, especially in areas where beneficiaries work as well as livestock.
- Modify work schedules to avoid the hottest part of the day, if feasible, by starting early in the morning or working in the late afternoon.
- Design community infrastructure and facilities with heat resilience in mind, such as well-ventilated workspaces, and cooling options.
- Utilize weather forecasting and early warning systems to anticipate extreme heat events and adjust project activities accordingly.
- Promote the cultivation of heat-resistant crop varieties and the use of drought-resistant livestock breeds in agriculture initiatives.
- Engage with local communities to raise awareness about the risks of extreme heat and collaborate on heat resilience strategies.

3. Project Administrative Structure, Management, and Implementation

3.1 Legal and institutional framework for the project

3.1.1 Policy analysis

The country has developed several policies and legal frameworks in Somalia are relevant to a safeguards and mainstreaming purposes. These are:

- 1) The Ninth National Development Plan (2020-2024) is a comprehensive plan for poverty reduction, improved security, inclusive economic growth, and improved social development in Somalia. The plan integrates environmental protection and recognizes the threats posed by climate change, promoting the mainstreaming of environment and climate change into development objectives. The plan prioritizes strategic interventions with multiple benefits, including economic benefits, environmental sustainability, conflict reduction, strengthened governance, and reduced exclusion.
- 2) The National Environment Policy 2020 aims to manage natural resources sustainably in Somalia and adopt conservation, mitigation, and adaptation approaches to address climate change. The policy recognizes that climate-related disasters such as floods and droughts have negative impacts across all sectors of the economy and provides government interventions to protect biodiversity, reduce GHG emissions, manage waste, and promote clean technology.
- 3) 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 change-related shocks. It 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. The Updated Nationally Determined Contribution (NDC) (2021) highlights Somalia's commitment to low emission and climate resilient sustainable development, with a focus on adaptation and building resilience.

- 4) The Somali National Disaster Management Policy (2018) aims to strengthen community resilience and preparedness for disasters and emergencies,
- 5) National Voluntary Land Degradation Neutrality Targets 2020 recognises land degradation caused by drought as a major impediment to national economic development, and sets targets for achieving land degradation neutrality by 2030.
- 6) Somalia's National Biodiversity Strategy and Action Plan (NBSAP), 2015, aims to establish an understanding of drivers of biodiversity degradation and devise response measures.
- 7) The National Capacity Self-Assessment outlines the key challenges Somalia faces in meeting the commitments outlined in the three Rio Convention.
- 8) The National Adaptation Plan of Actions (2013) is the first national-level document that identifies urgent and immediate climate change adaptation needs of the most vulnerable groups through Somalia. As a step to more comprehensive adaptation planning, the country is currently developing National Adaptation Plan.
- 9) 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.
- 10) 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 for Somalis in alignment with the 2030 Agenda for Sustainable Development and the Sustainable Development Goals. The framework prioritizes inclusive politics and reconciliation, security and rule of law, economic development, and social development, with environment and climate change actions integrated into these priorities. The framework also serves as an accountability framework for the United Nations and the Federal Government of Somalia.
- 11) The UN gender equality strategy 2018-2020 provides a framework for the promotion and institutionalization of gender mainstreaming in the implementation of UN assistance and cooperation frameworks in Somalia. The strategy responds to gender inequalities and related developmental challenges in Somalia and offers practical tools and guidance on how to achieve gender results with greater accountability.

3.1.2 Key institutions relevant for mainstreaming of environment, climate and gender issues

- 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.
- 2) The Ministry of Agriculture and Irrigation creates an enabling environment for agricultural development, food security while sustaining the natural environment and promoting inclusion. The Ministry is the lead implementing institution for the project.

- 3) 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
- 4) 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.
- 5) The Ministry of Women and Human Rights Development of Somalia is mandated to advance the promotion and protection of gender quality and human rights, including the rights of women, children and other vulnerable groups.
- 6) The Ministry of Youth and Sport is the ministry responsible for youth issues and implementation of the general youth policy.
- 7) Federal Member States oversee project implementation in their respective regions.
- 8) 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 that hinder the effective implementation of existing policy and regulatory frameworks as well as the effectiveness of institutions in addressing environment, climate change and gender challenges. 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 gender issues.

3.1.3 Multilateral Environmental Agreements (MEAs) and Regional Policies

The Government of the Republic of Somalia has 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. Below is summary of *relevant* MEAs which Somalia is a Party:

- The Convention on Biological Diversity, 1992 - ratified by Somalia September, 2009
- The United Nations Convention to Combat Desertification, 1992 - ratified by Somalia in July 2002.
- The United Nations Framework Convention on Climate Change (UNFCCC), 1992 - ratified by Somalia in September 2009
- Nagoya Protocol - a landmark agreement in the international governance of biodiversity - ratified by Somalia in January 2012
- The Montreal Protocol on Substances that deplete the Ozone Layer, 1987 - ratified by Somalia August 2001.
- Cartagena Protocol on Biosafety - ratified in August 2010
- Stockholm Convention on Persistent Organic Pollutants - ratified in July 2010,
- CITES Convention on endangered species of wild fauna and flora - ratified in December, 1985
- Paris Agreement on Climate Change - ratified by Somalia April, 2016
- The Kigali Amendment to the Montreal Protocol (2016) - ratified by Somalia in 2019
- Basel Convention on control of transboundary movement of hazardous waste - ratified in 26 Jul 2010

At the regional level, the **African Union's Agenda 2063** and the AU climate change strategy commits to environment and climate change mainstreaming and calls on member countries to implement

the Programme on Climate Action in Africa, including a climate resilient agricultural development programme. Somalia is also a member of Intergovernmental Authority on Development (IGAD) and has to align with the IGAD's **Environment and Natural Resources Strategy**.

3.1.4 IFAD SECAP Procedures

IFAD prioritize social, environmental and climate change to foster sustainability. The IFAD SECAP (2021) lays out an improved framework and process for managing risks and impacts, and integrating mainstreaming priorities into new IFAD- supported investments. All projects supported or financed by IFAD are required to comply with SECAP. The key SECAP standards and relevance to RLRP is elaborated below:

- 1) **Biodiversity** - The intensified agricultural activity and infrastructure development promoted by RLRP may pose risks to biodiversity, potentially leading to habitat destruction, fragmentation, and increased pollution from agrochemical use.
- 2) **Resource Efficiency**- The increased utilization of land, water, and energy resources for agricultural activities and infrastructure development may lead to inefficiencies in resource use.
- 3) **Cultural Heritage** - While the project activities are not expected to significantly impact cultural heritage, the construction of new infrastructures may accidentally uncover and disturb cultural sites.
- 4) **Indigenous People** - the indigenous people standard is not applicable in the context of Somalia.
- 5) **Labour and Working Conditions** - The project may inadvertently foster poor labour conditions, such as unsafe working environments and child labour.
- 6) **Community Health, Safety & Security**- The project could potentially result in increased pollution from agricultural activities and increase community exposure to harmful agrochemicals, posing risks to community health and safety.
- 7) **Resettlement (Physical & Economic)**- The project does not envisage any physical or economic resettlement.
- 8) **Financial Intermediaries and Direct Investments**- This standard is more applicable to project financiers and investors, such as IFAD. They should ensure that all direct investments comply with IFAD's Environmental, Social, and Governance (ESG) standards, which cover areas like resource efficiency, social inclusiveness, and climate change resilience.
- 9) **Climate Change**- Increased agricultural activity may result in higher greenhouse gas emissions, and if not climate-smart, could also increase the vulnerability of communities to climate change impacts.

3.2 Project Review and Approval Process for RLRP

The success and sustainability of the RLRP are hinged upon a well-structured review and approval process. This process ensures that the project aligns with the objectives and compliance requirements set by stakeholders, and adheres to national and IFAD's standards. Below is an overview of the various stages of the review and approval process for the project that helps to ensure that the project is robust, compliant, and has the support of all stakeholders involved:

Stakeholder Consultation- Stakeholder consultations, including relevant Federal and Federal Member states(relevant) governments as well as local communities, and development partners was conducted to garner support and gather insights to enrich the project's development.

Technical Review and design- The project proposal undergoes a technical review where experts evaluate the technical aspects of the project, including the proposed strategies for climate

resilience, budgetary allocations, and anticipated outcomes. This review ensures that the project is technically sound, feasible, and has the potential to achieve the desired impact.

Compliance and Alignment Check- This involves the review of the project to ensure compliance with national regulations and alignment with national development plans and strategies. In the context of RLRP, the alignment with Somalia's National Development Plan(2020), the National Agricultural Strategy, and IFAD's regulations including SECAP is essential.

Environmental and Social Safeguard Assessment- The project undergoes a Social Environmental and Climate Change safeguard assessment procedures (SECAP) by IFAD to ensure that it is in adherence with environmental conservation and social inclusion standards. This includes evaluating the potential environmental impacts and ensuring that measures are put in place to mitigate negative impacts and enhance positive ones. Social safeguards ensure that the project promotes inclusiveness and does not perpetuate gender inequities.

Budget Review- A financial assessment is conducted to ensure that the project's budget is realistic, appropriate, and in line with the proposed activities. This review looks into the allocation of funds for various components and ensures financial feasibility and sustainability.

Final Approval - After the project has passed through the technical, compliance, environmental, and budgetary reviews, it is presented to the relevant approval processes at the Federal level and IFAD.

Project Steering Committee (PSC)- The PSC will be responsible for approval of key project outputs and annual work plans to ensure consistency and compliance with relevant standards.

Monitoring and Evaluation Framework- While not strictly part of the approval process, it's important to establish a monitoring and evaluation framework which will be instrumental in tracking the project's progress and impact throughout its lifecycle. This includes setting up key performance indicators, establishing reporting mechanisms, and ensuring that there are avenues for feedback and adaptation of the project as necessary.

3.4: Safeguard Provisions in the Rural Livelihoods Resilience Project (RLRP) Cycle

The RLRP project has been designed to incorporate environmental, climate and social safeguard provisions throughout the project cycle to manage potential adverse impacts and enhance the positive outcomes of the project. These safeguard provisions are embedded in the project activities from the design phase, through implementation, to the monitoring and evaluation phase.

1. Project Design Stage: At this stage, safeguard provisions are included in the overall design of the project. This is achieved through an SECAP screening and Environmental, Social and Climate Management Framework (ESCMF) and ESCMP, which identifies potential environmental and social risks and impacts and proposes necessary mitigation measures. Moreover, climate change considerations are integrated, ensuring that the project activities are climate-smart and resilience-enhancing.

2. Project Implementation Stage: During this stage, the identified safeguard measures are put into action. Environmental, Social and Climate Management Plans (ESCMs) are developed for specific project activities, providing a clear roadmap for managing the identified risks and impacts. These ESMPs are followed and monitored for effectiveness during project implementation.

3. Capacity Building: Capacity building activities are carried out to strengthen the ability of the project team, beneficiaries, and stakeholders to understand and implement the safeguard provisions. This includes training on environmental and social safeguards, climate change adaptation and mitigation, safe and health labour practices, and gender equity.

4. Monitoring and Evaluation Stage: A robust monitoring and evaluation system is established to track the implementation of safeguard provisions and their effectiveness. This includes regular reporting on environmental and social performance indicators and corrective actions taken as needed. The project includes the role of Third-Party Monitoring entity that would independently monitor the implementation and compliance with various provision of the project including for environment and social safeguards.

5. Grievance Redress Mechanism: A project level Grievance Redress Mechanism (GRM) is put in place to address any complaints or concerns about the project's environmental and social performance. The GRM ensures that grievances are acknowledged, documented, and resolved in a timely and effective manner.

6. Stakeholder Engagement: Active stakeholder engagement is maintained throughout the project cycle. The project ensures that all stakeholders, including vulnerable groups, are adequately informed about the project's potential impacts and mitigation measures and have the opportunity to voice their concerns or suggestions.

4. Procedures for Screening, Assessment and Management:

4.1 Introduction

This chapter covers the procedures for reviewing and addressing potential environmental, social and climate risks and impacts of specific project activities, sub- projects, policies, or regulations to be adopted during implementation. The RLRP project has been rated environmental and social assessment “Substantial” Risk Category and thus most of the subprojects will fall within this category. The project should avoid sensitive areas and take steps to ensure that subprojects stay within “Substantial” Risk Category. Thus, every subproject that will be funded under RLRP will require environmental and social screening. The screening will be done using the Environmental and Social Screening Form (see Appendix 1) together with information on typical subproject impacts and mitigation measures in the environmental, social and climate management plan (ESCMP). In some cases, special assessments (Abbreviated ESIA, etc.) may have to be developed and implemented. These will require extra resources to prepare, and this may require amendments to the subproject design. The sections below detail the stages of the environmental and social screening process (the screening process) leading towards the review and environmental and social approval of any subproject that will be undertaken under RLRP. Each sub-project that will be funded through RLRP will have to undergo the Environmental and Social Screening Process.

4.2 Screening of Risks and Impacts

SECAP 2021 mandates that any project funded by IFAD undergoes an initial screening process. This screening aims to ascertain the prominent environmental, social, and climate implications of the project. As a result of this assessment, a preliminary categorization for environmental, social, and climate risks is proposed for the project, accompanied by recommended measures to mitigate these

risks and their potential impacts. For accurate screening, it's imperative to use the provided tool and checklist (refer to Appendix 1) alongside the exclusion list.

This evaluation process not only identifies primary impacts and risks related to the environment, society, and climate but also outlines essential next steps for a deeper analysis. Furthermore, it pinpoints mitigation measures to enhance developmental opportunities while minimising risks and adverse effects.

4.3 Exclusion list

Any subprojects that would be categorised as High-Risk Category subprojects will not be eligible for financing under RLRP. The table below provides criteria based on which subprojects and activities which will not be eligible for financing under RLRP:

- a) Require acquisition of land and physical or economic resettlement of people
- b) Block the access to or use of land, water points and other livelihood resources used by others
- c) Activities involving exploitation of forced labour and child labour
- d) Activities prohibited by Somalia's legislation or international conventions relating to the protection of biodiversity resources, cultural heritage or other legally protected areas
- e) Activities prohibited by host country legislation or other legally binding agreements regarding genetically modified organisms (GMOs);
- f) Production and distribution, or investment in media that are racist, antidemocratic or that advocate discrimination against an individual, group or part of the population;

4.4 STAGES OF ENVIRONMENTAL AND SOCIAL SCREENING.

4.4.1 Desk Appraisal of the planned activities

Each selected sub-project site will be subjected to a rigorous environmental and social screening process. The initial stage is a desk appraisal of the planned activities, including designs. The desk review will be carried out by Environmental and Social Safeguards officers at the NPCU to ensure that all pertinent environmental and social issues are identified.

This initial screening will be carried out through the use of the Environmental and Social Screening Form (Annex 1). Completion of this screening form will facilitate the identification and significance of potential environmental and social impacts, assignment of the appropriate environmental and social category, proposal of appropriate environmental and social mitigation measures, and conduct any further environmental and social assessments, if necessary.

4.4.2 Assigning sub-project risk category

Based on the desk appraisal above, the sub-project will be assigned environmental and social risk category. The assignment of the environmental and social risk category will be based on the SECAP provisions. Some of the subprojects and activities of the current project are likely to be categorized as Substantial Risk, meaning that their potential adverse environmental and social impacts on human populations or environmentally important areas will be site-specific, few if any of the impacts are irreversible, and they can be mitigated readily. Possible sub-projects may include the construction of community-based water sources for domestic use and crop and livestock production; rehabilitation of primary and secondary canals, migration to pressurized irrigation networks, surface water harvesting, including the construction of lined dams, establishment or rehabilitation of post-harvest management (PHM) and processing facilities; livestock market sheds in the livestock pre-dominant villages, equipped with a veterinary section as well as water,

sanitation and health facilities and promotion of improved inputs and CSA technologies among others.

Some activities might be categorized as “Low” which will be reflected as a “No” entries in the screening form, the proposed activity will not require further environmental and social assessments.

4.4.3 Determination of Applicable Standards and Assessments

Upon completion of the screening process, the identified risks and impacts have been matched with the applicable IFAD environmental, social, and climate change standards.

The Sub-projects which did not require the preparation of additional environmental and social assessments will automatically be approved on the basis of the screening form and will be required to go ahead and use the screening form together with the requirements of the ESCMF as its Safeguards instruments. If the desk appraisal indicates that the proposed subproject may have environmental or social concerns that are not adequately addressed in the current documentation, the environmental and social officers may propose to the project steering committee the preparation of additional mitigation plans as the situation may require. The additional assessments may include site specific ESCMPs, site specific ESIA's etc. Once all documentation is in place these will then be submitted to the PSC safeguards committee for approval.

4.4.4 Preparation of Action Plans and Management Plans

Upon completion of environmental and social assessments as applicable for the sub-projects identified above, an Environmental, Social and climate change management plan and related mitigation measures will be integrated into the sub-project for implementation. Additionally, based on the results of the Environmental and Social impact assessments, action plans will be prepared for avoiding, reducing, mitigating, and managing the identified adverse impacts. These action plans will specify the mitigation measures to be implemented, the responsible parties for each action, the timeline for implementation, and the cost implications.

4.4.5 Public Consultation and Disclosure for Sub-projects.

Public consultations are critical in preparing an effective proposal for the agricultural activities and for assessing environmental and social impacts. The relevant experts and project coordination team should hold public consultations with the local communities of the proposed sub-project sites and all other interested/affected parties during the screening process and in the course of any further environmental and social assessments. These consultations should identify key issues and determine how the concerns of all parties will be addressed. The public consultation methods include community meetings, advisory committees, and public hearings.

5. Adaptive Management

Recognizing that both project design and environmental/social/climate conditions can change over time, the management plans are designed to be flexible and adaptable to local conditions. This means that they will be regularly reviewed and updated as necessary, based on monitoring data and changes in sub-project design or context.

6. Monitoring and Evaluation

Finally, the implementation of the action plans and management plans will be monitored throughout the project cycle. Monitoring involves regular data collection on specified indicators to track the effectiveness of the mitigation measures and progress towards the project's environmental and social objectives. The results of monitoring will be evaluated and used to inform adaptive management of the project's environmental, social, and climate risks and impacts.

6. Institutional Arrangements and Capacity Building

6.1 Roles and responsibilities for implementing the ESCMF

The roles and responsibilities of project staff, project partners and associated groups in implementation of this ESCMF are described below:

The Lead Agency for the RLRP is the Ministry of Agriculture and Irrigation (MoAI). The Ministry will provide regulatory oversight, sector-specific expertise, and support the implementation of ESCMF through guidance to PCU. The Ministry holds responsibility and accountability to IFAD for overall management of the project, including compliance with SECAP procedures.

The **Programme Coordination Unit (PCU)** under the MoAI will be responsible for Responsible for overall project implementation and coordination, ensuring that environmental, social, and climate considerations are fully integrated into all project activities. They will oversee the application of screening and assessment processes, the preparation of management plans, and will monitor their execution. The specific roles of PCU include:

- Ensure AWP and project reports incorporate ESCMF implementation and report
- Ensure that the required assessments (ESIAs) and assessment report and the required management plan(s) are developed, disclosed for public consultation and approved, and management measures are adopted and integrated during project implementation;
- Report transparently and accurately, on project progress against agreed work plans in accordance with the reporting schedule and required formats;
- Maintain documentation and evidence that describes the proper and prudent use of project resources in conformity to the signed Project Document and in accordance with applicable regulations and procedures
- Ensure all requirements of IFAD safeguards policy and national regulatory/policy frameworks and relevant international standards have been addressed
- Report to the lead agency, the PSC on the implementation of the ESCMF;
- Ensure that all service providers are informed of their responsibilities for the day to day compliance with the ESCMF.

Draft ToRs for Environment and Climate Change officer at the PCU is attached.

Contractors and Subcontractors: Responsible for carrying out activities in accordance with the established environmental, social, and climate procedures. They will report regularly on their compliance to the PCU and cooperate with any required audits or inspections.

Project Steering Committee (PSC):

- Project Steering Committee (PSC) will be established under the Ministry of Agriculture and Irrigation (MoAI) to approve the annual work plan and budget (AWPB) and review the annual report and audit.
- Monitor implementation of this ESCMF and compliance with national and international regulations, and IFAD's social and environmental standards;
- Decision-making for the adoption of necessary measures including full integration of management measures within project Outputs and annual work plans.
- Establish and support the Project level grievance redress mechanism to address any safeguards related grievances.

- Provide strategic guidance to implementation of the Project including oversight for safeguards and the implementation of this ESCMF.

Third-Party Monitoring Entity - plays a crucial role in enhancing the transparency and accountability of the project implementation process. It provides an independent perspective on project performance, specifically in relation to the adherence to environmental, social, and climate guidelines and commitments as detailed in the ESCMF.

IFAD

IFAD's role will be:

- Provide oversight on all matters related to safeguards.
- Ensure that the Compliance Review and the Stakeholder Response Mechanisms are operational during the lifetime of the projects;
- Ensure adherence to the environment and social safeguards for project activities implemented using funds channelled through IFAD's accounts, and undertake appropriate measures to address any shortcomings;
- Verify and document that all IFAD SECAP requirements have been addressed;
- Provide technical guidance on implementation of this ESCMF and administrative assistance in recruiting and contracting expert safeguards services (as required), and monitor adherence of each project to the ESCMF and IFAD's policies and procedures.

6. 2 Capacity building

The effective implementation of the RLRP necessitates robust institutional capacities at all levels of project execution. This includes skilled personnel, technical expertise in environmental and climate change fields, compliance enforcement mechanisms, access to pertinent data, and adequate training resources. A review of the current institutional arrangements reveals several constraints that will require capacity building. Some of the constraints include:

Human Resource Capacity: Currently, there is a lack of sufficient personnel and specialized technical capacity in the fields of environment and climate change. This shortage limits the effective support for the implementation of the ESCMF. To address this and systematically build capacities for government institutions, staff will be seconded by respective Ministry of Environment and climate change. Additionally, the component 3 of the project will also support to address this gap.

Compliance and Enforcement Mechanisms: At both federal and state levels, enforcement mechanisms for environmental regulations are weak, resulting in inconsistent adherence to environmental standards. Strengthening these mechanisms and use of Third-Party monitoring entity to support independent monitoring and compliance with ESCMF is vital for ensuring compliance during RLRP implementation.

Information Management: There is a lack of systemic approaches to environmental and climate change information management. This situation hinders the sharing and access to essential data needed for effective planning and decision-making. A comprehensive

information management system will be developed and implemented for better data access, utilization, and dissemination.

6.2.1 Capacity building Needs:

Capacity building of the NPCU – The NPCU will be responsible for the day-to-day environmental, social and climate interactions on the ground and how existing management actions are being implemented. It is therefore important that the capacity within NPCU and particularly environment and social safeguards officers be strengthened in order to ensure that adequate staff is available for the sustainable implementation of the various project activities.

Capacity building institutions: At the federal and federal member state levels, experts require training on various aspects of the ESCMF, including environmental assessments, ESCMP, climate vulnerability assessment, adaptation, and monitoring frameworks. Investing in regular, high-quality training programs will enhance the expertise and competence of these individuals and improve the overall implementation of the ESCMF.

Contractor Training: The project contractors including local NGOs need specific training on safeguards and ESCMP. Furthermore, they need to understand how to mainstream environmental, climate change, and social risk mitigation into project implementation and infrastructure development. Such training will ensure that contractors align their activities with the environmental, social, and climate change objectives of the RLRP.

Capacity Building needs for beneficiary communities- The training needs for the beneficiary communities have been identified and they will need to be trained to prepare and capacitate them for preparation of sustainable CDPs and sustainable implementation of the activities that they will be engaged with. The training will target the community in the relevant districts as well as the management structures for each benefiting association,

6.2.2 Proposed Approach in Executing Training Activities

- Integrate environment, climate and social (ESCMF) related training into other capacity building activities of the project such as community trainings on CDPs, and on strengthening the value chains.
- Training programs will be delivered directly to the beneficiary communities in their local settings. This approach will encourage maximum participation, ensure contextual relevance, and facilitate practical learning.
- The training sessions will employ participatory methodologies such as workshops, group discussions, role plays, field demonstrations, and case studies. These interactive methods will ensure active engagement of participants, enhance understanding, and promote knowledge retention.
- Independent consultants with relevant expertise in social and environmental safeguards will be engaged to support the completion of the Environmental and Social Impact Assessment (ESIA) and the Environmental and Social Management Plan (ESMP). These experts will offer an induction session for the Project Management Unit and all relevant

project partners at federal and state levels. This induction will address safeguards responsibilities and approaches, thereby enhancing their ability to manage the environmental and social risks associated with the project

- To ensure sustainability of the capacity-building efforts, a Training of Trainers (TOTs) approach will be adopted where select community members are trained not just in the core topics, but also in training delivery methods. They will then cascade the training down to the rest of the community members, creating a continuous learning environment.
- Post-training assessments will be conducted to evaluate the effectiveness of the training programs, measure learning outcomes, and identify areas for improvement. Feedback from participants will also be collected for continuous improvement of the training programs
- Special emphasis will be placed on ensuring the participation of women and marginalized groups in the training programs. The training content, delivery methods, and timings will be made conducive for their active involvement.

7. Stakeholder Engagement, information disclosure and Grievance Redress:

Procedures for Stakeholders consultations and engagement

Identification and Mapping of Stakeholders: The first step in stakeholder engagement is the identification and mapping of all relevant stakeholders. These include:

- Federal Government – MoAI, MoECC, Ministry of Livestock & Range
- Federal Member states of the South West state , Jubaland state and Hirshabelle (possibly)
- CSOs working in the targeted member states
- Community groups for the project
- Project staff
- Contractors/NGOs to be subcontracted

Stakeholder Engagement Plan(SEP): The project SEP will guide the conduct regular consultations and meetings with stakeholders throughout the project lifecycle – during the assessment phase, development of action plans, and monitoring activities. These consultations can take various forms such as public meetings, focus group discussions, surveys, and interviews. Special attention should be given to ensure the engagement of vulnerable groups like women, the elderly, and the youth. Where applicable, form local stakeholder committees to participate directly in decision-making processes. These committees should be representative of the different stakeholder groups.

Information Disclosure: As early as possible, disclose project information to the stakeholders to ensure that they have a clear understanding of the project’s potential environmental, social and climate risks and impacts. This should be done in a language and format that is easily understood by the different stakeholder groups.

Stakeholder Feedback Mechanisms: Establish clear and accessible channels through which stakeholders can voice their concerns, suggestions, or complaints. This could include regular stakeholder meetings.

Capacity Building and Training: The project team will organize training and capacity building programs to enable stakeholders, especially from vulnerable groups, to participate meaningfully in the consultation processes especially as it relates to social and environment safeguards.

Monitoring and Evaluation: Engage stakeholders in monitoring activities to track the progress of the action plans. Their participation can increase transparency and accountability.

Reporting: Regularly update stakeholders about the project's progress, changes, and outcomes. This could be done through newsletters, community meetings, or digital platforms.

7.2 Grievance Redress Mechanisms

7.2.1 IFAD's complaints procedures

IFAD's Social, Environmental and Climate Assessment procedures (SECAP) puts in place a complaints procedure to receive and facilitate the resolution of concerns and complaints regarding alleged non-compliance of its environmental and social policies, and the mandatory aspects of SECAP in the context of IFAD-supported projects. For all projects, IFAD requires stakeholders to inform all affected people about the IFAD complaints procedure in a form and language understandable to them. The procedures enable complainants' concerns to be resolved in a fair and timely manner through an independent process, via e-mail or by post.

Project-affected people may use the complaints procedure without retribution or reprisal, and the grievance and conflict-resolution system does not impede access to other judicial or administrative remedies available under national law or existing arbitration procedures. Any complaints of sexual harassment, sexual exploitation or abuse received through the complaints procedure will be forwarded immediately to IFAD's Ethics Office for further action. For projects co-financed with other development partners, IFAD will agree on a common approach to receiving, resolving and reporting complaints, which will be reflected in the financing agreement and project implementation manual. Further details on IFAD's complaints mechanism is available on: <https://www.ifad.org/en/accountability-and-complaints-procedures>

7.2.2 RLRP-level Grievance Redress Mechanisms

The National Project Coordination Unit (NCPU) will establish a project-level Grievance Redress Mechanism (GRM) during the first year of implementation.

Interested stakeholders may raise a grievance at any time to the Project Coordination Unit, Lead Government implementing Entity (MoAI) or directly to IFAD

Below is a summary of the different level of complaints resolution

Level 1: Community resolution

- Affected beneficiaries and community members represented at **Level 1** will be expected to submit their complaints in writing on standard forms or orally to the project representative directly or through their village council leader. The claimants will be assisted by the village leadership to put their complaints and claims in writing. At this level, received complaints will be registered, investigated and resolved by the project officer, together with the TPM safeguard specialist as required. Eligible complaints will be addressed by the implementing entity (see eligibility criteria below). The Project Coordinator and the TPM Safeguards Specialist, with support from the M&E Officer will be responsible for recording the grievance and how it has been addressed if a resolution was agreed.

Level 2: Project level resolution

- If the grievance is not resolved at the field level, it should be escalated to the central NPCU. Received complaints will be registered, investigated and solved by the NPCU together with (i) district level authorities and (ii) state level authorities. The Project Steering Committee should be made aware of the complaint and the measures being taken to address it. The Project Coordinator and the TPM Safeguards Specialist, with support from the M&E Officer will be responsible for recording the grievance and how it has been addressed if a resolution was agreed.

Level 3: IFAD Level

- If the complaint has not been solved in level 2, the complaint must be submitted to IFAD by downloading the complaint form (<https://www.ifad.org/documents/38711624/40169860/IFAD+Complaints+Submission+Form+Final+Draft+%28Downloadable%29.docx/52c75cad-439f-4e4a-8a70-45056ebde826>) and sending an email to SECAPcomplaints@ifad.org or a mail to:

IFAD

SECAP Complaints (PMD)

Via Paolo di Dono 44

00142 Rome, Italy

The specific procedures for GRM are elaborated below:

Local communities and other interested stakeholders may raise a grievance at all times to the NPCU, MoAI, or IFAD. Affected local communities should be informed about the ESCMF provisions, including its grievance mechanism. Contact information of the RLRP (related to grievance redress) at NPCU, MoAI and IFAD should be made publicly available.

Log the Complaint: Upon receipt of a complaint, it must be formally logged using the standard forms. Complaints are prioritized as follows:

- Priority 1 (urgent, potential high health and high business impact): Requires a response within three (3) working days. This category includes major health issues with potential for disastrous impacts on human health, the environment, or RLRP itself.

- **Priority 2 (non-urgent, lower health environmental and social impact):** Requires a response within two (2) working weeks. This category is used for most complaints with individual stakeholders.

Acknowledge the Complaint: Every complaint receives a formal written acknowledgment, indicating when they can expect a response and who is handling it.

Assess and Investigate: Investigate all aspects of the complaint to identify and clarify key facts. The timescale for completion will be driven by the priority of the complaint.

Resolve and Confirm: Ensure the final resolution is clear, fair, and confirmed with a senior person in RLRP management. The proposed resolution should meet corporate guidelines and not prejudice RLRP in any unnecessary legal or financial manner.

- **Community level resolution:** The project will utilize Community CBOs of the target districts of the project to resolve any conflicts related to the safeguards during implementation. This can resolve non-urgent priority 2 type complaints
- **Project Steering committee**
- **IFAD level**

If conflicts are not effectively addressed at the community level, the NPCU will follow the formal project committees. Claims should be filed, included in NPCU, and a copy of the grievance should be provided to the MoAI NPCU contact who must in turn forward a copy to the IFAD.

The project environmental and social safeguard's officers will undertake the preliminary assessments of the claims including against IFAD's safeguards policy. The details of the claims are then presented to the PSC (GRM sub-committee) for deliberation and resolution. The decision has to be communicated by the NPCU to the claimant within 15 calendar days of receipt, and claims will be filed and included in project monitoring.

If the claimant is not satisfied with the response from the NPCU, the grievance may be submitted to the IFAD country office.

Staff should review the complaint and its priority with the RLRP Project Manager. The Project Manager will decide the appropriate person(s) to carry out subsequent steps, including the investigation. All Priority 1 complaints must be escalated immediately to the RLRP Project Manager.

Communicate to Complainant: Provide the complainant with the resolution within the promised timescales. If additional time is needed, the complainant should be contacted and informed.

Appeal and Follow-up: Confirm that the complainants are satisfied with the response given. If not satisfied, the complainant is advised on the route for appealing through PSC or IFAD

Monitoring - Files for each Grievance will be available for review by the Claimant and other Stakeholders involved in the Grievance, or their designated representative(s). Appropriate steps will be taken to maintain the confidentiality of the Claimant if previously requested. The GRM will provide periodic updates to the Claimant regarding the status and current actions to resolve the Grievance.

Below is a diagrammatic presentation of RLRP project level Grievance redress mechanism:

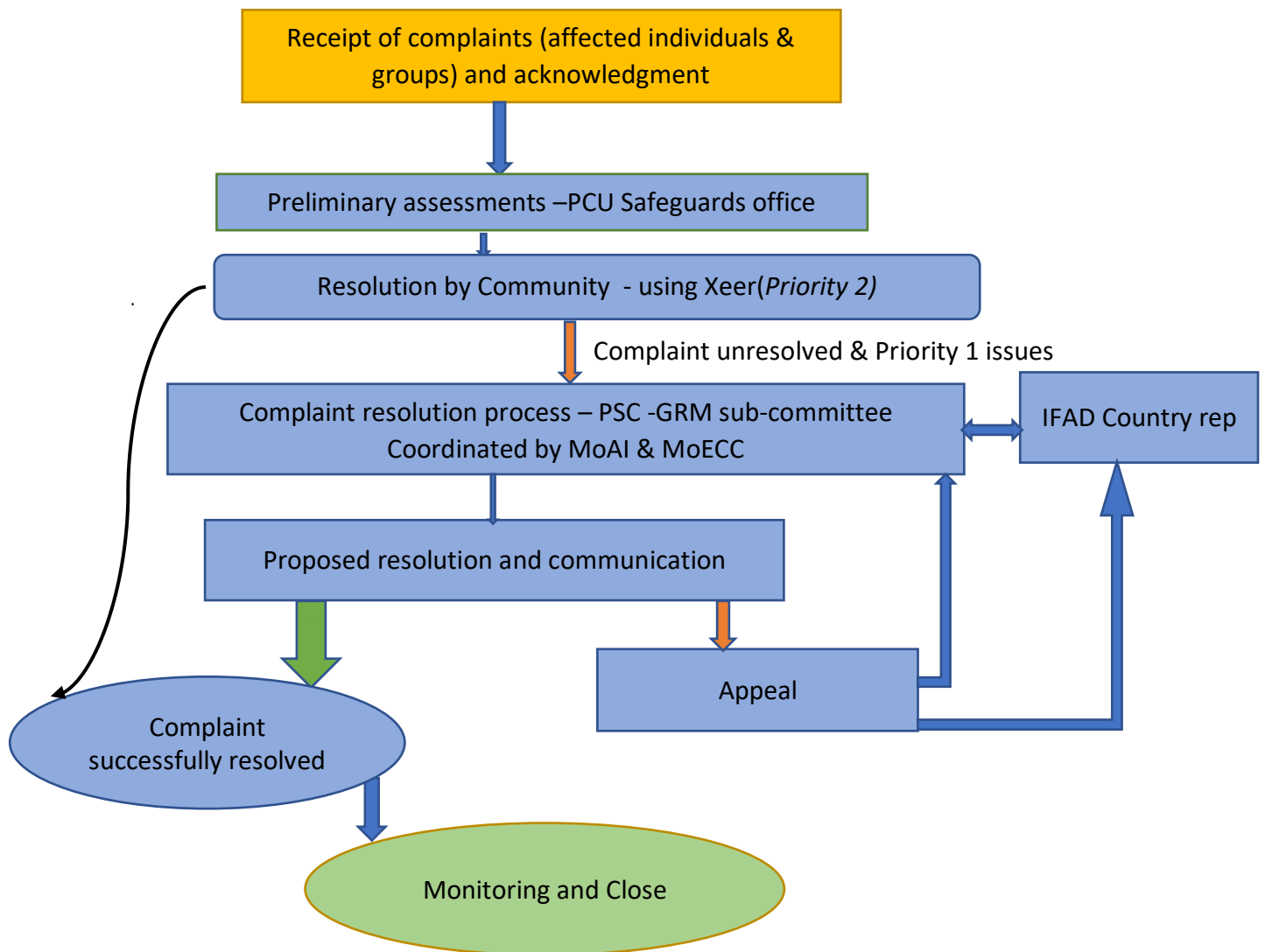


Figure 1: Project level grievance redress mechanism framework

7.0 Costs and Budgetary Considerations.

Budget for implementation of the ESCMF is integrated into the respective project components budget and activities. The estimated costs in the Table below include specific costs required for ESCMF(meetings, trainings, publications etc) and the project teams involved in the implementation of the ESCMF.

#	Activities	Budget (USD)
1	International Environment & Climate consultant- safeguards(covered by the Third-party monitoring entity)	60,000
2	Environment & Climate Officer (National)	120,000
3	International consultant- gender (covered by the Third-party monitoring entity)	60,000
4	Gender officer (National)	120,000
5	ESIA &ESCMP for the infrastructures -contractual	60,000
6	Public consultations including for ESIA	20,000
7	Travel expenses/DSA for national/IC	40,000
8	Training workshops expenses -Institutions & communities	100,000
9	Translation and publication of ESCMP related documents	20,000
	TOTAL	600,000

Table 1: ESCMF implementation budget

8.0 Monitoring and evaluation arrangements

The effectiveness of the Environment, Social, and Climate Management Framework (ESCMF) is critical for the success of the RLRP. A robust monitoring and evaluation system will be in place to ensure the objectives of the ESCMF are being met, risks are being mitigated, and any arising issues are promptly addressed.

The National Project Coordination Unit(NPCU) specifically by the Social and Environment Safeguards Officers, Monitoring and evaluation officer and Project Manager, will be responsible for overseeing the implementation and monitoring of the ESCMF. This will be done through quarterly and annual reviews which will include examination of the social management plans and project implementation reports.

The NPCU will ensure that all contractors comply with environmental and social considerations as per their contractual commitments. Regular site visits, stakeholder interviews, and ongoing assessments of environmental and social impacts will be conducted. Furthermore, the effectiveness of grievance redress mechanisms will also be reviewed.

Institutions at the Federal and state level will be actively involved in the monitoring process. This is intended not only for project oversight but also for strengthening the capacity of these institutions to independently monitor environmental and social considerations, thereby enhancing their decision-making abilities.

For projects classified as substantial risk for environmental and social impacts, such as RLRP, IFAD requires periodic environmental and social monitoring. This aligns with the Systematic Environmental and Climate Risk Assessment Procedure (SECAP) 2021 policy. IFAD will oversee the implementation of environmental and social management plans, stakeholder engagement effectiveness, and environmental and social considerations in project procurement.

Key components of the monitoring and evaluation of the ESCMF include:

- Tracking the progress of ESCMF implementation through the project's quarterly and annual reports.
- Developing targeted Environmental and Social Impact Assessments (ESIA) and reports, along with subsequent management plans.
- Implementing management measures and monitoring potential impacts identified in targeted assessments, as per the management plans.
- Documenting lessons learned and best practices regarding environmental and social risk management.
- Reviewing project risks, mitigation measures, and other planning documents such as the Gender Action Plan, capacity-building plans, and consent agreements.
- Conducting an annual quality assurance review by IFAD to identify project strengths and weaknesses, and inform management decisions to improve the project.
- This systematic approach to monitoring and evaluation will ensure the ESCMF's effectiveness, facilitate adaptive management, and contribute to the overall success of the RLRP.

9. Environmental, Social and Climate Management Plan (ESCMP)

The Environmental, Social and Climate Management Plan (ESCMP) for the Rural Livelihoods Resilience Project (RLRP) outlines a systematic approach to identifying, avoiding, and mitigating potential environmental, social, and climate risks and impacts associated with the project's implementation. The ESCMP is guided by IFAD's environmental, social, and climate change standards and is structured to ensure compliance with Somalia regulatory requirements. It is designed as a living document that is continually updated throughout the project lifecycle, ensuring it is responsive to evolving project needs, and changing environmental and social contexts. By integrating environmental, social, and climate considerations into the project's operations, the ESCMP serves as a critical tool for enhancing the project's sustainability, resilience, and benefits to project beneficiaries. The detailed ESCMP Matrix is attached below.

Environmental, Social and Climate Change Management Plan (ESCMP) Matrix

Potential Impacts	Recommended Mitigation/Enhancement measures	Public Consultation Activities	Responsible Institution in Implementation Phase	Means of verification (Monitoring and reporting)	Frequency of Verification	Cost estimate(USD)
General						
All possible adverse environmental and social impacts as a result of RLRP activities	1) Apply strictly the Grievance Redress Mechanism (GRM) as per the full design SECAP. 2) Ensure dissemination of the GRM to local communities prior to starting project activities. 3) Maintain solid documentation for the received complaints during the operation of the project and track the level of responsiveness (provision of feedback).	Start-up workshop with all the stakeholders	NPCU	Review of the number of complaints received. Review of the number of complaints solved, the mechanisms used and the time it took to solve them.	Monthly	
Environmental						
Inadequate disposal of waste during capacity-building & infrastructure development activities.	Implement waste management plans during capacity-building activities and community infrastructure development Train communities on effective and sustainable waste management measures	Start-up workshop with all the stakeholders and During implementation	NPCU/FMSs, community associations	Waste Management Plans and monitoring reports Number of community reps trained on sustainable waste management measures	Annually	\$10,000
Environmental degradation and destruction of natural habitats and biodiversity	Consult local communities to determine appropriate siting of infrastructure to minimize impacts	FMSs level workshop meetings on the site selection & design of infrastructure	NPCU/MoAI/FMSs	Community consultation records, Site selection criteria, ESIA reports and ESM plans, Monitoring and evaluation	As relevant to projects with substantial impacts	Contractual \$ 60,000

Potential Impacts	Recommended Mitigation/Enhancement measures	Public Consultation Activities	Responsible Institution in Implementation Phase	Means of verification (Monitoring and reporting)	Frequency of Verification	Cost estimate(USD)
due to construction	<p>Conduct environmental & social impact assessments and develop mitigation plans to minimize negative effects.</p> <p>Implement the Environment and Social Management plans to effectively mitigate any adverse negative effects</p>	<p>Consultation meetings during the ESIA preparation & implementation of management plans</p>		<p>reports, Capacity building reports</p>		
Land degradation	<p>Implement soil conservation measures through climate smart agriculture practices including reduced tillage</p> <p>Develop and implement land use plans that identify suitable areas for agriculture, conservation, and other land uses through the CDPs</p> <p>Promote agroforestry practices by integrating trees and shrubs into farming systems, which can improve soil fertility, reduce erosion, and provide additional sources of income.</p> <p>Implement sustainable soil management practices, including organic matter incorporation, crop rotation, and balanced nutrient application to enhance soil fertility.</p> <p>Promote rotational grazing to prevent overgrazing, soil</p>	<p>Consultation meetings during the ESIA preparation & implementation of management plans</p>	NPCU/MoAI/FMSs	<p>Community consultation records, Site selection criteria, ESIA reports and ESM plans, Monitoring and evaluation reports, Capacity building reports</p>	<p>As relevant to projects with substantial impacts</p>	<p>Include in the project budget</p>

Potential Impacts	Recommended Mitigation/Enhancement measures	Public Consultation Activities	Responsible Institution in Implementation Phase	Means of verification (Monitoring and reporting)	Frequency of Verification	Cost estimate(USD)
	<p>compaction, and vegetation depletion.</p> <p>Provide training and extension services to farmers on sustainable agricultural practices, including soil conservation, water management, and agroecology</p>					
<p>Increased Demand overuse</p> <p>Water and</p>	<p>Promote water-efficient agricultural practices, such as drip irrigation, precision agriculture, and scheduling irrigation based on crop needs.</p> <p>Implement comprehensive water monitoring systems to track water availability, usage, and quality.</p> <p>Provide training and education programs for farmers and water users on efficient water management practices.</p> <p>Upgrade and maintain water infrastructure, such as canals, reservoirs, and distribution systems, to minimize water losses through leaks and evaporation.</p> <p>Encourage farmers to choose crop varieties that are more drought-resistant and suited to local water availability.</p> <p>Involve local communities and stakeholders in water management decisions to ensure a sense of</p>	<p>Consultation meetings with local experts on the training packages</p> <p>Public consultations and awareness on the CDPs at FMSs</p>	<p>NPCU/FMSs/MoAI</p>	<p>Training reports, survey records, water management plans plans, Monitoring reports, Stakeholders' consultation reports</p>	<p>Baseline, mid-term and completion.</p>	<p>Included in the project budget</p>

Potential Impacts	Recommended Mitigation/Enhancement measures	Public Consultation Activities	Responsible Institution in Implementation Phase	Means of verification (Monitoring and reporting)	Frequency of Verification	Cost estimate(USD)
	ownership and responsibility for water resources.					
Ecosystem disruption as a result of dams' construction	<p>Conduct a thorough ESIA before dam construction to identify potential ecological impacts. This assessment should involve experts and consider the local ecosystem's unique characteristics.</p> <p>Choose dam locations carefully to minimize disruption to critical habitats and ecosystems.</p> <p>Implement sediment management strategies to prevent excessive sediment buildup behind the dam, which can degrade aquatic habitats and water quality.</p> <p>Implement adaptive management strategies that allow for adjustments to dam operations based on the monitoring of ecological impacts. Flexibility in dam operation can help mitigate unexpected disruptions.</p>	Consultation meetings during the ESIA preparation & implementation of management plans	NPCU/MoAI/FMSs	Community consultation records, Site selection criteria, ESIA reports and ESM plans, Monitoring and evaluation reports, Capacity building reports	During design, implementation & monitoring of dams	Included in the project budget
Use of hazardous chemicals and related water and soil pollution	<p>Train farmers on the safe use and handling of chemicals.</p> <p>promote use of organic fertilizers and encourage use of biodegradable organic manures and agrochemicals usage</p>	Consultation with local agricultural associations	NPCU/MoAI	Training reports, progress reports, distribution of inputs	Annually	\$15,000

Potential Impacts	Recommended Mitigation/Enhancement measures	Public Consultation Activities	Responsible Institution in Implementation Phase	Means of verification (Monitoring and reporting)	Frequency of Verification	Cost estimate(USD)
Air and Noise Pollution related to Construction and farming activities	<p>Public awareness on concerns and risks associated with noise and air pollution</p> <p>Procure equipment that meets recognized emissions and noise standards.</p> <p>Schedule construction activities during times of lower wind speed to reduce dust pollution & during the day or times when it is least likely to disturb local communities and wildlife.</p> <p>promote sustainable farming practices to minimize air pollution from farming operations.</p> <p>Encourage the use of protective equipment, such as masks and respirators, for workers in dust-& noise prone areas.</p> <p>Regularly monitor air & noise quality during construction and farming activities to ensure compliance with national and international air quality standards.</p>	Start-up workshop with all the stakeholders	NPCU	Consultation, monitoring & compliance reports	Baseline, mid-term and completion	Part of ESIA
Energy consumption	Promote the use of renewable energy sources, such as solar or wind power, for agro-processing operations to minimize energy	Start-up workshop with all the stakeholders	NPCU/Community groups	Project reports	Baseline, mid-term and completion	Included in the project budget

Potential Impacts	Recommended Mitigation/Enhancement measures	Public Consultation Activities	Responsible Institution in Implementation Phase	Means of verification (Monitoring and reporting)	Frequency of Verification	Cost estimate(USD)
	<p>consumption and reduce environmental impacts.</p> <p>Improve energy efficiency through the adoption of energy-saving technologies and practices, including optimizing equipment and implementing energy management systems.</p>					
Climate change						
<p>Flooding resulting from collapse of community infrastructures</p>	<p>Climate proof all infrastructure project to ensure resilience to climate hazards</p> <p>Establish a robust system for monitoring hydrological and meteorological conditions, including rainfall, river levels, and weather forecasts.</p> <p>Conduct a comprehensive flood risk assessment for the specific project sites to identify areas susceptible to flooding and potential flood hazards.</p> <p>Develop and implement early warning systems that provide timely alerts to communities in flood-prone areas.</p> <p>Ensure that community structures are designed to withstand expected flood events.</p> <p>Manage reservoirs and dams to control water levels and releases</p>	<p>Field visits and community consultation meetings during design and implementation Start up workshop on livestock insurance and during implementation</p>	<p>NPCU/MoLFR/MoAI/ MoECC</p>	<p>Climate Risk Assessments, Adaptation Measures, Insurance Program Documentation, training workshops reports, monitoring & evaluation reports</p>	<p>Continuous and as relevant</p>	<p>Covered by components 1.2& 2.1 activities</p>

Potential Impacts	Recommended Mitigation/Enhancement measures	Public Consultation Activities	Responsible Institution in Implementation Phase	Means of verification (Monitoring and reporting)	Frequency of Verification	Cost estimate(USD)
	during periods of heavy rainfall to prevent downstream flooding. Conduct regular community awareness campaigns to educate residents about flood risks and preparedness measures.					
Drought, water shortage	Undertaking Community Based Participatory Planning with climate risk assessment at planning stage. Improve management practices: small irrigation, water efficient technologies, infield water harvesting, Encourage use of drought tolerant species Encourage provision of crop, livestock, and other value chain-based enterprise insurance. Consider crop and livestock insurance as part of the farmers and Agri- entrepreneurs' package Develop and implement sediment management plans to prevent excessive sedimentation in reservoirs, which can reduce water storage capacity. Develop drought preparedness plans that outline strategies for managing	Start-up workshop with all the stakeholders and During implementation	NPCU/FMSs/MoAI	Community consultation reports, climate risk assessments, site visits, Awareness Campaigns, Progress Reports	Bi-annually	Covered under component 1.2 activities

Potential Impacts	Recommended Mitigation/Enhancement measures	Public Consultation Activities	Responsible Institution in Implementation Phase	Means of verification (Monitoring and reporting)	Frequency of Verification	Cost estimate(USD)
	<p>water scarcity during extended dry periods.</p> <p>Consider the potential impacts of climate change on water availability and adapt dam design, operations and management accordingly.</p>					
Spread of animal diseases and pests related to climate change.	<p>Implement regular surveillance and monitoring of animal diseases and pests to track changes in their distribution and prevalence.</p> <p>Strengthen early warning systems to detect and respond to disease and pest outbreaks in a timely manner.</p> <p>Strengthen the capacity of veterinary services and local communities to identify, report, and manage animal diseases and pests.</p> <p>Support and promote collaborative research to better understand the impacts of climate change on animal diseases and pests and develop innovative solutions for their management</p>	Consultative meetings on livestock diseases and mitigation measures during implementation	NPCU/MoLFR	Surveillance reports, stakeholders' consultations reports, training reports, research collaborations,	Baseline, mid-term and completion.	Covered by 2.1
Heat stress	<p>Construct livestock sheds, rest shelters, or cooling stations at project sites, especially in areas where beneficiaries work as well as livestock.</p> <p>Modify work schedules to avoid the hottest part of the day, if feasible, by</p>	Start-up workshop with all the stakeholders and During implementation	NPCU	Project reports, training sessions reports, dams designs	During design, implementation & monitoring	Included in project budget(2.1

Potential Impacts	Recommended Mitigation/Enhancement measures	Public Consultation Activities	Responsible Institution in Implementation Phase	Means of verification (Monitoring and reporting)	Frequency of Verification	Cost estimate(USD)
	<p>starting early in the morning or working in the late afternoon.</p> <p>Design community infrastructure and facilities with heat resilience in mind, such as well-ventilated workspaces etc</p> <p>Utilize weather forecasting and early warning systems to anticipate extreme heat events and adjust project activities accordingly.</p> <p>Promote the cultivation of heat-resistant crop varieties and the use of drought-resistant livestock breeds in agriculture initiatives.</p> <p>Engage with local communities to raise awareness about the risks of extreme heat and collaborate on heat resilience strategies.</p>					
Increase in GHG emissions	<p>Promoting CSA and climate compatible livestock production</p> <p>Use renewable energy technologies to power community infrastructure</p>	Capacity building workshops on CSA and other climate smart technologies	NPCU/FMSs	Training and Extension Services, Progress Reports, Project Plans and Designs, Stakeholder Feedback Reports	Annually	Covered by 1.2 & 2.1
Maladaptation	<p>Integrate long-term risk assessment in project implementation & monitoring</p> <p>Stakeholders' engagement including feedback mechanism in design & implementation – through SEP</p>	Start-up workshop with all the stakeholders and community engagement during implementation	NPCU & MoAI	Stakeholders' engagement records, ESIA & EMPs, project monitoring reports	Annually	

Potential Impacts	Recommended Mitigation/Enhancement measures	Public Consultation Activities	Responsible Institution in Implementation Phase	Means of verification (Monitoring and reporting)	Frequency of Verification	Cost estimate(USD)
	Prioritize no regret strategies and diversify adaptation measures					
Social management						
Gender inequality in participation and governance	Encourage gender-balanced participation in community governance and services training. Implement the 50/50 male/female project beneficiaries' ratio	Start-up workshop with all the stakeholders and community engagement during implementation	NPCU	Gender disaggregated data and progress reports	Bi-annually and yearly	Covered by component 1.1
Unequal access to resources and opportunities.	Actively involve women and youth in all components and levels of decision-making within the project; Promote inclusive access to financial services and business development support for women and youth. Ensure women and youth hold leadership posts in the organizations and project management team; Consider using local labour for project activities to increase number of direct and indirect project beneficiaries	Start-up workshop with all the stakeholders and community engagement during implementation	NPCU/MoAI	Stakeholder Engagement Records, Training and Capacity Building Programs, Enrolment and Participation Data, Awareness Campaigns, Recruitment and procurement Policies, PCU team	Bi-annually and yearly	Covered by component 1.1 & 2
Disruption of culture and Conflict resurgence due to the project activities	Develop a transparent complaint, grievances redress and dispute resolution framework and make this known to all stakeholders Develop & implement a clear and simple stakeholder engagement plan	Start-up workshop with all the stakeholders and community engagement during implementation	NPCU	Complaint, grievances redress and dispute resolution framework, stakeholder engagement plan (SEP) & communication/outreach strategy, gender and age	Annually	Covered by GRM, SEP & ESIA budgets

Potential Impacts	Recommended Mitigation/Enhancement measures	Public Consultation Activities	Responsible Institution in Implementation Phase	Means of verification (Monitoring and reporting)	Frequency of Verification	Cost estimate(USD)
	(SEP) & communication/outreach strategy to ensure regular awareness and consultation on project activities Involve youth and women leaders as well as respected elders in key project decisions and sensitization activities; Encourage contractors / service providers to give employment preference to local community members			disaggregated data, project beneficiary records		
Unsafe and non-healthy working conditions including child labour	Incorporate environmental and social guidelines in contracts with service providers and ensure compliance. Sensitize project beneficiaries and their wider communities on health & safety standards, incl. safe use of production, agro-chemicals Sensitization of target communities on child rights and ensure that there is no child labour on project.	Start-up workshop with all the stakeholders and community engagement during implementation	MoAI/NPCU	Contracts with service providers and compliance reports, sensitisation reports	Annually	\$10,000
Gender based violence	Create awareness about GBV among all staff, contractors, and the broader community. Implement strict policies and codes of conduct to prevent GBV. Establish confidential and accessible mechanisms for reporting Engage the local communities in discussions around GBV, promoting a	Start-up workshop with all the stakeholders and During implementation	NPCU	communication/outreach strategy, progress reports, no of reports received	Bi-annually and yearly	\$5,000

Potential Impacts	Recommended Mitigation/Enhancement measures	Public Consultation Activities	Responsible Institution in Implementation Phase	Means of verification (Monitoring and reporting)	Frequency of Verification	Cost estimate(USD)
	community-led approach to prevention.					

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Annex I: Sub- Project level Screening form

Sub-project name

Location

Name of the evaluator:

Date:

Guiding questions for environment and social screening	Yes/no	Mitigation measures
Type of sub-project – will it involve		
1. Involve the construction or rehabilitation of any small dams, weirs or reservoirs?		
2. Irrigation systems?		
3. Rehabilitation of rural feeder roads		
4. Electricity or power systems?		
5. Involve food processing?		
6. Build or rehabilitate any structures or buildings?		
7. Support agricultural activities and use of agrochemicals?		
8. Be located in or near an area where there is an important historical, archaeological or cultural heritage site?		
9. Depend on water supply from an existing dam, weir, or other water diversion structure?		
Biodiversity Conservation and Natural Resource Management - Will the sub-project generate the following negative impacts:		
10. Affect the quantity or quality of surface waters, or groundwater		
11. Soil erosion/siltation/land degradation in the area		
12. Removal of tree/vegetation native trees		
13. Be located within or nearby environmentally sensitive areas (e.g., intact natural forests, mangroves, wetlands) or threatened species?		
14. Borrow pits and pools of stagnant water		
15. Introduction of Invasive alien species		
16. Soil pollution		
Community Health, Safety and Working Conditions - Will the Sub-project generate the following negative impacts		
contamination of drinking water		
Dust emissions		
Solid and liquid waste generation		
Spread of water borne diseases		
Contamination from agrochemicals and pesticides		
Reduced water quality and quantity		
Health hazards to workers and communities		
Result in potential increased health risks		
Social impacts - Will the project generate the following negative impacts		

adverse on gender equality and/or the situation of women and girls.		
Cause discriminations against women based on gender		
limit women's ability to use, develop and protect natural resources		
Inequitable or discriminatory adverse impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups.		
Exclusion of any potentially affected stakeholders, in particular marginalized groups, from fully participating in decisions that may affect them		
Exacerbation of conflicts among and/or the risk of violence to project- affected communities and individuals.		
Unequal access to resources and opportunities.		
Result in gender-based violence		
Resettlement Screening - Will the Sub-project generate the following negative social and economic impacts?		
Require that land (public or private) be acquired (temporarily or permanently) for its development?		
Temporary or permanent and full or partial physical displacement of individuals, families or businesses.		
Economic displacement e.g., loss of assets or access to resources due to land acquisition		
lead to forced evictions		
Project affecting land tenure arrangements and/or community-based property rights/customary rights to land, territories and/or resources		
Loss of land by households and communities		
Loss of access to river/forests/grazing area		
Loss of cultural site, graveyard land		
Conflicts over use of local water resources		
Climate Change - Will the project generate the following negative social and economic impacts or vulnerable to climate impacts?		
Significant greenhouse gas emissions		
Project directly or indirectly increase social and environmental vulnerability to climate change now or in the future (maladaptation)		
Susceptible to flooding and/or excessive heating		
Affected by water scarcity as a result of drought		

Annex II: Terms of Reference for the Environmental and Climate Change Officer at NPCU

1. Position: Environmental and Climate Change Officer
2. Location: To be based in the main National Project Coordination Unit(NPCU) office, at the Ministry of Agriculture and Irrigation, with frequent travel to project sites across State levels.
3. Reporting to: Project Manager/Coordinator
4. Duration: Contract duration of 12 months, renewable based on performance and availability of funds

Job Purpose:

The Environmental and Climate Change Officer will be responsible for the integration and implementation of environmental and climate change components within the RLRP, ensuring all project activities are compliant with environmental safeguards and climate change considerations in line with national regulations and IFAD's environmental and social standards.

Key Responsibilities:

- Lead the implementation, monitoring, and updating of the ESCMF to ensure project activities comply with the necessary environmental, social, and climate change guidelines and standards(SECAP).
- Carry out environmental and climate change risk assessments for proposed project activities. Propose and help implement mitigation measures as per the ESCMP.
- Develop and implement training programs to enhance the capacity of project staff and stakeholders on environmental and climate change matters related to the project.
- Liaise with relevant government authorities, project stakeholders, and communities to ensure proper implementation of environmental safeguards.
- Monitor the implementation of environmental and climate change aspects of the project, prepare reports, and ensure appropriate actions are taken based on monitoring results.
- Report to the Project Manager and PSC on the implementation of environmental and climate change actions in the ESCMF
- Work with project contractors to ensure understanding and compliance with environmental and climate mainstreaming and the ESCMP.

Required Qualifications and Experience:

- A Bachelor's degree in Environmental Science, Climate Change, or a related field.
- A minimum of five years of relevant professional experience in managing environmental and social issues in development projects, preferably in the agricultural sector.

- Demonstrated experience in implementing Environmental and Social Impact Assessments (ESIA) and Environmental and Social Management Plans (ESMP).
- Familiarity with the environmental laws and regulations of Somalia and IFAD's environmental and social standards.
- Excellent communication and training skills.
- Proficiency in English and Somali languages.
- Ability to work independently and as part of a team.

Desirable Skills:

- Experience working with international donors or financial institutions in Somalia.
- Proven experience in managing climate change-related issues in rural development projects.
- Experience in dealing with sensitive social issues, including engagement with affected communities.
- Proficiency in relevant computer applications and databases.

Somalia

Rural Livelihoods Resilience Programme Project Design Report

Annex: Annex 18 Secap Review

Mission Dates: 20/06/2023 - 13/07/2023

Document Date: 31/10/2023

Project No. 2000004325

Report No. 6602-SO

Near East, North Africa and Europe Division
Programme Management Department

SECAP REVIEW NOTE

I. Introduction

1. The RLRP aims to contribute to improved and resilient livelihoods of rural smallholders in Somalia. The objective of this SECAP Review Note for RLRP is to ensure that the project considers the social, environmental, and climate change impacts and incorporates the perspectives of vulnerable groups, including local communities, small-scale farmers, youth, and women. It makes specific recommendations to mitigate potential risks and enhance the inclusion of social and environmental concerns.
2. The SECAP Review Note is primarily based on a comprehensive desk review of the studies developed under Somalia Country Strategy (2022-2023) prepared through some consultation with stakeholders, focusing on four key thematic areas: agriculture and rural development, mainstreaming themes, monitoring and evaluation, and strategic partnerships. In order to effectively address the requirements and concerns of the intended beneficiaries, it is crucial to include them in the project design process.

II. Situational analysis and potential project impacts

3. **Geography.** Somalia has a total area of 637,657 Km², with the longest coastline (3,025 Km) in 20 continental Africa, and borders Djibouti (58km), Ethiopia (1,600 Km) and Kenya (682 Km). Some well-developed reefs exist directly off the coast of Somalia, such as the Bajuni Reef, a 125-kilometer-long chain of coral reefs composed of several small islands, islets and rocks. 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 (UNEP, 2010), while 13% is suitable for cultivation.
4. **Population.** Population. Somalia's population is estimated at over 16.8 million of which some 9 million are living in rural areas Annual population growth rate is some 3.1% and the average life expectancy at birth is 57 years(UNFPA, 2023). Some 2,900,000 million people in Somalia are internally displaced. Somali diaspora forms as important part of the population and can be found all around the world (World Bank 2022).

2.1 Socio-economic assessment

A. Overall poverty situation

5. Following decades of civil war, 69 per cent of the population live below the poverty line. Poverty averages at 69 per cent among nomadic pastoralists, agro- pastoralists and residents of IDP settlements²³(FGS,2020). Nearly seven in ten Somalis live on less than USD 1.90 per day, the sixth-highest poverty rate in sub-Saharan Africa(UN, 2020). Poverty is both widespread and deep, particularly for households in rural areas and internally displaced person (IDP) settlements(World Bank 2019) Almost 80 percent of the population is at risk from external shocks such as natural disasters, conflict and economic disruption(FGS,2020) Somalia is ranked as the most vulnerable to climate change of 181 countries.¹⁵¹ According to the World Bank's second Somali High Frequency Survey, almost three- fourths of the population in rural areas, IDP settlements are poor. In addition, a significant group of non-poor are vulnerable to falling into poverty. Only 10 percent of the total Somali population is within 20 percent of total consumption above the poverty line
6. Poverty in urban areas is lower in comparison at 60 per cent. Poverty in Somalia is driven by political fragility, conflict, insecurity and exacerbated by climate emergencies. Poverty is attributed to recurrent external shocks and natural disasters which have created widespread displacement and considerable demographical shifts. Somalia, previously a predominately rural population, is projected to have a population that is 50 per cent urbanised within the next few years. Rapid urbanisation is likely to increase inequality and

cause serious constraints on Somalia's weak institutions arising mainly from increased infrastructural needs. According to the SNBS 2019 Labour Force Survey (LFS), the unemployment rate is 21.4 per cent with respective rates of 18.4 per cent and 27.4 per cent for males and females. The unemployment rate is slightly higher in urban areas (21.7 per cent) than in the rural areas (20.1 per cent).

7. In addition to monetary poverty, most Somali households suffer other nonmonetary deprivations such as inadequate access to education, electricity or water and sanitation. Regional differences in poverty between the North East (27 percent poverty) and the North West (50 percent poverty) are much larger than urban/rural variation. Poverty averages 64 percent across urban areas (including Mogadishu) compared to 69 percent nationally, 72 percent in rural areas, and 76 percent among Internally Displaced People (IDPs).
8. **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.
9. **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 Classification (ReliefWeb 2023), 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, some 6.5 million people across Somalia are expected to face Crisis or worse (IPC Phase 3 or above), of which 1.9 million people are in IPC Phase 4 (Emergency). A highly concerning number of 223,000 people is expected to be in Catastrophe (IPC Phase 5) in the most affected areas across Somalia through mid-2023. Climate change and conflict are often mentioned as the underlying issues in relation to food insecurity (FGS,2020).
10. **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.

B. Nutrition

11. According to a 2022 food system assessment (IPC, 2023) the key drivers contributing to the problem of food insecurity and malnutrition in Somalia include environmental degradation, conflict, droughts, and floods. These natural and man-made drivers have created a large number of IDPs and affect agricultural production which is linked to low food availability for self-consumption as well low-income limiting purchasing capacity. The combined effects of these lead to challenges in accessing food, especially in conflict or disaster affected areas.
12. **Malnutrition** in Somalia is driven by 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 (UN,2020) Malnutrition varies seasonally and regionally. The 2019 Somalia Micronutrient Survey documented a high percentage of wasting and stunting in the country as a result of inadequate quality and quantity of food. In children, levels of stunting (17 percent), wasting (11 percent) and underweight (13 percent) are very high. More recent data highlighted that 21.3 percent of the children under five were stunted, 6.9 percent wasted, and 5.6 percent overweight ^[10].
13. **Micronutrient deficiencies:** 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).^[111] Moreover, 34 percent of children and 11 percent of women have vitamin A deficiency. As a consequence of perpetual food insecurity and malnutrition infant mortality is high and life expectancy is low (57 years)(DNS, 2020). Women are also systematically more malnourished than men and also less food secure (DNS, 2020). Households dependent on women for food or income to buy food are overrepresented 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(FSNAU & FEWS NET. 2022).

14. **Quality of diet:** Typical diet throughout Somalia is based on staples (mainly rice, pasta, sorghum and maize), oil and sugar with some consumption of beans, vegetables, meat, milk, fish and fruits. Energy-dense foods such as grains, oil and sugar are cheaper per calorie than nutrient-dense foods (WFP, 2019). Dietary intake data from high frequency surveys in 2017 suggests that Somalis derive their dietary energy mainly from staples (46 percent), oil (14 percent) and sugar (19 percent); nutritious foods provide 20 percent of dietary energy, mainly from meat (5 percent), milk (4 percent), fruit (4 percent) and pulses (3 percent). The consumption patterns do not vary substantial across the different livelihood systems (rural, pastoral, urban and IDP). However, over 40 percent of households do not meet energy requirements. A 2019 study indicated that only two households in ten could afford a nutritious diet(OPM, 2019).
15. **Affordability** (as measured by income levels) is a critical constraint in maintaining a diversified nutritious diet, compared to availability and access to food. Almost 70 percent of the population lives under the international poverty line (USD 1.90 per person per day), with an additional 10 percent of the population living within 20 percent of the poverty line (World Bank, 2019a). IDPs and the rural population (both agro-pastoralists and nomads) have the highest rates of monetary poverty and their consumption is therefore highly vulnerable to droughts and associated income shocks, as well as global food price volatility. Consequently, cereals (mostly consisting of maize, sorghum, and imported rice and wheat) dominate consumption as they represent the cheapest food category, while consumption of highly seasonal and more expensive pulses is the lowest.

C. Gender

16. Somalia's patriarchal society is organised and managed along the clan system, with among others, entrenched discriminatory social structures that perpetuate gender inequality. The Gender in Somalia report by UNDP indicates that Somalia's Gender Index is 0.776, which ranks it fourth globally, with a maximum score of 1 representing complete inequality. Despite the important and dynamic roles women have played historically in Somali society as community mobilizers and peacebuilders, the clan system ascribes women to inferior social status and contributes to women's exclusion from political and public decision-making fora. Men are traditionally identified as protectors of family security, primary breadwinners, and central decision-makers in both public and private settings^[161]. Although women are facing increased economic opportunities, many women still work in menial positions, involving "sacrifice, risk and humiliation," and often only making enough money to sustain themselves and their families.^[171] In addition, women experience higher unemployment than men (74%for women and 61% for men).
 - a. **Agriculture participation:** Women are actively engaged in agriculture, comprising 50 percent of the Somalian agricultural labour force, but their continued marginalization 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.^[181] In specific, women are very active in those value chains that require less land and capital, where the production cycles are short (for example, quickly maturing crops) and the profits are low but recurring. In particular, women are involved in milk value chains across the entire 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. In spite of their activities in the value chains, few women own land and men still are

main decision makers. When it comes to crop production, both women and men play key roles. 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. Gender roles, however, change across the administrative zones and depend on the crop. Rural community committees are clan based and mainly comprise men. Women are virtually absent of these committees (FAO, 2021) Women are under-represented in the formal labour force but they actively engage in the shadow economy through informal employment opportunities. However, their limited participation in decision-making and training, and their limited access to agriculture resources, capital and information affects their productivity (FAO, 2021)

- b. **Sexual Gender Based Violence:** SGBV is rampant in Somalia, mostly perpetrated by men against women. Women and girls in Somalia are exposed to SGBV resulting from protracted conflict, gender inequalities and the humanitarian crises that the country experiences. These women and girls are usually subjected to rape, and there are many cases of attempted rape that are reported – these are mainly 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 defence forces. However, due to stigma, SGBV and GBV are most often under-reported in Somalia. 12 per cent ever-partnered rural women and girls of ages 15-49 have been subjected to physical or sexual violence by a current or former intimate partner according to a UNDP assessment^[20]. The same assessment found that 99 percent of Somali women aged 15-49 have undergone female circumcision. There is widespread stigma against the elimination of the practice stemming from the belief that uncut women or girls are more likely to be promiscuous or unfaithful to their husbands once married, thus uncut girls are often ostracized. IDPs are the most affected by GBV with 2021 GBVIMS report indicating that 74 per cent of GBV victims were females IDPs. Limited specialized and comprehensive services, such as rape treatment for rape survivors, case management, psychosocial support for traumatized women and girls, are major hindrance to expanding service provisions which are of quality, timely and confidential.
- c. **Early marriage and Forced Marriage:** Early and forced marriage continues to be pervasive in Somalia, particularly within the context of prevailing poverty and gender bias which perpetuates favouritism of boys over girls. While 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. Marriage is the 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 sine there is a lack of consensus among key stakeholders (i.e. religious and civil society actors) on the age of marriage or maturity.
- d. **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%, almost a quarter, of lower house parliamentary seats secured by women. Somalia's achievement of equal and meaningful participation of women is compounded 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.

D. Youth

17. Approximately 65 percent of the population is under 35 years of age. Young people aged under 35 and 24 comprise about 75 per cent and 63 per cent, respectively, of the country's estimated population of 15 million (FGS,2020) The level of education is generally low, and the population growth rate is high compared with the rest of the world. The Somalia Youth Assessment Report indicates that two out of three youth (aged 15 to 30) live in poverty with food insecurity(More than half of Somali youth are illiterate; two out of three have no formal education or have dropped out of school and 73 per cent are unemployed (42 per cent male; 58 per cent female).^[23] The 70 percent unemployment rate among youth

(aged 14 to 29) is one of the highest in the world and further contributes to socioeconomic pressures. High youth unemployment is a threat to inclusive prosperity, stability and security, with male youth likely to be recruited into violent extremist organizations and girls forced into early marriage and experiencing sexual and gender-based violence, which affects one out of four women in Somalia; 99 per cent of Somali women aged 15 to 49 have undergone circumcision. The unemployment rate for youth aged 15 to 24 years is 37.4 per cent, and is higher for female youth at 40.8 per cent, than the male youth at 35.2 per cent. Further, youth aged 15 to 24 make up 17.8 per cent of the labour force participation rate share. Services employment comprises the largest share of total employment with 59.9 per cent. This is followed by industry at 18.0 per cent and agriculture at 13.5 per cent. Specific issues faced by youth according to Somalia's national youth are the following(DNS, 2020):

- a. Fragile public institutions – The majority of public institutions are facing scarce financial and human resources. Due to the prolonged civil war, the government facilities are devastated and reconstruction is needed. This means that social services provided to youth are of poor quality.
- b. Climate change and environment destruction – Somalia experiences recurrent climate challenges, including drought, floods, and desertification. Excess use of natural resources and charcoal for fuel and overall poor environmental management has led to the poor environment affecting the wellbeing of youth.
- c. Internally Displaced Persons (IDP's) – currently two persons in five are either an IDP or a returnee. Such people are living on the margins of society, with limited resources and employment opportunities
- d. Radicalization, violent extremism and terrorism – The Somali youth are among those who suffered from radicalization and violent extremism activities due to their vulnerability resulting from low level of education, unemployment, and the fact that during the prolonged civil war the only employment available was being an insurgent.
- e. Patriarchal structures - provide limited opportunity for young women to partake in decision making (community, family planning, higher education, full employment). Traditional norms such as FGM increases infant and maternal mortality or lifelong health issues.

E. Vulnerable groups

18. ***Internally displaced People (IDPs)***: Some 2.9 million people are considered internally displaced. The number of IDPs are rapidly increasing and stood at only 1.1 million people some 5 years ago (see World Bank Somali Poverty and Vulnerability analysis). 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. For example, 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% 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 activities (12%)(UNHCR 2023). IDPs currently account for about 18 percent of the country's population – between 2.6 and 2.9 million people. Geographically, IDPs are located in every region of the country (Figure 15), 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.
19. ***People with disabilities (PWD)***. Persons with disabilities of all age groups are at 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) after ratifying it (UNHCR 2023). People with disabilities are often denied access to water, food and sanitation through lack of inclusion in humanitarian responses (UNOCHA, 2020).

2.2 Environment and climate context, trends and implications

Environment and climate context, trends and implications

a. Environmental assessment

20. **Water resources.** Somalia is an arid and dry country receiving annual rainfall below 500mm and the northeast part 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 Shabelle 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 agriculture use to account for over 90% of water use. In addition, much-unplanned water is supplied for construction (berked, balley, wells).
21. **Biodiversity.** Somalia is one of the rich biodiverse countries 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. Overgrazing and charcoal production have had a profound impact on species composition, ground cover and the structure of vegetation (UNDP, 2010). Other challenges include: habitat losses and degradation, climate change effects, overexploitation, pollution, invasive alien species, civil war, and Tsunami.
22. The 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. And when 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.
23. **Vegetation.** Somalia has a diverse vegetation cover, with a vast of 52.7% or 336,612 Km² characterized by natural woody vegetation ranging from closed to open formations, predominantly dominated by Acacia and Commiphora shrubs and woodlands (UNDP, 2010). Conversely, about 30% or 191,751 Km² of the nation's landscape is marked by sparse woody or herbaceous vegetation, primarily presenting as dry deciduous bushland and thicket. Regrettably, the nation's forest cover, which represents a mere 2.4% of its area, is under threat (FGS, 2021). Activities such as agriculture and the escalating demand for charcoal, both for local use and exports, especially to Saudi Arabia, have considerably diminished these forested zones. While the north's misty forests remain the last bastions of true dense woods in the country, they too face potential jeopardy. Amidst these challenges, the forests continue to yield vital native exports like frankincense, myrrh, gum Arabic, and yicib nuts.

24. **Land degradation.** Assessments by SWALIM have revealed that for the period 1980 to 2009, the most prevalent types of land degradation in Somalia were loss of vegetation, topsoil loss, and the decline of soil moisture. 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. 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 (FGS, 2015). The indirect causes include land tenure, illiteracy, poverty, war and conflict, weak governance, and high population density(FAO SWALIM)
25. **Energy:** Somalia's energy landscape is characterized by a heavy reliance on biomass, with over 80% of the households relying on charcoal and firewood, especially for cooking (FGS,2020). Access to electricity in Somalia is one of the lowest in the world, with only 49.3% of the population access to electricity. In rural areas, this figure is significantly lower with less than 30% with electricity access (world bank website). The absence of a robust national grid has led to the proliferation of privately-owned diesel generators in urban areas to supply electricity, resulting in some of the highest electricity costs globally. While the country possesses abundant renewable energy resources, especially solar and wind, the harnessing of these potentials is still in its nascent stages.

b. Climate trends and impacts

26. Somalia is generally arid and semi-arid with two seasonal rainfall seasons, as is shown in the below figure. 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(UN, 2020).

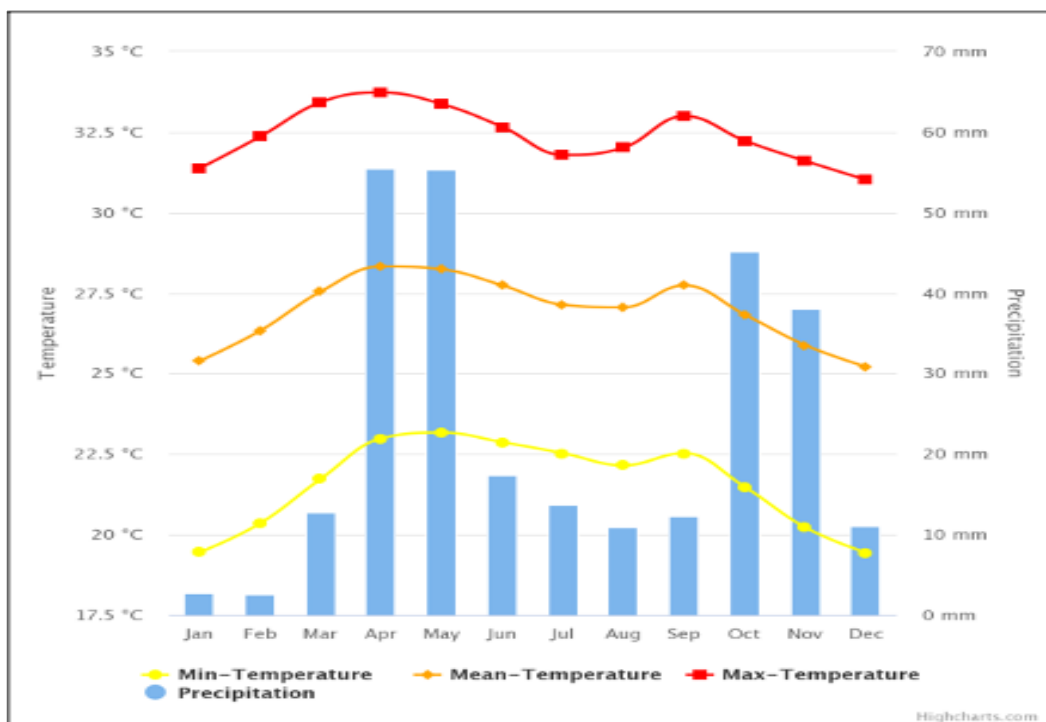


Figure 1: rainfall and temperature trends between 1991 and 2020
Source: The World Bank Group, 2021

27. **Temperature.** The annual mean temperature is close to 30°C throughout the country. Average monthly temperatures reach their maximum during the 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)

28. **Precipitation.** The precipitation is generally low across the country with a 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 (FAO, 1995). The mean annual precipitation is 265.44mm (1901-2016).
29. **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:
 - a. 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.
 - b. 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 in July and August. The South-west monsoon dominates, bringing relatively cool conditions, with showers along the coast but dry inland.
 - c. 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.
 - d. January to March is the longest dry season known as **"Jilaal"**. This season results from ITCZ emerging from the dry Arabian Peninsula.
30. **Observed change.** With regard to precipitation, despite trends for the Sub-Saharan region as a whole being inconsistent, East Africa has been experiencing precipitation increases in the northern part and decreases in rainfall in the southern region.
31. **Climate zones.** 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.

Temperature and Precipitation projections

32. Climate changes is projected to cause increasing temperatures and inter annual variability of rainfall variability according to global and Regional models. Mean temperatures are expected to increase across all areas of Somalia between 3.2°C and 4.3°C; annual rainfall especially in the North-East will increase under scenarios RCP 4.5 and RCP 8.5. Increases in rainfall and temperature may in turn increase the risks of both prolonged flooding and drought respectively. Indeed, there will be increased rainfall and temperature from the current climatic condition to both future scenarios as shown in figures below:

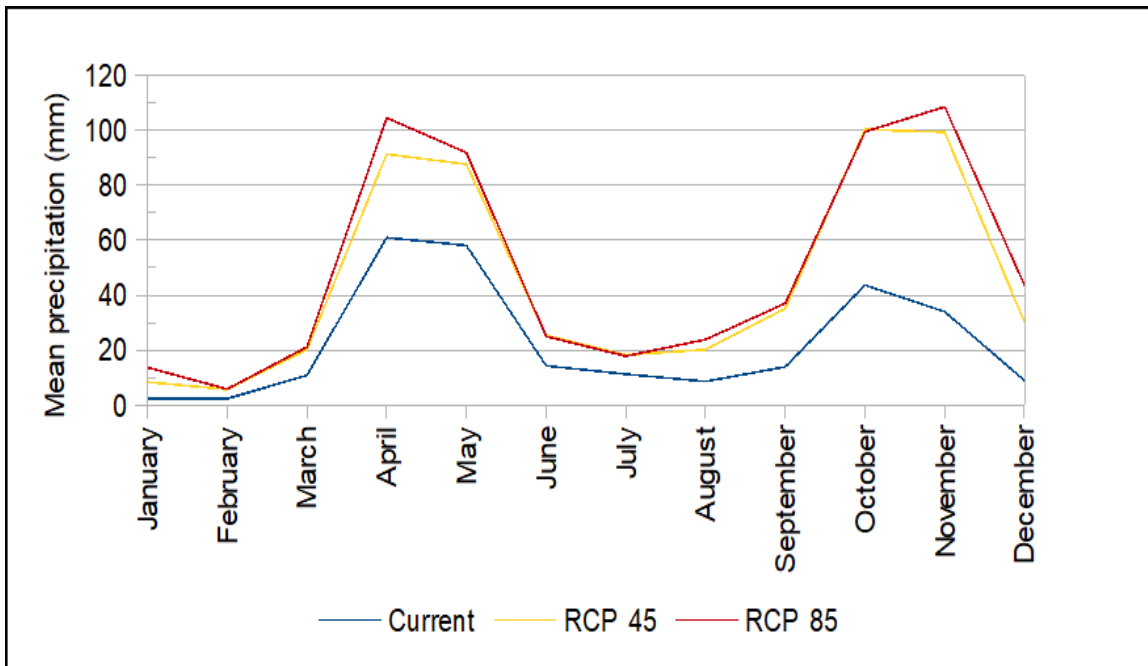


Figure 1: relative monthly trends of rainfall currently and into the future scenarios of RCP 4.5 and RCP8.5.

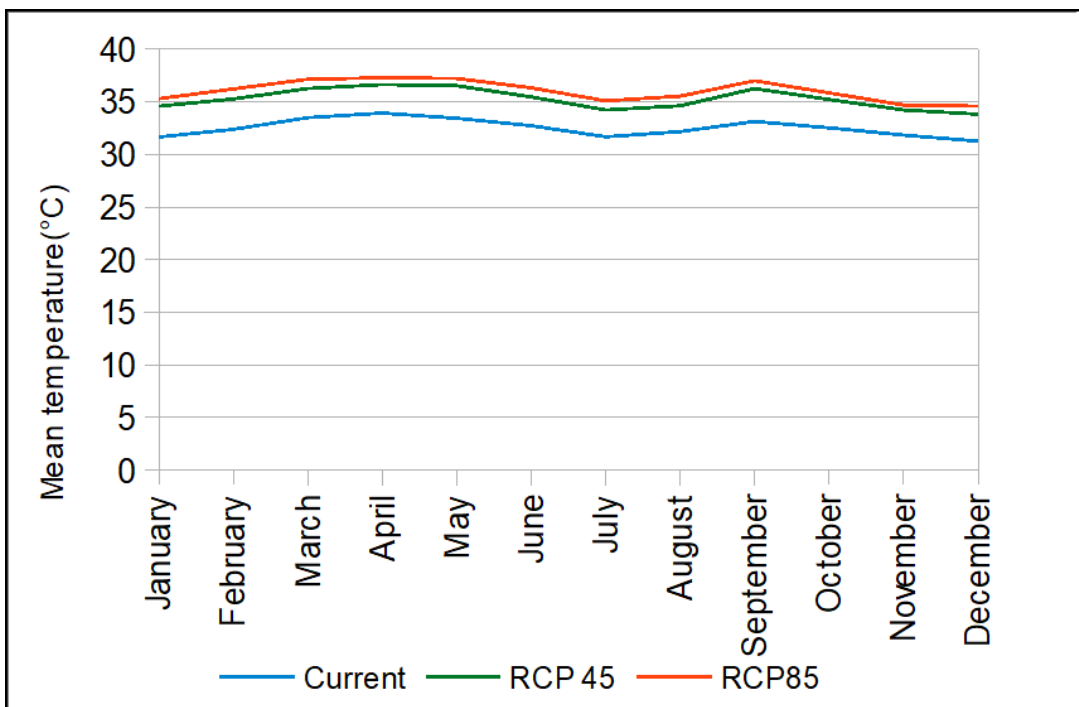


Figure 2: relative monthly trends of temperature currently and into the future scenarios of RCP 4.5 and RCP8.5.

2. Hazards

33. Somalia is highly vulnerable to the adverse impacts of climate change due to its geographic location, socio-political challenges, and economic conditions. Over the past few decades, the country has witnessed an increasing frequency and severity of climatic events that have exacerbated existing vulnerabilities, resulting in devastating effects on its population, resources, and infrastructure. The World Bank confirms that the country is at risk to several natural hazards, including drought, floods, cyclones, and climate-related diseases and epidemics.

34. The charts provide overview of the most frequent natural disaster in Somalia and understand the impacts of those disasters on human populations.

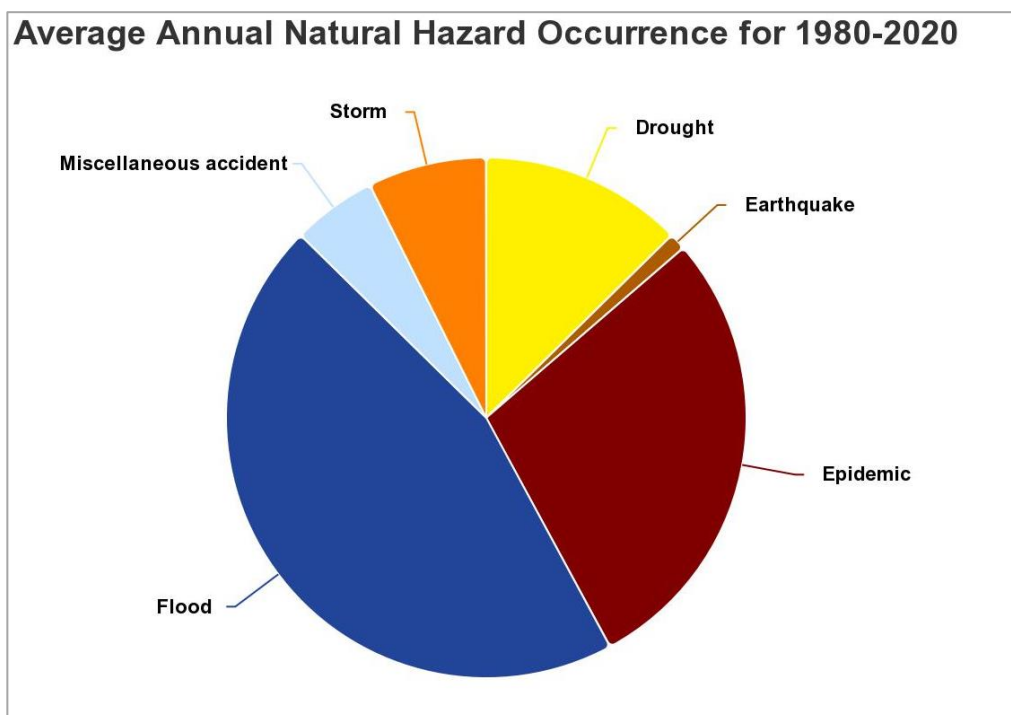
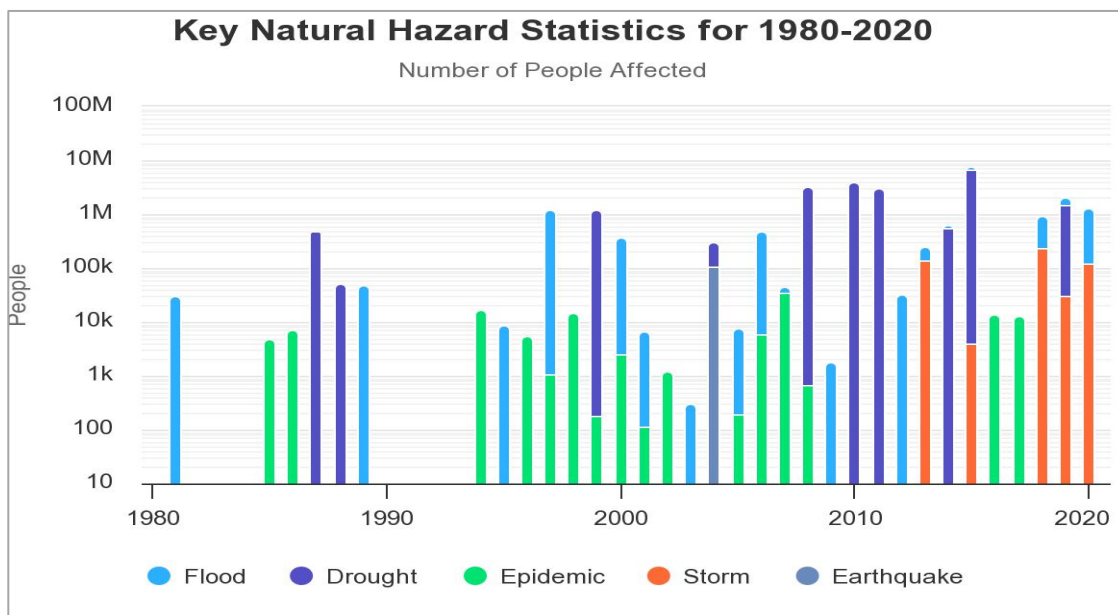


Figure 3: Key Hazards statistics in Somalia 1980-2020
Source: World Bank Climate Knowledge portal

Climate vulnerability

35. Somalia is one of the most climate vulnerable countries, predominantly due to its inherent socio-economic fragility, a history of civil conflict, and limited adaptive capacities. The high vulnerability score and high readiness score of Somalia places it in the upper-left quadrant of the ND-GAIN Matrix ranking Somalia of 178. It has both a great need for investment and innovations to improve readiness and a great urgency for action. Somalia is the most vulnerable country and the 122nd most ready country. Its 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 vulnerabilities, limiting effective climate-responsive interventions and long-term adaptation strategies. Without significant mitigation and adaptation efforts, the climatic threats could further destabilize an already vulnerable nation.

c. Climate change mitigation

36. Somalia has little historical or current responsibility for global climate change; the country's Greenhouse Gas (GHG) emissions are 62.92 MtCO₂eq as of 2015 representing less than 0.03% of total global emissions(NDC 2021). Agriculture, Forestry and other Land use (AFOLU) contribute to over 96% of the country's emissions while the energy sector and waste contribute 3% and 1% percent respectively(INC,2018). The emissions are likely to grow significantly as the country strives to meet its development objectives; with agriculture, forestry and energy sector leading. The country is committed to remain low emitter and contribute to global climate change efforts in the context of sustainable development and poverty eradication as elaborated in its updated NDC under the Paris Agreement.

37. The AFOLU sector emissions profile shows that Carbon dioxide (CO₂) is the major contributor of the total sector emission at 61% while Methane (CH₄) and Nitrous Oxide (N₂O) are contributing 27% and 12% to Somalia's GHG emissions for the AFOLU sectors, in 2015. The majority of the CO₂ emissions result from the LULUCF activities mainly conversions of Forestland to other land uses especially grassland and croplands as shown in Fig 4 below.

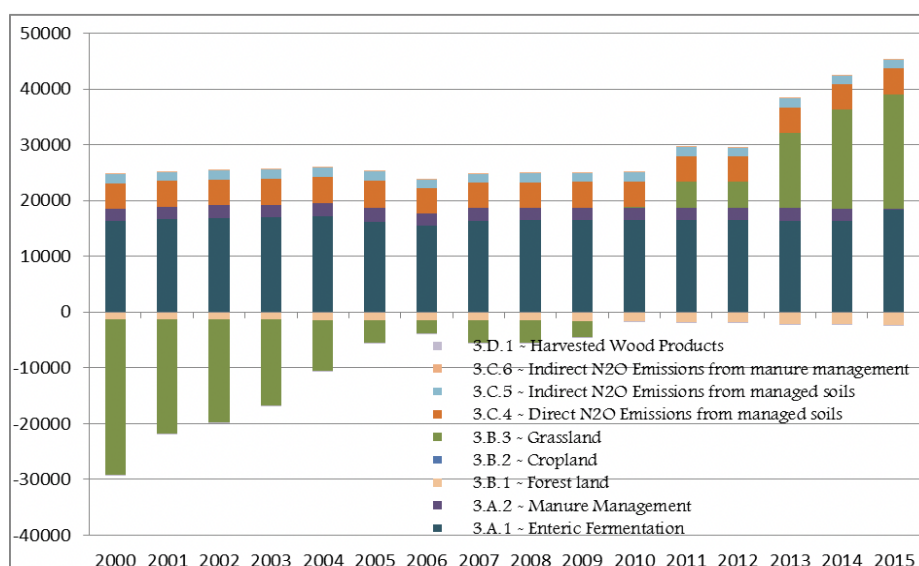


Figure 4: the historical trends of emissions (in Gg) by Agriculture related Source Category (INC, 2018)

38. Some of the potential areas for reducing emissions through RLRP while enhancing agricultural productivity in Somalia include: promoting agroforestry; enhancing water

infrastructure using renewable energy such as solar-powered water pumping and promoting climate smart agriculture practices such as conservation agriculture.

39. In the livestock sector, key mitigation measures include: Improved pasture and grazing management that improves pasture efficiency, investing in rangelands restoration and rehabilitation and livestock substitution.

2.3 Target group profiles

40. **Project target locations:** The target areas have been jointly selected by FGS and IFAD and based on a number of key criteria such as poverty levels, food and nutrition insecurity, degradation of natural resource based and acceptable level of conflicts and insecurity. Based on these criteria, the geographic area of intervention of RLRP will be three districts in South West state (Bay, Bakool and lower Shabelle) and two districts in Jubaland state (Gedo and lower Juba). Bay, Bakool, and Lower Shabelle in South West State are prone to periodic droughts and conflicts. Gedo and Lower Juba in Jubaland State are susceptible to both flood risks, due to their proximity to rivers, and droughts.
41. **Target groups:** The RLRP programme adopts a community approach to enhance livelihoods and resilience of poor rural households. Community based economic groups such as agricultural producers' groups, cooperatives or village saving and c are considered as means to transform the lives of the target beneficiaries.
42. The primary target groups of the programme include five main social groups with diverse vulnerabilities characterised in the above assessment. Based on the desk analysis and in line with Country Strategy Note, RLRP's target group will comprise of the following:
43. **Food insecure agro-pastoralists** for whom agriculture is of primary importance but may own some livestock, cultivate homestead gardens and engaged in subsistence farming, rain-fed crop production with limited or no access to agricultural inputs nor technical assistance. The RLRP's primary target groups will be 30,000 poor small-scale agro-pastoral HHs, corresponding to 180,000 persons, who have little access to assets and economic opportunities due to social exclusion, marginalisation, conflict and the negative impact of climate change. These are poor to very poor households who lack adequate resources, partly depend on other sources of income which are also scarce, and mostly engage in subsistence farming with occasional surpluses for sale in a poorly integrated rural market economy. They are also very vulnerable to economic and climatic shocks. Their priority needs are therefore to (i) Improve access to productive inputs; (ii) Increase crop yields, through adoption of climate smart technologies, and improve livestock production (iii) Improve food and nutrition security through production and consumption of nutritious diversified foods and (iv) Secure off-farm income sources with access to reliable savings and financing schemes. RLRP proposes the following for their meaningful engagement:
 - a. Capacity-building in climate-smart agriculture and strengthening of extension services.
 - b. Access to training for women, and service delivery to women and youth on an equal basis.
 - c. Benefit from additional labour created by (semi-) commercial farmers through productive alliance modalities
 - d. Access to tailored grants and inclusive financial services.
44. **Community members** -communities are the entry point for activities under RLRP. Poverty is high in the rural areas of Somalia and many are food insecure. Through the facilitated CDD process, RLRP will enhance the capacity of the communities to better identify, plan and respond to their needs in a collective and inclusive way. Component one will provide an entry point for developing social capital to enable the communities work as a block. Key aspects for targeting is the participation of all members with specific quotas for women - 50% , youth 40 % and vulnerable groups at least 50%. RLRP will also promote community dialogue and attitudinal change on women's human rights issues such as SGBV as these stem from entrenched social norms. To this end the project will support men and women to become champions for gender equality and women's empowerment. For women

empowerment through CDD, RLRP will strengthen women's leadership capacities so they become effective leaders and role models to other women and to society on the contributions women can bring to development. Nutrition activities will be

45. **Youth** The possibilities for youth to obtain education and employment are limited and opportunities to engage politically, economically, or socially remain weak or non-existent. Migration to urban areas in search of employment makes them vulnerable low wage employment opportunities. The space and opportunities are even further restricted for girls and young women. Given the gendered-related challenges faced by young women as elaborated earlier, RLRP will have a greater focus on young women and identify opportunities to equitably benefit from project's activities. Under component one, RLRP will not only enact quotas for participation but will also challenge harmful social norms that limit the participation of youth. Component 2 will ensure profitable inclusivity. Youth-led economic income groups (CBOs) and MSEs will be supported to take advantage of opportunities arising along the value chain (seed supply, storage, technology, processing, retail), (i) economic empowerment through job creation via youth-only groups (at least 40 percent of newly established EIGs), youth-led MSEs (30 percent) and increased participation in formalized EIGs along selected value chains ; (ii) capacity strengthening in enterprise development through skill-based training; (iii) implementation of market-oriented business plans via matching grants (40 % of grants and assets will go to youth-led and women-led EIGs); (iv) support linkages to markets; (v) financial literacy training; (vi) increased participation and leadership in EIGs and rural-decision making roles and bodies and group activities.
46. **Women (50%)** with targeted support for those in male-headed households and Female-headed households: gender relations are inequitable in the country. GBV prevalence are very high and although women provide significant contributions to the agricultural sector, they do not receive equitable feedback. They continue to face multiple challenges that curtail their potential in engaging in gainful productive ventures. They have fewer opportunities than men to benefit from education, training, and productive agricultural employment due to traditional gender patterns in allocation of household labour, early marriages, and restriction. This has seen women constrained in terms of employment opportunities and their involvement in on farm activities is less skilled and less financially rewarding. Although Somali women are predominantly engaged in micro enterprises, limited access to financial services hampers their ability to expand their businesses. The project will ensure that women benefit and engage in all project activities and become productive and resilient agripreneurs by enhancing economic empowerment, participation and leadership in EIGs and decision-making bodies and access to labour and time-saving technologies. Given that women are disproportionately affected by malnutrition including micronutrient deficiencies, RLRP will scale interventions supporting production of diversified nutrient dense crops to include vegetables, fruits and rearing of small livestock at household level. This will be accompanied by a comprehensive social and behaviour change communication with targeted nutrition education for women of reproductive age including adolescent girls.
47. **IDPs:** The main challenges IDPs face lies in their social and economic reintegration into the community. On the other hand, communities who stayed have to share their limited resources and services with the IDPs. These dynamics will be considered in the RLRP programme targeting strategy in order to maintain social cohesion in the supported communities. Targeting under component 1 will be critical to not only meet quotas (15%) for their inclusion but to also promote acceptance from the community at large. It should be noted that targeting IDPs as a vulnerable population will be managed tactfully and not at the expense of the general population.
48. **Persons with disabilities (PWD):** In a country where violence has been ongoing for decades, persons with disabilities face extreme hurdles in being recognised, accessing resources and feeling valued in their communities especially for children and women with disabilities. Persons of disabilities face the risk of being side-lined in every aspect of support including humanitarian response and are denied their economic, social and cultural rights. Reports show that persons with disabilities are often denied access to water, food, sanitation through lack of explicit inclusion. RLRP will seek to address this issues through

initial assessment to ascertain their prevalence and disability type, include disability indicators and use twin track approach. Through component 1, RLRP will tackle stigma and discrimination in communities and will include training of traditional and clan elders. Staff will also be provided with training to understand stigma and discrimination faced by PWDs. RLRP will also engage Disabled Persons Organisations (DPOs).

3. Policy and Institutional analysis

49. **Environment and climate change:** Considering the centrality of environment and climate issues in Somalia's development, the Ninth National Development Plan (2020-2024) which is the national development blue print integrates environmental protection and recognizes the threats posed by climate change, promoting the mainstreaming of environment and climate change into development objectives. The plan prioritizes strategic interventions with multiple benefits, including economic benefits, environmental sustainability, conflict reduction, strengthened governance, and reduced exclusion.
50. Additionally, the country has developed a National Environment Policy 2020 aims to manage natural resources sustainably in Somalia and adopt conservation, mitigation, and adaptation approaches to address climate change. 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. To further highlight the importance of climate adaptation, the country has developed Somalia Adaptation Plan (AdCom) 2023 which elaborates priority adaptation measures in different economic sectors.
51. Other relevant policies include: Somali National Disaster Management Policy (2018), National Voluntary Land Degradation Neutrality Targets 2020, Somalia's National Biodiversity Strategy and Action Plan (NBSAP), the National Capacity Self-Assessment, National Adaptation Plan of Actions (2013), National Food Security and the National Livestock development Strategy and 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.
52. In terms of key institutions, the recently established 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.
53. Relevant for RLRP are the Ministry of Agriculture and Irrigation, the Ministry of Livestock, Forests and Range, the Ministry of Planning, Investment and Economic Development that coordinates all government and non-government agencies, develops medium and long-term strategies for sustainable economic development and seeks donor support. Federal Member States (FMSs) play an important role in overseeing policy development and implementation in their respective regions.
54. **Gender:** In ensuring the human rights of Somali women and girls, the Federal Ministry of Women and Human consultations over many years with civil society, religious leaders, women and youth. This resulted in a comprehensive Bill which ensures the stronger protection of women and girl victims of sexual and gender-based violence. 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 which triggered heated discussions and attracted some fierce criticism from international and national stakeholders. Somalia signed and ratified the African (Banjul) Charter on Human and Peoples' Rights, in 1985, and has signed but 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 2006.²⁴ Somalia has not signed CEDAW. The UN gender equality strategy 2018-2020 provides a framework for the promotion and institutionalization of gender mainstreaming in the implementation of UN assistance and cooperation frameworks in Somalia. The

strategy responds to gender inequalities and related developmental challenges in Somalia and offers practical tools and guidance on how to achieve gender results with greater accountability.

55. **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 has responded with a National Youth Policy (2017) to strengthen education and skills development and reduce youth unemployment. The policy puts a premium on advancing peace and security, promoting healthy lifestyles, and enhancing youths' sense of citizenship. It also put emphasis on "justice and reintegration of youth in conflict with the law." Many of these approaches have been included in the National Employment Policy (2021), which additionally sees youth skilling as a key means for making the private sector more competitive. Improving skill levels to those required by the private sector is easier said than done. Somalia has notched only minor gains in education achievement in recent years, and the country faces numerous challenges in strengthening education institutions and systems to accelerate progress toward Sustainable Development Goal 4 education targets particularly those on improving access to education and learning outcomes.
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 and 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 Multisectoral Nutrition (MSN) strategy 2019-2024 sets out to consolidate and integrate various policy instruments of the Somalia government that seek to tackle under nutrition with aim to achieve seven priority objectives including: improve capacity for nutrition, address gender and social cultural factors, improve policy environment for maternal and child health and strengthen framework for linking humanitarian relief to recovery and development. This strategy covers a range of interventions across relevant sectors which address the immediate, underlying and basic causes of malnutrition. 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 skills 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 gender challenges. 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 gender issues.

4. Environmental and social category

59. The environmental and social category is **Substantial risk.**
60. While the Rural Livelihoods Resilience Project (RLRP) is expected to provide several positive social benefits, potential negative social impacts may also arise if not properly managed. Such social risks include: Gender-Based Violence (GBV) Risks, gender inequality, potential exploitation and discrimination, Substandard Working Conditions and Child Labour Exploitation, Community Health, Safety, and Security, resource related conflicts. Identified mitigation measures include: implementing inclusive policies and activities, Promote gender-responsive approaches, undertaking subproject assessments, establishing effective project GRM and social cohesion, awareness creation and training, Implement strict policies and codes of conduct to prevent GBV and enforcing labour laws and regulations that protect workers' rights, including regulations against child labour and hazardous working conditions.

61. The unintended negative environmental impacts of some of the project investments include: Overexploitation and Resource Depletion, pollution and improper waste management, air and noise pollution, biodiversity loss, Overgrazing and Land Degradation Possible introduction of Invasive Species. Proposed mitigation measures are to promote and implement sustainable resource management practices and sustainable farming practices, encouraging use of organic fertilizers, proper waste management, awareness and capacity building, conservation, use of native plant species, regular stakeholders engagements and monitoring

5. Climate risk category

62. The Climate Risk Classification is **Substantial**
63. Somalia is highly vulnerable to climate change impacts mainly due to frequent droughts and floods, which potentially can destroy livestock and crops with a severe impact on the livelihoods of the beneficiaries. The project outcomes may be undermined by climate change impacts, while the project may result in unintended negative effects on the climate such as increased GHG emissions. To mitigate such risks, the relevant sub-projects or investments will be fully climate proofed during the design and implementation stages and climate adaptation measures will be mainstreamed across the project activities to enhance the resilience and improve the adaptation of target communities and investments. The project's interventions would not be expected to increase the vulnerability of target populations and resources to climate hazards. As the risk classification is Substantial, a detailed Climate Risk Analysis and Targeted Adaptation Assessment has been conducted for this project.

6. Recommendations for project design and implementation

A. stakeholder engagement and collaboration

- I. The project will consult and engage with relevant stakeholders in all stages of the project cycle. The project has created governance structures such as the project steering committee, which includes public and private sector players. The project will also work closely with local communities to ensure they are well engaged and represented in the project cycle through the facilitated CDD process. The project will also conduct an inventory of other development partners working in the country to enhance cooperation, synergy and close working relationships.

B. Labour and working conditions

- I. The project will ensure that national laws and ILO best practices on labour and working conditions are adhered to during the execution of the project. These include liaising with relevant agencies in the prevention of all forms of forced labour, child labour and discrimination in project sites. The project will also ensure acceptable standards of occupational health and safety are adhered to through for example training farmers on safe handling and appropriate use and disposal of agrochemicals. Soil and water intervention measures will also be carried out.
 - 1) Ensure equitable participation in project activities.
 - 2) Promote decent work, including through contractual arrangements, in line with IFAD's policy on preventing and responding to sexual harassment, sexual exploitation and abuse.
 - 3) Promote climate-smart agriculture practices that increase adaptive capacity and reduce emissions
- II. IFAD will supervise the implementation of these mitigation measures as part of its regular project monitoring and supervision process. Through its annual reporting cycle, the PCU will be required to report on the implementation of the measures and the effectiveness

thereof. IFAD supervision missions will review the reports prepared and validate findings through field visits and interviews with relevant stakeholders.

- III. **Conflict-lens** applied to all aspects of the project by considering the the main drivers of this fragility in all steps of the project cycle.
- IV. **Targeting Mechanism:** As part of the targeting strategy, gender, youth, nutrition and climate vulnerability will be considered in the selection of beneficiary. Targeting criteria for most vulnerable groups should be done through a PRA exercise and include poverty (asset ownership), livelihood type, marital status, gender, 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 gender roles, nutrition and climate adaptation.

C. Targeting recommendations: under chapter 2 of PIM, based on the social analysis, the characteristics and benefits of the target groups along with detail targeting approaches and implementation of targeting approaches are detailed. This will prevent any potential elite capture and address social risks.

- I. Agricultural and livestock activities are still very much divided by gender and depended per geographical area. Execution of a thorough gender analysis at the design/early implementation stage in order to select gender-sensitive value chains and activities.
- II. Cultural norms restrict women's free movement, making it difficult for them to take up new roles as income earners. To effectively mainstream gender in RLRP, implementing partners need to (i) identify gender sensitive activities and (ii) ensure gender sensitive implementation.
- III. Research indicates a relation between improved production and improved nutritional (wasting, Support specific production (including of fortified and nutrient dense food, meat and milk), processing and service activities targeting nutrition.
- IV. Eroded public services have led to poor outreach of extension activities as well as basic public services (e.g. educational services).
- V. IDPs are among the most vulnerable people in Somalia. Internally displacement is becoming of a permanent nature with some people being internally displaced for over 30 years. With long term development activities, RLRP should try to integrate smart farming techniques or direct employment activities that are suitable for IDPs livelihoods.

D. Recommended mitigation measures

To mitigate negative environmental impacts as well as climate change the project will implement the ESCMF and related mitigation measures elaborated in the ESCMP matrix.

E. Recommended adaptation measures

- I. The following adaptation measures are recommended and integrated into the project:
 - a) Training communities on climate risks and integrating climate adaptation and disaster risk management into CDPs.
 - b) Climate proofing all community investment projects such as community-based water infrastructure, irrigation systems, water harvesting systems, post harvest management and processing facilities
 - c) Support construction of community-based water sources for domestic use and crop and livestock production; including rehabilitation primary and secondary canals, migration to pressurised irrigation (drip or sprinkler) networks and promotion of surface water harvesting, including the construction of lined dams
 - d) Capacity building of the community for disaster risk management, early warning systems, and emergency response strategies;

- e) Integrating climate adaptation into the agricultural extension services support
- f) Promoting climate smart agriculture
- g) Promotion of weather index-based livestock insurance;
- h) Promoting of drought resistant crops and seeds and livestock varieties
- i) Improve agriculture and livestock value chains to optimize productivity and income generation
- j) Invest in veterinary services to address climate-related diseases in livestock
- k) Improve animal productivity and breeds to increase resilience to climate change.
- l) Implement feed and fodder production to achieve livestock feed security and mitigate prolonged drought effects.
- m) Improve access to weather information services for better decision-making and preparedness.
- n) Direct targeted support and trainings including access to financial services and business development to vulnerable groups such as women and youth
- o) capacity needs assessment and capacity building to government institutions and project teams on climate change adaptation

F. Opportunities to access environment and climate financing

During the stakeholder consultations, a possibility for accessing a financing from the Adaptation Fund was revealed. Up to date, no project has been yet supported by the Adaptation Fund in Somalia. This funding possibility should be investigated in the future for complementing the IFAD RLRP investment.

G. Further studies needed

Since the project is categorised substantial for both environment and social as well as climate risks, address the possible risks and negative impacts, the following studies were conducted: Stakeholder Engagement Plan and Abbreviated Environmental, Social and Climate Management Framework (ESCMF) with Environmental, Social and Climate Management Plan (ESCMP) matrix, Climate Risk Analysis and Targeted Adaptation Assessment. However, Gender-sensitive value chain analysis and GAP analysis still need to be conducted at the project start-up to verify the skills and learning needs of potentially targeted youth.

H. Monitoring and evaluation

The project's M&E will well capture disaggregated data on gender, youth, socio-ethnicity and household poverty. The programme will reflect on issues of gender, youth, marginalized and disadvantaged communities, and ethnic minorities. Project Management Unit will lead the monitoring and evaluation process of the project together with implementing partners and stakeholders. Some key indicators to be tracked include:

Mainstreaming priorities	Indicators
Gender	<ul style="list-style-type: none"> • Women HHs reporting increase in income • Number of females receiving services promoted or supported by the project • Women trained in production activities, income generation activities and technology
Youth	<ul style="list-style-type: none"> • 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 • # Young people in rural areas accessing financial services – credit

Mainstreaming priorities	Indicators
Nutrition	<ul style="list-style-type: none"> • C.I. 1.1.8: Households provided with targeted support to improve their nutrition • CI 1.2.8 Women reporting minimum dietary diversity (MDDW)
Environment and Climate Change	<ul style="list-style-type: none"> • Level of water availability for irrigation or flood control; • No of Community Groups and leaders trained • Community disaster risk management measures in place • Number of ESIA's conducted and implemented, no of community infrastructures climate proofed, • CSA adoption rate and Ha under Agroforestry, • No of government and project staff trained Tons of CO2-eq mitigated over 20 years (using Ex-ACT tool);
Stakeholder and beneficiary engagement	<ul style="list-style-type: none"> • Number of GRM models put in place.

The National Project Coordination Unit (NPCU) will be responsible to conduct periodic compliance monitoring and evaluation of the SECAP related reports. To this effect, a generic reporting template and guidelines will be prepared, and reporting periodicity will be defined. AWPB, including indicators, will be prepared and implemented by the NPCU. The NPCU is specifically responsible to consolidate reports and submit them to IFAD. IFAD has an oversight of the implementation of the SECAP related studies/documents including feedback.

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Annex: Environmental, Social and Climate Change Management Plan (ESCMP) Matrix

Potential Impacts	Recommended Mitigation/Enhancement measures	Public Consultation Activities	Responsible Institution in Implementation Phase	Means of verification (Monitoring and reporting)	Frequency of Verification	Cost estimate (USD)
General						
All possible adverse environmental and social impacts as a result of RLRP activities	1) Apply strictly the Grievance Redress Mechanism (GRM) as per the full design SECAP. 2) Ensure dissemination of the GRM to local communities prior to starting project activities. 3) Maintain solid documentation for the received complaints during the operation of the project and track the level of responsiveness (provision of feedback).	Start-up workshop with all the stakeholders	<ul style="list-style-type: none"> NPCU 	Review of the number of complaints received. Review of the number of complaints solved, the mechanisms used and the time it took to solve them.	Monthly	
Environmental						
Inadequate disposal of waste during capacity-building & infrastructure development activities.	Implement waste management plans during capacity-building activities and community infrastructure development Train communities on effective and sustainable waste management measures	Start-up workshop with all the stakeholders and During implementation	<ul style="list-style-type: none"> NPCU FMSs, community associations 	Waste Management Plans and monitoring reports Number of community reps trained on sustainable waste management measures	Annually	\$10,000
Environmental degradation and destruction of	Consult local communities to determine appropriate siting	FMSs level workshop meetings on the site selection &	<ul style="list-style-type: none"> NPCU MoAI FMS 	Community consultation records, Site selection criteria, ESIA reports and ESM plans, Monitoring and evaluation	As relevant to projects with	Contractual \$ 60,000

Potential Impacts	Recommended Mitigation/Enhancement measures	Public Consultation Activities	Responsible Institution in Implementation Phase	Means of verification (Monitoring and reporting)	Frequency of Verification	Cost estimate (USD)
natural habitats and biodiversity due to construction	of infrastructure to minimize impacts Conduct environmental & social impact assessments and develop mitigation plans to minimize negative effects. Implement the Environment and Social Management plans to effectively mitigate any adverse negative effects	design of infrastructure Consultation meetings during the ESIA preparation & implementation of management plans		reports, Capacity building reports	substantial impacts	
Overuse of natural resources.	Promote and train service providers and communities on sustainable natural resource management practices. Training packages to farmers to include environment and climate change considerations Implement rangeland rehabilitation and management actions through over-sowing, reseeding and controlling bush encroachment Encourage the adoption of sustainable resource use and management practices in CDPs	Consultation meetings with local experts on the training packages Public consultations and awareness on the CDPs at FMSs	<ul style="list-style-type: none"> • NPCU • FMS • MoLFR 	Training reports, survey records, Rangeland rehabilitation plans, Monitoring reports, Stakeholders' consultation reports	Baseline, mid-term and completion.	\$10,000
Use of hazardous chemicals and related water	Train farmers on the safe use and handling of chemicals. promote use of organic fertilizers and encourage use	Consultation with local agricultural associations	<ul style="list-style-type: none"> • NPCU • MoAI 	Training reports, progress reports, distribution of inputs	Annually	\$15,000

Potential Impacts	Recommended Mitigation/Enhancement measures	Public Consultation Activities	Responsible Institution in Implementation Phase	Means of verification (Monitoring and reporting)	Frequency of Verification	Cost estimate (USD)
and soil pollution	of biodegradable organic manures and agrochemicals usage					
Introduction of invasive species	<p>Use only native species for restoration</p> <p>Regular inspection, monitoring and control</p> <p>Develop ecologically sound practices for control of invasive species</p> <p>Inform and educate stakeholders, including project staff, local farmers, and the wider community about the risks associated with invasive species and the importance of prevention and early detection.</p>	<p>Consultation meetings at FMSs & village levels on land resource management</p>	<ul style="list-style-type: none"> • NPCU • MoLFR • FMS 	<p>Consultation reports, progress reports, Local Knowledge Integration, site visits, monitoring reports</p>	<p>Baseline, mid-term and completion.</p>	
Air and Noise Pollution related to Construction and farming activities	<p>Public awareness on concerns and risks associated with noise and air pollution</p> <p>Procure equipment that meets recognized emissions and noise standards.</p> <p>Schedule construction activities during times of lower wind speed to reduce dust pollution & during the day or times when it is least likely to disturb local communities and wildlife.</p> <p>promote sustainable farming practices to minimize air</p>	<p>Start-up workshop with all the stakeholders</p>	<ul style="list-style-type: none"> • NPCU 	<p>Consultation, monitoring & compliance reports</p>	<p>Baseline, mid-term and completion</p>	<p>Part of ESIA</p>

Potential Impacts	Recommended Mitigation/Enhancement measures	Public Consultation Activities	Responsible Institution in Implementation Phase	Means of verification (Monitoring and reporting)	Frequency of Verification	Cost estimate (USD)
	<p>pollution from farming operations.</p> <p>Encourage the use of protective equipment, such as masks and respirators, for workers in dust-& noise prone areas.</p> <p>Regularly monitor air & noise quality during construction and farming activities to ensure compliance with national and international air quality standards.</p>					
Climate change						
<p>Flooding and excessive heating resulting from collapse of community infrastructures</p>	<p>Climate proof all infrastructure project to ensure resilience to climate hazards</p> <p>Consider crop and livestock insurance as part of the farmers and Agri-entrepreneurs' package</p> <p>Capacity building climate resilient agriculture and livestock across value chains</p>	<p>Field visits and community consultation meetings during design and implementation</p> <p>Start up workshop on livestock insurance and during implementation</p>	<ul style="list-style-type: none"> • NPCU • MoLFR • MoAI • MoECC 	<p>Climate Risk Assessments, Adaptation Measures, Insurance Program Documentation, training workshops reports, monitoring & evaluation reports</p>	<p>Continuous and as relevant</p>	<p>Covered by components 1.2& 2.1 activities</p>
<p>Drought, water shortage</p>	<p>Undertaking Community Based Participatory Planning with climate risk assessment at planning stage.</p> <p>Improve management practices: small irrigation,</p>	<p>Start-up workshop with all the stakeholders and During implementation</p>	<ul style="list-style-type: none"> • NPCU • FMS • MoAI 	<p>Community consultation reports, climate risk assessments, site visits, Awareness Campaigns, Progress Reports</p>	<p>Bi-annually</p>	<p>Covered under component 1.2 activities</p>

Potential Impacts	Recommended Mitigation/Enhancement measures	Public Consultation Activities	Responsible Institution in Implementation Phase	Means of verification (Monitoring and reporting)	Frequency of Verification	Cost estimate (USD)
	water efficient technologies, infield water harvesting, Encourage use of drought tolerant species Encourage provision of crop, livestock, and other value chain-based enterprise insurance.					
Spread of animal diseases and pests related to climate change.	Implement regular surveillance and monitoring of animal diseases and pests to track changes in their distribution and prevalence. Strengthen early warning systems to detect and respond to disease and pest outbreaks in a timely manner. Strengthen the capacity of veterinary services and local communities to identify, report, and manage animal diseases and pests. Support and promote collaborative research to better understand the impacts of climate change on animal diseases and pests and develop innovative solutions for their management	Consultative meetings on livestock diseases and mitigation measures during implementation	<ul style="list-style-type: none"> • NPCU • MoLFR 	Surveillance reports, stakeholders' consultations reports, training reports, research collaborations,	Baseline, mid-term and completion.	Covered by 2.1
Increase in GHG emissions	Promoting CSA and climate compatible livestock production	Capacity building workshops on CSA and other climate	<ul style="list-style-type: none"> • NPCU • FMS 	Training and Extension Services, Progress Reports, Project Plans	Annually	Covered by 1.2 & 2.1

Potential Impacts	Recommended Mitigation/Enhancement measures	Public Consultation Activities	Responsible Institution in Implementation Phase	Means of verification (Monitoring and reporting)	Frequency of Verification	Cost estimate (USD)
	Use renewable energy technologies to power community infrastructure	smart technologies		and Designs, Stakeholder Feedback Reports		
Maladaptation	Integrate long-term risk assessment in project implementation & monitoring Stakeholders' engagement including feedback mechanism in design & implementation – through SEP Prioritize no regret strategies and diversify adaptation measures	Start-up workshop with all the stakeholders and community engagement during implementation	<ul style="list-style-type: none"> • NPCU • MoAI 	Stakeholders' engagement records, ESIA & EMPs, project monitoring reports	Annually	
Social management						
Gender inequality in participation and governance	Encourage gender-balanced participation in community governance and services training. Implement the 50/50 male/female project beneficiaries' ratio	Start-up workshop with all the stakeholders and community engagement during implementation	<ul style="list-style-type: none"> • NPCU 	Gender disaggregated data and progress reports	Bi-annually and yearly	Covered by component 1.1
Unequal access to resources and opportunities.	Actively involve women and youth in all components and levels of decision-making within the project; Promote inclusive access to financial services and business development support for women and youth.	Start-up workshop with all the stakeholders and community engagement during implementation	<ul style="list-style-type: none"> • NPCU • MoAI 	Stakeholder Engagement Records, Training and Capacity Building Programs, Enrolment and Participation Data, Awareness Campaigns, Recruitment and procurement Policies, PCU team	Bi-annually and yearly	Covered by component 1.1 & 2

Potential Impacts	Recommended Mitigation/Enhancement measures	Public Consultation Activities	Responsible Institution in Implementation Phase	Means of verification (Monitoring and reporting)	Frequency of Verification	Cost estimate (USD)
	<p>Ensure women and youth hold leadership posts in the organizations and project management team;</p> <p>Consider using local labour for project activities to increase number of direct and indirect project beneficiaries</p>					
Disruption of culture and Conflict resurgence due to the project activities	<p>Develop a transparent complaint, grievances redress and dispute resolution framework and make this known to all stakeholders</p> <p>Develop & implement a clear and simple stakeholder engagement plan (SEP) & communication/outreach strategy to ensure regular awareness and consultation on project activities</p> <p>Involve youth and women leaders as well as respected elders in key project decisions and sensitization activities;</p> <p>Encourage contractors / service providers to give employment preference to local community members</p>	Start-up workshop with all the stakeholders and community engagement during implementation	<ul style="list-style-type: none"> NPCU 	Complaint, grievances redress and dispute resolution framework, stakeholder engagement plan (SEP) & communication/outreach strategy, gender and age disaggregated data, project beneficiary records	Annually	Covered by GRM, SEP & ESIA budgets
Unsafe and non-healthy working conditions	Incorporate environmental and social guidelines in contracts with service	Start-up workshop with all the stakeholders and community	<ul style="list-style-type: none"> MoAI/ NPCU 	Contracts with service providers and compliance reports, sensitisation reports	Annually	\$10,000

Potential Impacts	Recommended Mitigation/Enhancement measures	Public Consultation Activities	Responsible Institution in Implementation Phase	Means of verification (Monitoring and reporting)	Frequency of Verification	Cost estimate (USD)
including child labour	<p>providers and ensure compliance.</p> <p>Sensitize project beneficiaries and their wider communities on health & safety standards, incl. safe use of production, agro-chemicals</p> <p>Sensitization of target communities on child rights and ensure that there is no child labour on project.</p>	engagement during implementation				
Gender based violence	<p>Create awareness about GBV among all staff, contractors, and the broader community.</p> <p>Implement strict policies and codes of conduct to prevent GBV.</p> <p>Establish confidential and accessible mechanisms for reporting</p> <p>Engage the local communities in discussions around GBV, promoting a community-led approach to prevention.</p>	<p>Start-up workshop with all the stakeholders and</p> <p>During implementation</p>	<ul style="list-style-type: none"> NPCU 	communication/outreach strategy, progress reports, no of reports received	Bi-annually and yearly	\$5,000

Somalia

Rural Livelihoods Resilience Programme

Project Design Report

Annex: Annex 16 Targeted Adoption Ass Revised

Mission Dates: 20/06/2023 - 13/07/2023

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Near East, North Africa and Europe Division
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REVISED

TARGETED ADAPTATION ASSESSMENT

SOMALIA LIVELIHOODS AND RESILIENT PROGRAMME(RLRP)

SEPTEMBER, 2023

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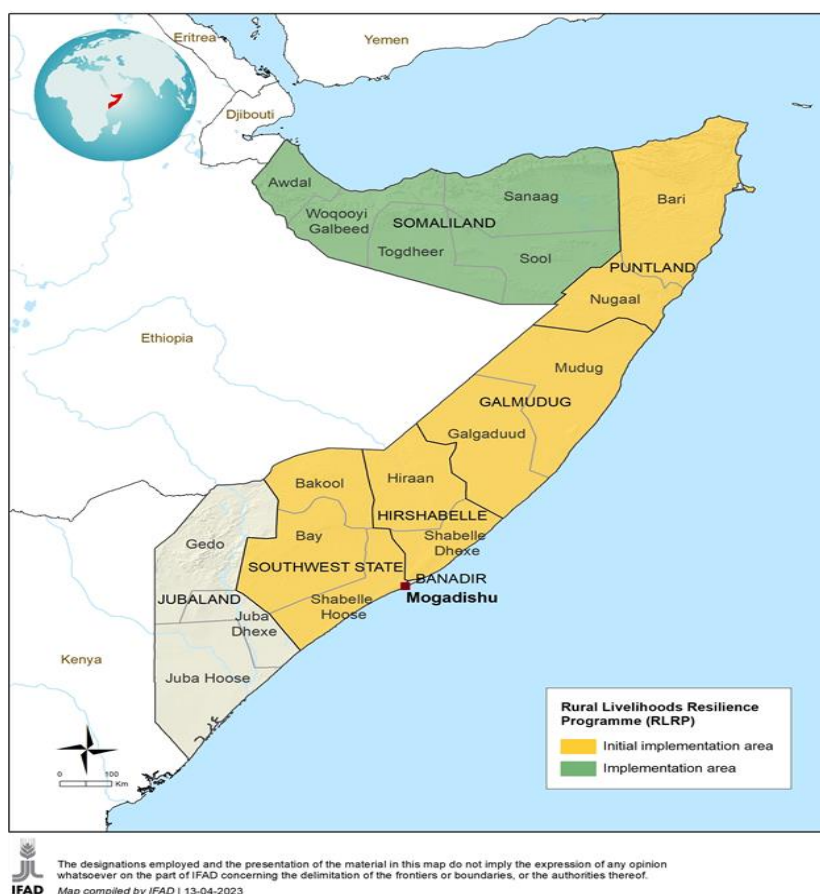
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1.0 BACKGROUND AND OVERVIEW

1.1 Introduction

Somalia has a total area of 637,657 Km², with the longest coastline (3,025 Km) in 20 continental Africa, and borders Djibouti, Ethiopia and Kenya. Some well-developed reefs exist directly off the coast of Somalia, such as the Bajuni Reef, a 125-kilometer-long chain of coral reefs composed of several small islands, islets and rocks. 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. Much of the country is arid and semi-desert, with nomadic pastoralism a prevailing livelihood among rural communities. Approximately 50% of Somalia's land area can be considered permanent pasture (UNEP, 2010), while 13% is suitable for cultivation.



Draft Copy

Figure 1: Project Location Map

Somalia is high vulnerable to climate change and variability. This vulnerability is intensified by the nation's economic structure, where over 70% of livelihoods, especially in rural areas, hinge upon climate-dependent sectors such as agriculture, livestock, and fisheries(FGS, 2020). The situation is further complicated by history of three decades marked by persistent conflict, predominantly in the southern regions. This prolonged strife has not only splintered the nation and eroded institutional trust but also precipitated widespread poverty and vulnerability. Moreover, the interplay of climatic adversities with the aftermath of conflict has stymied crucial investments in sectors pivotal for development, like agriculture, water resources, and infrastructure. This dual challenge has further deepened poverty and led to significant degradation of Somalia's invaluable natural resources. Political disputes and fragmented governance only add another layer of complexity to this already intricate challenge. Over the recent decade, the nation has made significant progress, laying the foundations for political, social, environmental, and economic revival.

In response to the challenges and opportunities presented by climate change, the federal government of Somalia has established and implemented key policies, legislation, and institutional frameworks relevant to climate change. Notably, these include the National Climate Change Policy (2020), the Nationally Determined Contributions (2021) under the United Nations Framework Convention on Climate Change (UNFCCC), the Disaster Management Policy, and the Environment Policy, among others. The federal government has also recognized climate change adaptation as a crucial element of Somalia's development and climate agenda, integrating it into the National Development Plan (NDP-9) for 2020-2024 and the Resilience and Recovery Framework. Internationally, Somalia has shown commitment to the global climate agenda by signing and ratifying the UNFCCC and the Paris Agreement and submitting its Nationally Determined contributions (NDC) and Adaptation Communications under the Paris Agreement. Despite these strides, there are still significant gaps and challenges in effectively responding to climate change and addressing the environmental crises.

The country has experienced five successive seasons of drought, which has led to extensive livestock loss, crop failure, and population displacement. The situation is further exacerbated by intermittent flooding in riverine regions, destroying vital irrigation infrastructure. Coupled with insecurity, weak governance structures, and the pervasive effects of the COVID-19 pandemic starting from 2020 and the War in Ukraine in 2022, the resilience of agricultural livelihoods has been severely tested. As a result, an estimated 6.5 million Somalians, representing 35 percent of the population, are projected to face acute food insecurity between April and June 2023. Furthermore, approximately 1.8 million children under five are likely to suffer from acute malnutrition by December 2023, including 477,700 who could be severely malnourished. While humanitarian food aid has offered some respite, competing global demands have limited the scope of assistance.

Over the last 30-years, many development partners withdrew from Somalia due to security concerns and unsettled debt arrears, on its part, IFAD maintained a minimal level of support for agricultural development in the country, primarily through grant resources. However, a turning point came in February 2023 when Somalia cleared its debt arrears to IFAD, thereby gaining access to Performance-Based Allocation System (PBAS) resources. IFAD pledged to apply the first allocation from the PBAS to the Rural Livelihoods Resilience Project (RLRP).

The RLRP will capitalize on IFAD's experience in handling fragility in Somalia and other nations, specifically through community-led, climate-resilient agricultural and infrastructure development. The project aims to strengthen the resilience of rural communities' livelihoods in the production, post-harvest, and marketing of priority crops and livestock value chains. Moreover, it ensures attention is given to gender and social inclusion, youth involvement, nutritional and environment and climate considerations.

1.2 Rural Livelihoods Resilient Programme(RLRP)

The goal of the Rural Livelihoods Resilient Programme funded by IFAD and implemented by the Government of Somalia is improved and resilient livelihoods of rural smallholders in Somalia. The Programme Development Objective (PDO) is “sustainably increase productivity, incomes and nutrition security and enhance the resilience of rural smallholder families in Somalia.

The target areas have been jointly selected by FGS and IFAD and based on a number of key criteria such as poverty levels, food and nutrition insecurity, degradation of natural resource based and acceptable level of conflicts and insecurity. Based on these criteria, the geographic area of intervention of RLRP will be three districts in South West state (Bay, Bakool and lower Shabelle) and two districts in Jubaland state (Gedo and lower Juba).

Project financing arrangements will be made directly through IFAD investment to the Ministry of Agriculture and Irrigation (MoAI). The project will be implemented by the Ministry of Agriculture and Irrigation (MoAI) through National Programme Coordination Unit (NPCU) at the MoAI responsible for coordination of the day-to-day implementation of the programme. A National Programme Coordinator shall be recruited to lead the NPCU with technical staff responsible for the implementation of the Environmental, Social, Climate Change Framework (ESCMF) seconded from the Ministry of Environment and Climate Change. Additionally, other specialist skills required at the NPCU, such as Gender Specialist, Financial Inclusion Specialist, Environment and Climate Specialist, etc, will be recruited as consultants on specific terms of reference and assignment duration.

The implementation of RLRP will also be supported by Programme Steering Committee (PSC) under the Ministry of Agriculture and Irrigation (MoAI) that will be responsible for approving the AWPB and review the report and audit of the RLRP. The PSC will include representatives from MoAI, Ministry of Livestock, Forestry and Range (MoLFR) and the Ministry of Environment and Climate Change (MoECC), and the Ministry of Finance (MoF). The delivery of the project will be done through NGOs and service providers including private companies and project financing will be provided on a rolling basis based on approved annual work plans.

The project aims to provide comprehensive support to various vulnerable groups focusing on capacity-building, social integration, and livelihood improvement, thereby promoting sustainable, resilient and inclusive livelihoods in the target communities. The target beneficiaries include rural and poor small-scale Agro-pastoral households, food insecure small holder producers, women, youth, Internally Displaced Persons (IDPs) and Persons living with Disabilities.

1.3 Programme Components and activities

The programme has three components. These are:

Component 1: Support to Community Resilience

Component 1 of the RLRP focuses on enhancing community resilience by empowering communities socially and economically. It encourages them to determine and prioritize their needs via a gender-sensitive, environmentally sensitive community development plan (CDP). The plan's objective is to strengthen community resilience. This part of the program consists of two subcomponents: Strengthening community governance and services, and Community investment support.

Subcomponent 1.1: Strengthening community governance and services- This subcomponent aims to build institutions and skills within communities to facilitate the ownership and accountability of their own development initiatives. This includes the preparation of District Profiles, recruitment of community facilitators, strengthening existing community-based organizations (CBOs), and promoting new ones. Activities such as community mobilization, community cluster identification and planning, capacity enhancement of rural communities, and facilitated development of CDPs and Capacity building of the community for disaster risk management including Community Disaster Risk Management Plans (CDRMPs), training on disaster risk reduction, support the development of early warning systems and implementation of mitigation measures are carried out to achieve the objectives.

Subcomponent 1.2: Community investment support- This subcomponent finances investment in community water for domestic and households, rehabilitation and climate-proofing of a total of about 25 km of primary and secondary canals production, and market infrastructure, migration to pressurised irrigation (drip or sprinkler) networks using solar-powered pumping systems for improved water management and efficiency and surface water harvesting, including the construction of lined dams. Additionally, market infrastructure activities, establishment or rehabilitation of post-harvest management (PHM) and processing facilities; establishment or rehabilitation of community-owned grain reserves to strengthen food security, market access, and price stabilisation for food crops; introduction of grain drying technology to enhance product quality and reduce microbial proliferation; for the vegetable and meat sectors, establishment of solar energy powered cold chain facilities in major rural markets, to increase produce shelf life and quality; and livestock market sheds.

Component 2: Support to Smallholder Livelihoods Enhancement

Component 2 of the RLRP (Resilient Livelihoods Recovery Project) focuses on enhancing smallholder livelihoods. The outcomes are increased production and productivity of priority crops and livestock, resilience, dietary diversity, food security, and improved incomes.

Subcomponent 2.1 is on strengthening resilience in crop and livestock value chains (VCs) and includes several outputs:

- Promotion of pluralistic approach (use of both public and private extension services) through training workshops, establishing digital platforms, training extension agents etc
- Supporting improved animal health through training and equipping community animal health workers (CAHWs); support the establishment of agrovet supply shops by youth

entrepreneurs trained under RLRP; and promote a weather index-based livestock insurance

- Promotion of improved inputs and CSA technologies
- Supporting access to productive inputs including improved climate-resilient seeds, pesticides, fertilisers, and ecosystem friendly farm tools.
- Targeted support to disadvantaged HHs in crop and livestock production including through packages of inputs for low-cost, water-saving technologies for integrated homestead food production, distribution of shoats

Subcomponent 2.2, Entrepreneurship for Value Chain Development, is geared towards developing entrepreneurial skills among youth and women for increased incomes and job creation. It includes activities like mapping existing and potential market opportunities, supporting the development of entrepreneurship, and facilitating access to financial services for business development along the VCs.

Component 3: Programme Facilitation and Capacity Enhancement

The primary aim of this component is to achieve a holistic and adaptive management of the programme, integrating perspectives of gender, youth, environmental conservation, climate change adaptation, monitoring and evaluation (M&E), along with knowledge management and communication (KMC) throughout all facets of the initiative. In this regard, programme facilitation will harness ICT resources, including agile data and remote sensing, to document its accomplishments, impacts, and derived insights.

This component is designed to strengthen the operational capability of relevant Somali ministries, enhancing their role in programme oversight. Moreover, it will facilitate comprehensive training in sustainable and resilient practices for crop and livestock production, equipping state and district implementing partners with necessary skills and knowledge.

1.4 Objectives of Targeted Adaptation Assessment and Methodology

1.4.1 Objectives

The primary objective of the Targeted Adaptation Assessment (TAA) is to provide a focused evaluation of potential climate-related risks and analyse adaptation measures for projects that have been categorized as "substantial risk" during the climate screening procedure as outlined in the SECAP. Recognizing that the RLRP project do not fall within the "high risk" category, it is presumed that their vulnerability, both at the project and community levels, is not of significant concern, or can be readily identified. Nevertheless, it is imperative to understand these vulnerabilities to ensure that proposed adaptation measures are integrated into the project design. This is essential to secure the long-term sustainability of the project, guaranteeing that it remains resilient to changing climatic conditions and safeguards both community interests and investments. The Targeted Adaptation Assessment was prepared as part of the RLRP full design mission from May to August 2023.

1.4.2 Methodology

The preparation of Targeted Adaptation Assessment involved the following:

Data Collection and Vulnerability Analysis: The initial phase of the TAA methodology emphasizes gathering relevant data and information. This includes both primary and secondary sources, such as climate projections, historical climate data, and local knowledge. Stakeholder consultations was conducted to capture the ground-level perspective and potential observed changes due to climatic variations. This informed vulnerability analysis that identifies the specific aspects of the project and the locations/communities that are susceptible to potential climate-related risks.

Designing Adaptation Measures: With the vulnerabilities identified, the next step is the formulation of targeted adaptation strategies. This phase utilized national policies such as Nationally determined contributions(NDC), Somalia Adaptation Communications to UNFCCC 2023, and National agriculture and livestock strategies to prioritize measures to be integrated into the project activities. Consultation with government and other stakeholders helped co-develop and validate these strategies, ensuring that they are contextually relevant, feasible, and have the potential for long-term sustainability. Key factors considered for the prioritized measures include: effectiveness, cost, ease of implementation, and stakeholder acceptance. Regular feedback loop with the design team was undertaken to refine and optimize the strategies for full integration into the project design.

2. HAZARD, EXPOSURE, SENSITIVITY AND ADAPTIVE CAPACITY:

2.1. Climate Change context

Somalia is generally arid and semi-arid with two seasonal rainfall seasons, as is shown in the below figure. 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 conditions¹.

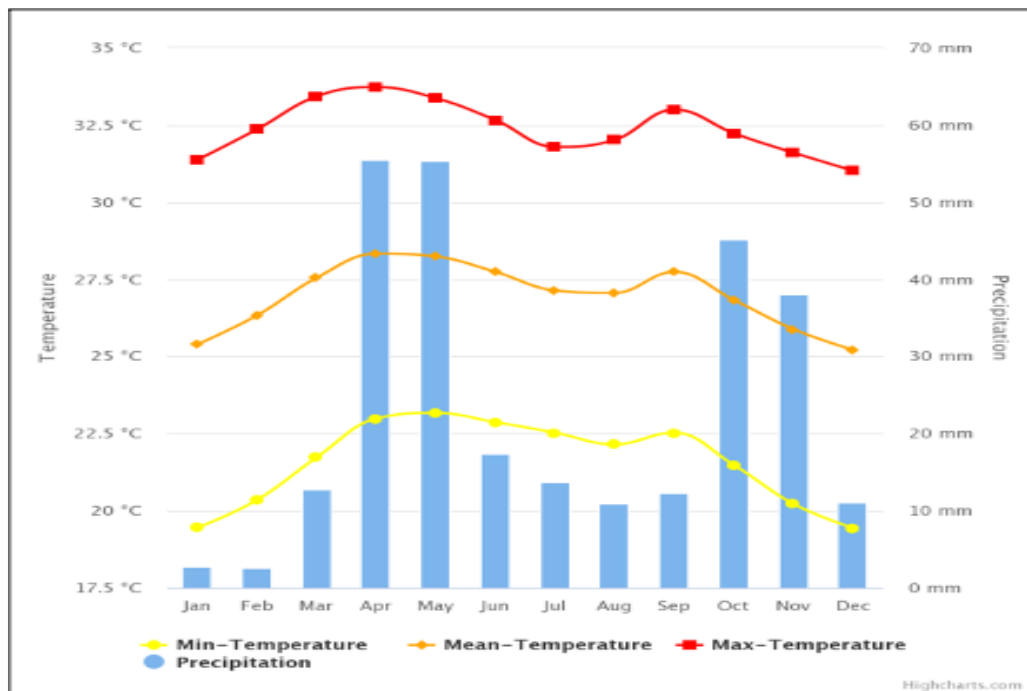


Figure 1: rainfall and temperature trends between 1991 and 2020

Source: The World Bank Group, 2021

Temperature. The annual mean temperature is close to 30°C throughout the country. Average monthly temperatures reach their maximum during the 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)

Precipitation. The precipitation is generally low across the country with a 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 (FAO, 1995). The mean annual precipitation is 265.44mm (1901-2016).

¹ World Bank Climate Change Knowledge Portal (CCKP), <https://climateknowledgeportal.worldbank.org/>

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:

- a) 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.
- b) 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 in July and August. The South-west monsoon dominates, bringing relatively cool conditions, with showers along the coast but dry inland.
- c) 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.
- d) January to March is the longest dry season known as “**Jilaal**”. This season results from ITCZ emerging from the dry Arabian Peninsula.

Observed change. With regard to precipitation, despite trends for the Sub-Saharan region as a whole being inconsistent, East Africa has been experiencing precipitation increases in the northern part and decreases in rainfall in the southern region.

Climate zones. The National Adaptation Programme of Action (NAPA)² 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.

2.2 Hazards

Somalia is highly vulnerable to the adverse impacts of climate change due to its geographic location, socio-political challenges, and economic conditions. Over the past few decades, the country has witnessed an increasing frequency and severity of climatic events that have exacerbated existing vulnerabilities, resulting in devastating effects on its population, resources, and infrastructure. The World Bank³ confirms that the country is at risk to several natural hazards, including drought, floods, cyclones, and climate-related diseases and epidemics. Below is a description of various hazards, exposure, sensitivity and adaptive capacity. This provides the basis for the Targeted Adaptation Assessment.

1. Drought:

Droughts in Somalia have become more frequent and intense over the years. These prolonged dry spells, often resulting in consecutive seasons of failed rains, have been detrimental to the country's primarily agro-pastoral economy. Droughts occur every 2-3 years and are often followed by

² National Adaptation Programme of Action (NAPA), <https://unfccc.int/resource/docs/napa/som01.pdf>

³

<https://climateknowledgeportal.worldbank.org/country/somalia/vulnerability#:~:text=Historical%20Hazards,aid%20as%20conflict%20is%20ongoing.>

devastating floods, particularly in the south where the Shabelle and Jubba rivers are vulnerable to heavy rains in the Ethiopian highlands. 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. It is estimated that since 1961 to 2004, droughts, have increased frequency and severity, with over 12 droughts killing 19,600 people.⁴ The 2004 was particularly devastating, with over 200,000 pastoralists from northern and central regions of the country at risk, with a staggering 500,000 individuals reported to be facing a humanitarian emergency or a livelihood crisis in affected regions.⁵ The situation escalated further in 2011 when drought-related complications were responsible for the tragic loss of 258,000 lives. The prolonged drought in Somalia in 2019-2023 stands as one of the most severe in over four decades. Following five consecutive below-average rainy seasons, the impacts are calamitous, with the region experiencing a deepening humanitarian crisis, causing around 8.3 million people to confront acute food insecurity.⁶ Droughts significantly reduce the availability of water for both human consumption and agriculture, leading to reduced crop yields, livestock deaths, and subsequent food and water scarcity. The cascading effects include malnutrition, displacement of communities, and increased competition and conflicts over diminished resources.

2. Floods:

2.1 River flooding

While droughts are a persistent concern, 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). There has been more frequent occurrences of rainfall failures and high temperatures in recent times compared to the 1980s and 1990s. These floods are often sudden and intense, exacerbated by localized heavy rainfall. Flash floods disrupt local communities, displacing populations, destroying crops, contaminating drinking water sources, and facilitating the spread of water-borne diseases. Moreover, the flooding events often lead to loss of livestock, a crucial asset for many Somali households.

The risk of flooding in the RLRP project area, encompassing Bay, Bakool, and Lower Shabelle in South West State, as well as Gedo and Lower Juba in Jubaland State, is evident from historical events. In late October and November 2019⁷, the region experienced significant flooding due to moderate to heavy rains, with widespread impacts. According to the report, in late October and November 2019, the project area faced a formidable challenge as moderate to heavy rains triggered widescale flooding. This crisis unfolded primarily in low-lying regions along the Shabelle and Juba rivers, extending across various parts of Somalia, including those within the Ethiopian highlands. The severity of the flooding became apparent as water levels in the Shabelle River surged beyond the river's maximum holding capacity, particularly in Beletweyn town. The most heavily affected areas included Bakool, Banadir, Bay, Hiraan, Lower Juba, Middle Juba, and Middle Shabelle. Furthermore, at Buklo Barte district in

⁴ Ullah, Saleem and Gadain, Hussein (2016). National Biodiversity Strategy and Action Plan (NBSAP) of Somalia, FAO-Somalia

⁵ World Bank (2021). Climate Change Knowledge Portal
<https://climateknowledgeportal.worldbank.org/country/somalia>

⁶ <https://reliefweb.int/disaster/dr-2015-000134-som>

⁷ World Bank & FGS, 2019 Somalia 2019 Flood impacts and needs assessment
<https://documents1.worldbank.org/curated/en/764681585029507635/pdf/Somalia-2019-Floods-Impact-and-Needs-Assessment.pdf>

Hiraan, the river reached perilously close to its bankful capacity, posing an imminent threat of spillover. As per the assessments conducted by the Food and Agriculture Organization of the UN's (FAO) Somalia Water and Land Information Monitoring (SWALIM), the rainfall forecast indicates an anticipated increase in precipitation across many parts of Somalia. This forecast raises concerns about the potential for future flooding incidents in the project area.

The report⁸ also confirms that over half a million individuals have grappled with the dire consequences of the flooding, resulting in the displacement of 370,000 people from their residences. Furthermore, the flooding wreaked havoc on critical infrastructure, property, agricultural yields, and livestock. It has also led to planting delays, increase the risk of malnutrition and the spread of water- and mosquito-borne diseases in these areas.

The risk of river flooding in the RLRP project area remains a critical concern due to the region's susceptibility to heavy rainfall, its low-lying topography along the Shabelle and Juba rivers, and the historical precedent of devastating floods and projected increase in rainfall as per SWALIM's forecast.

2.2 Coastal flooding

According to [Thinkhazard](#), Somalia is classified as high risks for coastal flooding and potentially-damaging waves are expected to flood the coast at least once every 10 years. Based on this information, the impact of coastal flood must be considered in different phases of the project for any activities located near the coast. Project planning decisions, project design, and construction methods must take into account the level of coastal flood hazard.

Coastal flooding poses a significant risk to the RLRP project area, with particularly vulnerable districts of Lower Shabelle and Lower Juba. Situated along the Indian Ocean coast, these areas are inherently susceptible to the impacts of rising sea levels, storm surges, and increasingly unpredictable weather patterns. The Horn of Africa significant precipitation patterns and flooding during El Niño episodes since October 2006.⁹As global sea levels continue to rise due to climate change, the coastal communities in these regions face a heightened risk of inundation, saltwater intrusion, and coastal erosion.

The consequences of coastal flooding are multifaceted and severe. Beyond the immediate threat to human lives and property, the inundation of farmlands and agricultural areas can result in devastating crop losses. Submersion of vital infrastructure, including roads and buildings, disrupts essential services and impedes economic activities. Furthermore, the salinization of freshwater sources due to saltwater intrusion can jeopardize the availability of potable water, impacting both human consumption and agricultural irrigation. As these coastal areas are also home to fragile ecosystems and vital fishery resources, continued flooding exacerbates ecological stress and undermines the livelihoods of coastal communities. Addressing the risk of coastal flooding in Lower Shabelle and Lower Juba demands a comprehensive approach, encompassing improved infrastructure, sustainable land-use planning, early warning systems, and community resilience-building initiatives to safeguard the well-being and future prospects of the region's inhabitants.

3. 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

⁸ World Bank & FGS, 2019 Somalia 2019 Flood impacts and needs assessment

⁹ <https://earthobservatory.nasa.gov/images/7463/flooding-in-somalia>

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.

4. Rising Sea Levels:

The global climate change and related sea levels rise, poses 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.

5. Extreme heat

Extreme heat is an increasingly prevalent and concerning environmental risk in Somalia, with the project region, in particular, experiencing the adverse effects of rising temperatures and intense heatwaves. Somalia's arid and semi-arid climate makes it highly susceptible to extreme heat events, which have become more frequent and intense due to global climate change. Extreme heat poses a pressing concern in Somalia, especially within the project region. These prolonged periods of extreme heat have profound impacts on agriculture and livestock sectors and may affect the success of the RLRP project.

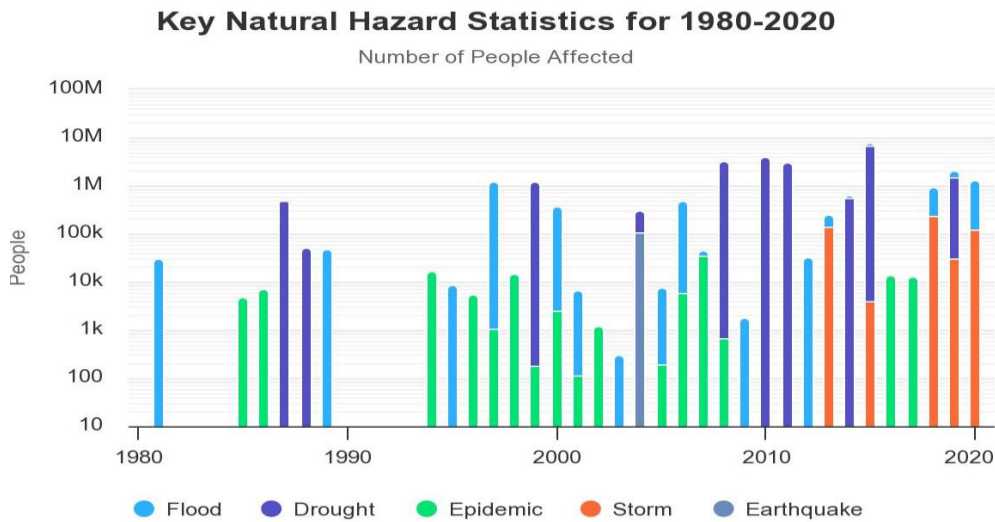
In agriculture, soaring temperatures and extended heatwaves can result in crop failures and reduced yields. High temperatures accelerate soil moisture evaporation, making it challenging to sustain crops during dry spells. This, coupled with erratic rainfall patterns, can lead to decreased agricultural productivity and food shortages. To mitigate these impacts, farmers in the project region must adopt heat-tolerant crop varieties, improved irrigation practices, and sustainable land management techniques.

The livestock sector is equally vulnerable to extreme heat. Increased temperatures cause heat stress in animals, resulting in reduced milk production, weight loss, and even increased mortality rates.¹⁰ Limited access to water sources during heatwaves can further aggravate the situation, as both livestock and pastoral communities rely heavily on water for survival. Heat stress also disrupts grazing patterns and reduces the availability of forage, leading to challenges in maintaining healthy and productive herds. Sustainable livestock management practices, such as ensuring access to water, and diversifying livestock breeds, are essential for building resilience in the face of extreme heat in Somalia's project region. Additionally, lack of livestock facilities in the target districts makes communities and livestock prone to heat stress during marketing.

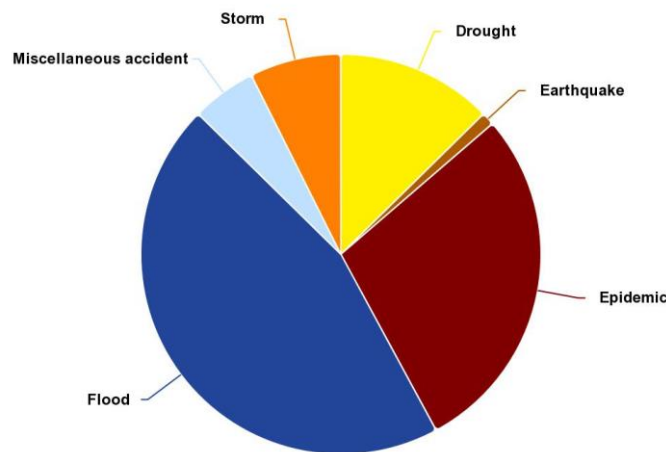
¹⁰

[https://www.researchgate.net/publication/358148331_Extreme_climatic_effects_hamper_livestock_production_in_Somalia#:~:text=\),%20...-,...,et%20al.%2C%202022\)%20.](https://www.researchgate.net/publication/358148331_Extreme_climatic_effects_hamper_livestock_production_in_Somalia#:~:text=),%20...-,...,et%20al.%2C%202022)%20.)

The charts provide overview of the most frequent natural disaster in Somalia and understand the impacts of those disasters on human populations.



Average Annual Natural Hazard Occurrence for 1980-2020



Source: World Bank Climate Knowledge portal¹¹

2.3 Exposure

Exposure refers to the presence of people, livelihoods, environmental services, and resources in places and settings that could be adversely affected. For the RLRP project, understanding exposure is crucial to gauge the degree of potential impacts due to specific climate-related events or long-term changes.

Geographical Exposure: Areas that the RLRP will be implemented are prone to climatic threats like flooding, droughts, or cyclones.

- **Bay, Bakool, and Lower Shabelle** in South West State: Given their geographic location, these districts may have populations that are exposed to periodic droughts and conflicts.

¹¹ <https://climateknowledgeportal.worldbank.org/country/somalia/vulnerability>

Agricultural lands, water resources, and local infrastructure are also areas of potential exposure.

- **Gedo and Lower Juba** in Jubaland State: These districts may have communities exposed to both flood risks, due to their proximity to rivers, and droughts. Trade routes, local markets, and pastoral communities might also be areas of high exposure.

Economic Exposure: RLRP's interventions focus on sectors like agriculture and livestock industries which are climate sensitive, and thus any exposure to changing precipitation patterns or temperature has a significant impacts on the project outcomes. Some key elements of economic exposure include:

- **Direct Production Losses:** Changes in precipitation and temperature patterns can cause crop failures, reduced yields, or necessitate the shift to alternative crop types. On the other hand, Livestock might face health issues due to changing pasture quality, availability of water, and increased vulnerability to new diseases and pests influenced by changing climate.
- **Supply Chain Disruptions:** There may be limited access to necessary agricultural inputs, like seeds, due to production issues elsewhere or disrupted supply chains.
- **Post-Harvest Losses:** Changes in climate might enhance post-harvest losses due to spoilage or pest attacks, especially if the requisite storage and transportation facilities aren't adapted.
- **Price Volatility:** Climate-induced supply shortages can lead to price hikes, making essential inputs costly or leading to fluctuating prices for agricultural products in the market, affecting income stability.

Societal Exposure: Communities and individuals that the RLRP intends to serves are very vulnerable and exposed due to their living conditions, locations, or occupations. Societal exposure, particularly in the context of the RLRP, pertains to the susceptibility of communities and individuals to the adverse impacts of climate change. Key elements related to societal exposure are:

- **Geographical Vulnerability:** Communities situated in low-lying flood-prone areas face direct threats from rising water levels and flash floods. Similarly, those in drought-prone areas grapple with water scarcity, leading to crop failure and reduced pasture quality.
- **Limited Livelihood Diversification:** Many vulnerable communities in the districts have traditionally relied on a single livelihood sources, whether it's farming or pastoralism. When climate conditions adversely affect these occupations, they are left with limited alternative sources of income.
- **Resource Scarcity:** Climate impacts exacerbate competition for limited resources like water and land. This can lead to conflicts, migration, and even loss of traditional territories.
- **Health Concerns:** Climate change can bring about a proliferation of vector-borne diseases or malnutrition due to crop failures, posing serious health risks to already vulnerable communities.

Infrastructure Exposure: Infrastructure plays a pivotal role in community resilience against the impacts of climate change. Community infrastructure subprojects under RLRP, such as water supply systems, roads, disaster management measures can be exposed based on their location, quality, and resilience. Water infrastructure in semi-arids area are particularly vulnerable in case of exposure to drought and water availability. When infrastructure is ineffectively planned, constructed, or

maintained, the repercussions on a community's capacity to cope, adapt, and recover from climate events are intensified. In the context of RLRP, several elements related to infrastructure exposure include:

- **Geographical Vulnerability:** Infrastructure such as roads and water supply systems located along riverbanks are inherently more susceptible to the dangers of flash floods, prolonged inundation, or land erosions. Conversely, those in drought-prone terrains may be subjected to ground movement, causing them to crack or collapse.
- **Quality and Material Composition:** Infrastructure built using substandard materials or outdated techniques might not be equipped to handle extreme climate events. The durability, resistance, and longevity of the infrastructure are compromised if the best construction practices aren't adhered to.
- **Water Supply Systems in Semi-arid Regions:** Water storage facilities in these areas, such as dams or reservoirs, face the persistent challenge of maintaining their water levels during prolonged drought periods. Groundwater sources can get over-exploited, leading to the lowering of water tables and even land subsidence. The decreased water availability can further lead to water quality concerns, as dwindling water sources become more susceptible to contamination. Infrastructure like canals or irrigation systems might face functionality issues due to decreased water flow.
- **Disaster Management Measures:** Early warning systems, if not updated or maintained, might fail during crucial times, leaving communities unprepared. Evacuation centers or safe houses located in vulnerable spots might themselves become exposed to climatic events, rendering them ineffective.
- **Lack of Adaptive and Resilient Design:** Traditional infrastructure design might not account for the changing patterns of climate. Modern infrastructure planning involves understanding future climate projections and embedding resilience into the design phase itself.

Supply Chain Exposure: The interconnected nature of supply chains means that disruptions in one node can ripple through and affect multiple nodes. For RLRP project with activities related to market linkages or supply chains, understanding how different nodes in the chain are exposed to climate risks can help in ensuring continuity and resilience. Key elements related to supply chain exposure include:

- **Geographic Diversity:** If certain crucial components or products in the supply chain originate from a region particularly susceptible to climatic events, the entire chain could be jeopardized. Climate change impacts can affect the supplies of agricultural inputs such as drought-resistant seeds and veterinary products which can disrupt the distribution to end-users.
- **Seasonal Dependencies:** Agricultural produce, one of the primary sectors RLRP focuses on, is deeply tied to seasonal cycles. Changes in climate patterns can cause shifts in these cycles, impacting the timings and quantities of availability.
- **Transportation Vulnerabilities:** Climate events can obstruct transportation routes, leading to delays, increased costs, or even spoilage in the case of perishable goods. Roads, and other transport infrastructures are exposed to events like floods, and extreme temperatures.
- **Storage and Warehousing:** Many agricultural products require specific storage conditions. Climate-induced events can compromise these conditions. For instance, unexpected heatwaves can affect cold storage units, or flooding can damage warehouses.

- **Price Volatility:** Climate events can lead to shortages, causing price hikes. Such volatility can make budgeting and planning difficult for stakeholders within the RLRP framework.

2.4 Sensitivity

In the context of climate change, sensitivity refers to the degree to which a system or sector can be affected, either adversely or beneficially, by climate variability or change. For RLRP, assessing sensitivity is paramount to understanding how internal factors, whether they be biological, economic, technological, or sociocultural, can influence the project's vulnerability to climate-induced stresses.

Agricultural Sensitivity: RLRP supports agricultural interventions, the sensitivity of crops or livestock breeds to even slight variations in temperature, precipitation, or pest prevalence needs evaluation. Some crops may be more sensitive to drought, while others to excess rainfall.

Economic Sensitivity: Certain economic activities or sectors that RLRP works with might have heightened sensitivity to climate impacts. For instance, a focus on crops and livestock certain species are to sensitive changes in water and temperature levels, this should be considered in selecting crop and livestock varies to be promoted by the project.

Infrastructural Sensitivity: Infrastructure projects, like water dams and community shelters, may have design sensitivities to climate variables. A rainwater harvesting system, for instance, may be sensitive to changing patterns of rainfall intensity.

Health Sensitivity: In regions where RLRP addresses health issues, the sensitivity of local populations to climate-induced health risks, like vector-borne diseases due to increased temperatures, becomes paramount.

2.5 Adaptive capacity

Adaptive capacity refers to the ability of rural communities to adjust and transform in response to anticipated or actual climatic variations and their effects. A robust assessment of adaptive capacity is central to designing interventions that do more than merely address immediate vulnerabilities—it should empower communities to navigate and thrive amid future climatic uncertainties. Below is summary of findings on the assessments of key elements of adaptive capacities that increases the vulnerability of the local communities:

- i) **Knowledge and understanding of local communities:** With the intensifying climatic changes, the communities under RLRP stand at the crossroads of historical practices and the need for new adaptation strategies. Many RLRP beneficiary communities possess deep-rooted traditional knowledge accumulated over generations. This knowledge has historically guided agricultural and livestock practices, water management, and other livelihood activities. However, with the onset of rapid and unprecedented climate changes, there's a substantial gap between traditional wisdom and current challenges. Preliminary findings suggest varied levels of awareness about specific climatic threats. Generally, there is low levels of awareness of climate changes and is seen by many as short-term aberrations rather than long-term shifts might require more intensive sensitization. Additionally, there is limited access to weather and climate information, agricultural extension services, and modern technologies. This

limitation hampers the ability of farmers and pastoralists to make informed decisions and adopt practices that can enhance resilience to climate change

- ii) **Economic resilience** serves as a pivotal element in the adaptive capacity of communities, particularly in regions that are recurrently battered by climate change-induced shocks. The ability of a community to bounce back economically post a climatic event is directly linked to its overall resilience. In the context of the target area, several nuances and challenges color the landscape of economic resilience. This assessment seeks to navigate through these intricacies.
- The majority of the population in the target area lives below the poverty line. This dire economic situation inherently reduces the community's capacity to invest in adaptive measures, making them significantly vulnerable to even minor climatic shocks. With limited financial resources at their disposal, these communities find it challenging to recover post an adverse event, let alone invest proactively in preventive measures.
 - Despite the global recognition of micro-insurance as a pivotal tool for economic resilience, its reach in the target area remains restricted. Pilot projects introducing micro-insurance are predominantly centered around urban locales in the country, leaving the vulnerable rural populace without this safety net.
 - Access to credit facilities remains a significant challenge, more so for women, who often face socio-cultural barriers in addition to the financial ones. These credit facilities could have provided the necessary capital for investment in adaptive agricultural practices or alternative income-generating ventures.
 - Communities in the target areas primarily rely on traditional farming and livestock rearing. While these practices have sustained them for generations, the intensifying impacts of climate change jeopardize these livelihoods. The limited exploration of alternative income sources places these communities in a precarious position during climatic adversities.
 - In the absence of diversified local income streams, remittances have emerged as a significant economic backbone for many families in the target area. While remittances provide a semblance of financial stability, over-reliance on them is risky, given their potential volatility based on external economic factors and migration policies.
- iii) **Access to technological resources:** The access to and adoption of climate-resilient technologies or practices can significantly mitigate the vulnerabilities of communities and systems to climate-induced shocks. While research and development in drought-resistant crops have made significant strides, their widespread adoption in vulnerable regions remains inconsistent with many of the communities still rely on traditional crop varieties, leaving them exposed to the vagaries of unpredictable rainfall patterns. Techniques such as rainwater harvesting, drip irrigation, and soil moisture management have not been widely adopted by local communities. Major barriers to adoption of these technologies lack of financial resources, awareness and capacity challenges and poor supply chains exists.
- iv) **Institutional Support and Policy Framework** -Emerging from prolonged periods of conflicts and civil wars, Somalia's institutional landscape, at both the federal and Federal Member States (FMSs) levels, remains in a state of fragility. Particularly in regions like South West and Jubaland, the institutional structures are notably weak, struggling to meet the multifaceted challenges brought forth by climate change. These institutions, which are foundational for guiding and supporting local communities in their climate adaptation efforts, are often found

lacking in capacity, resources, and trained manpower. Moreover, the policy framework, especially at the FMS levels, is riddled with gaps, which further impedes comprehensive and cohesive action against climate vulnerabilities. The absence of clear, forward-looking policies in these regions means that communities are often left to fend for themselves without the necessary guidance or support. Bridging these policy gaps and strengthening institutional capacities is paramount if these communities are to navigate the challenges of climate change with resilience and foresight.

2.6 Climate data projections

Key projected climate trends are summarized below:

Temperature. Global and Regional models show that mean temperatures are expected to increase across all areas of Somalia between 3.2°C and 4.3°C by 2080¹². On 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. As shown in the figure below for the Greater Horn of Africa (GHA), greater increase is between March and September (when current temperatures are already very high) compared to that for October, November and December¹³.

¹² World Bank (2021). Climate Change Knowledge Portal
<https://climateknowledgeportal.worldbank.org/country/somalia/>

¹³ Office of the Prime Minister (2018). Somalia's First National Communication of Somalia to the UNFCCC.

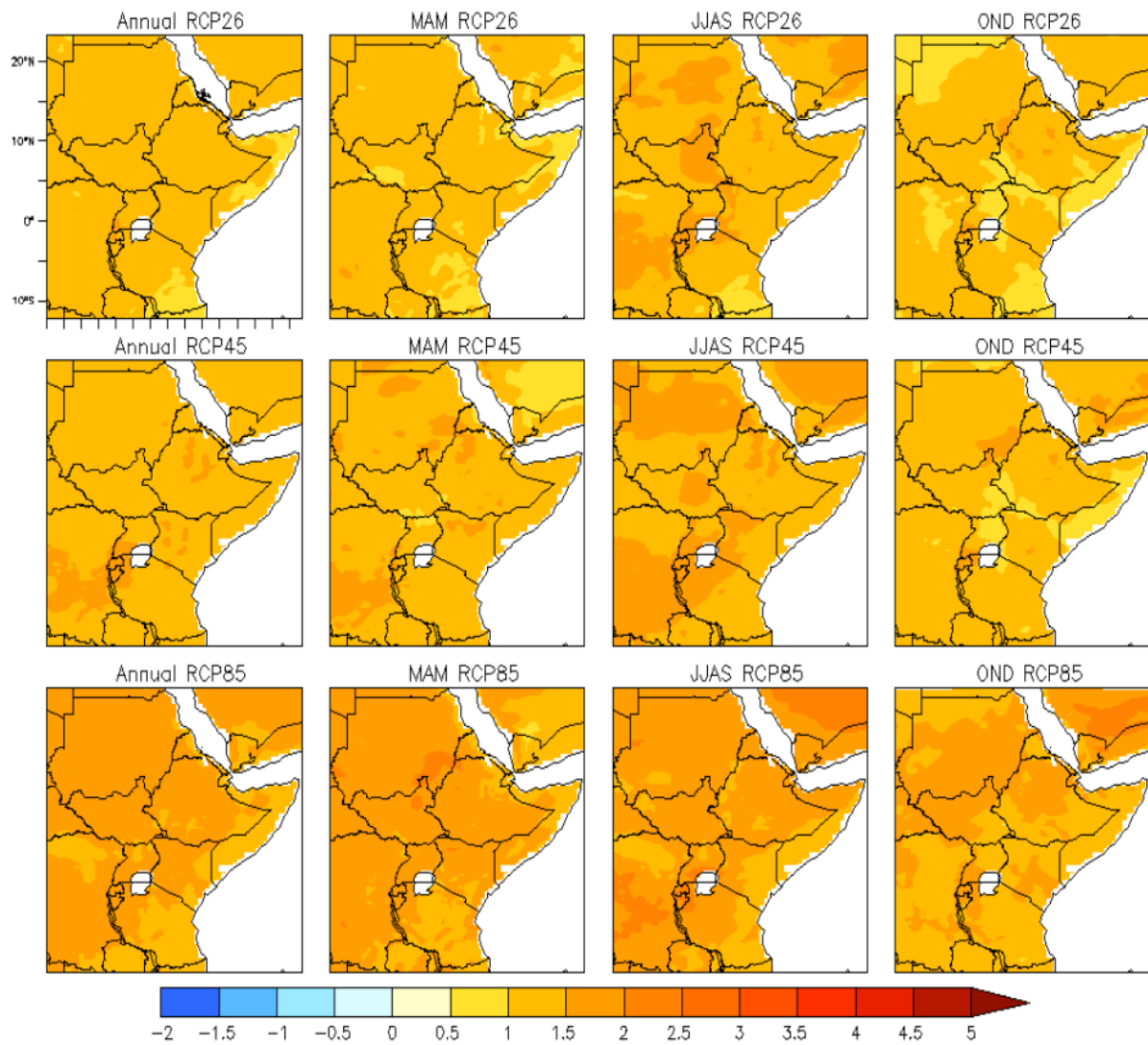


Figure 2: Projected Minimum Temperature Changes Over Greater Horn of Africa by 2036-2065

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

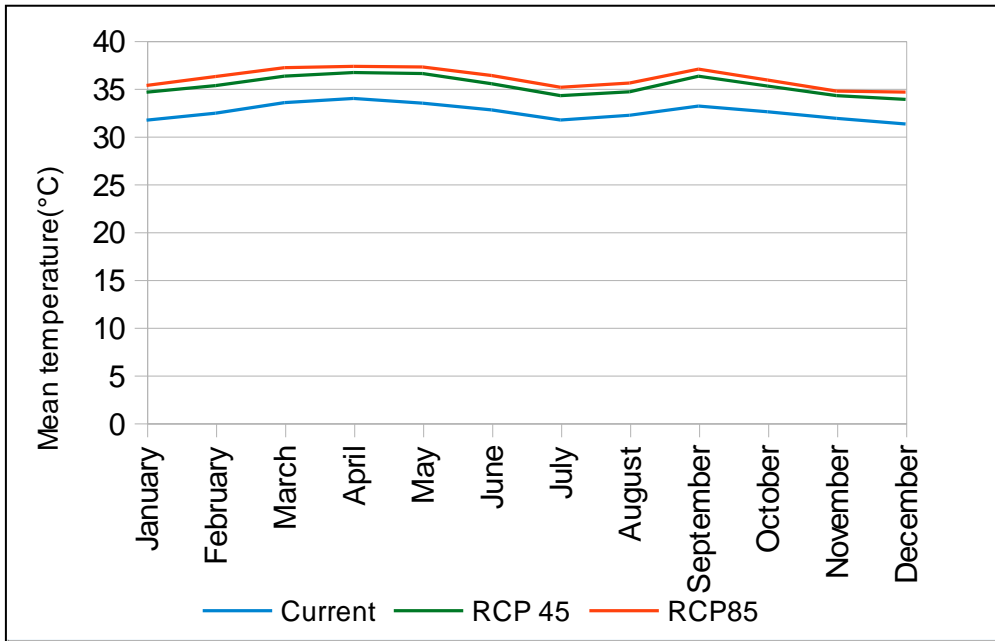


Figure 3: relative monthly trends of Mean temperature currently and into the future scenarios of RCP 4.5 and RCP8.5.

Precipitation. The figure below shows projections for percentage change in precipitation for the Greater Horn of Africa (GHA) under three different scenarios for the period 2036-2065 compared to the 1971-2000 period. It can be concluded that for Somalia, there will be a general increase in annual rainfall especially in the North-East under scenarios RCP 4.5 and RCP 8.5 compared to a negligible change under RCP 2.6. Monthly precipitation show different patterns. Summer months (June, July, August and September) show decreasing trends in rainfall under all scenarios in almost all areas. On the other hand, October, November and December show significant increases all over Somalia¹⁴. This will increase the risks of both prolonged drought and flooding.

¹⁴ Office of the Prime Minister (2018). Somalia’s First National Communication of Somalia to the UNFCCC.

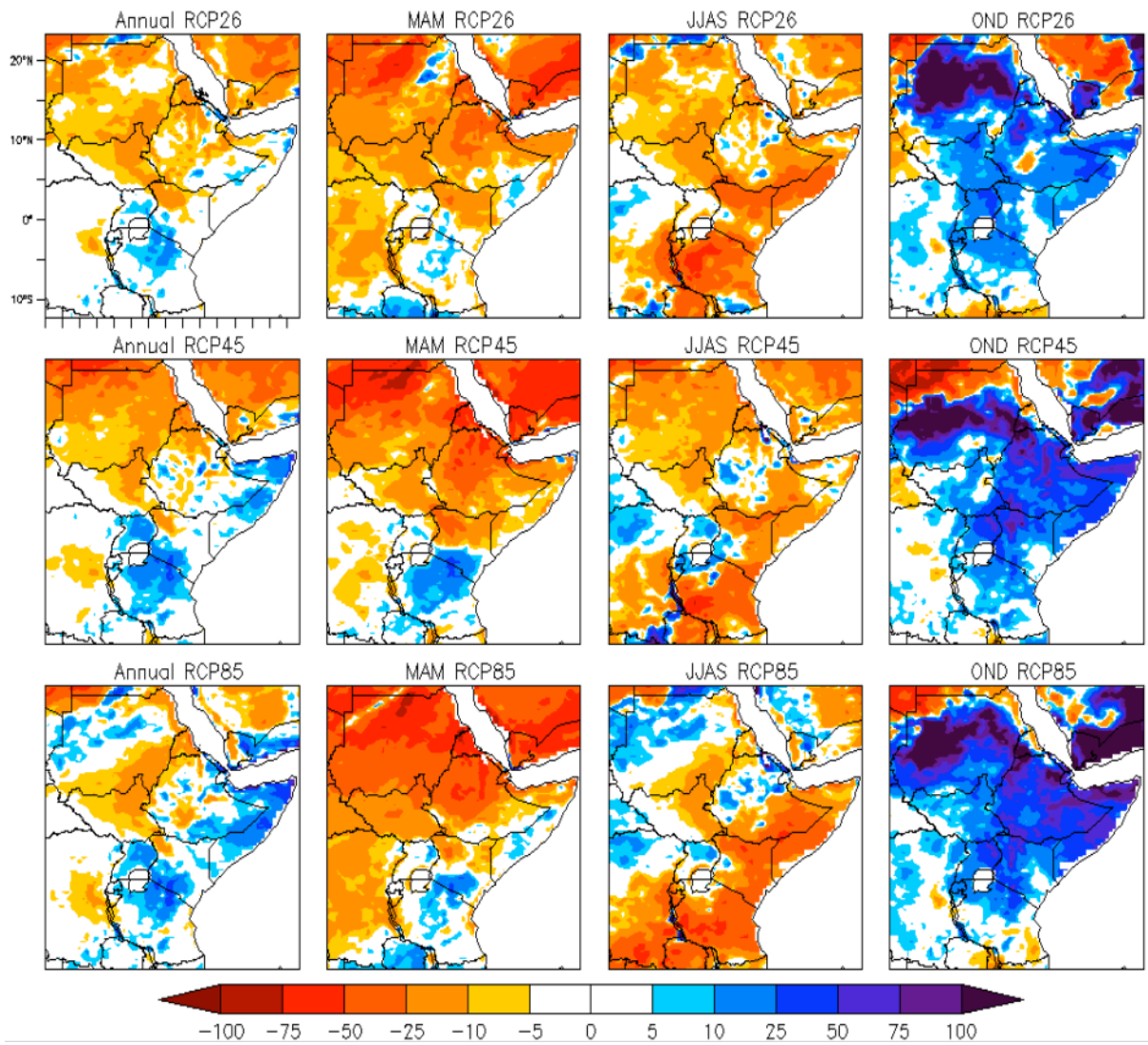


Figure 4: Projected precipitation changes over Greater Horn of Africa by 2036-2065

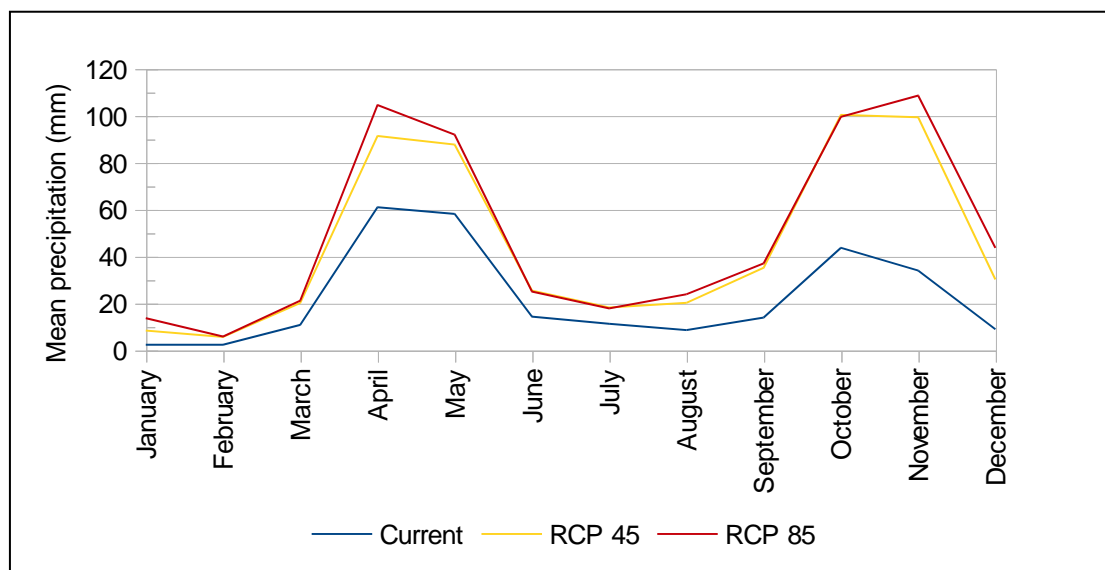


Figure 5: relative monthly trends of rainfall currently and into the future scenarios of RCP 4.5 and RCP8.5

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, other critical sectors including water, health, disaster risk management, and environment, and 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.¹⁵

As for future predictions, Somalia is currently considered under high risk of flooding due to increase in intense precipitation and high risk of coastal flooding due to projected increase in sea level rise¹⁶. Somalia is likely to experience extreme precipitation events at an increasing frequency. For example, days with very low precipitation are projected to increasingly occur for the same time period. On the other hand, an increase in the number of very wet days is predicted as we move towards the end of the century under scenarios RCP 4.5 and RCP 8.5.

2.7 Vulnerability Geographic Hotspots

All regions across Somalia, including the districts covered by RLRP project and the central-southern regions such as Bakool, Bay, and Shabellaha Hoose, are susceptible to severe flooding. This vulnerability is anticipated to escalate in the future. The current flood-prone area, which is approximately 123,585 km², is projected to expand to approximately 171,221 km² under the RCP 4.5 scenario and approximately 171,725 km² under the RCP 8.5 scenario. This expected increase in flood-prone areas can be attributed to the projected rainfall levels as a consequence of climate change. Figure 6 illustrates the areas that are particularly susceptible to flooding, identifying them as flood hotspots.

¹⁵ Ogallo, L. A., Omondi, P., Ouma, G., & Wayumba, G. (2018). Climate change projections and the associated potential impacts for Somalia.

¹⁶ GFDRR and World Bank (2021). ThinkHazard – Somalia: <https://thinkhazard.org/en/report/226-somalia>

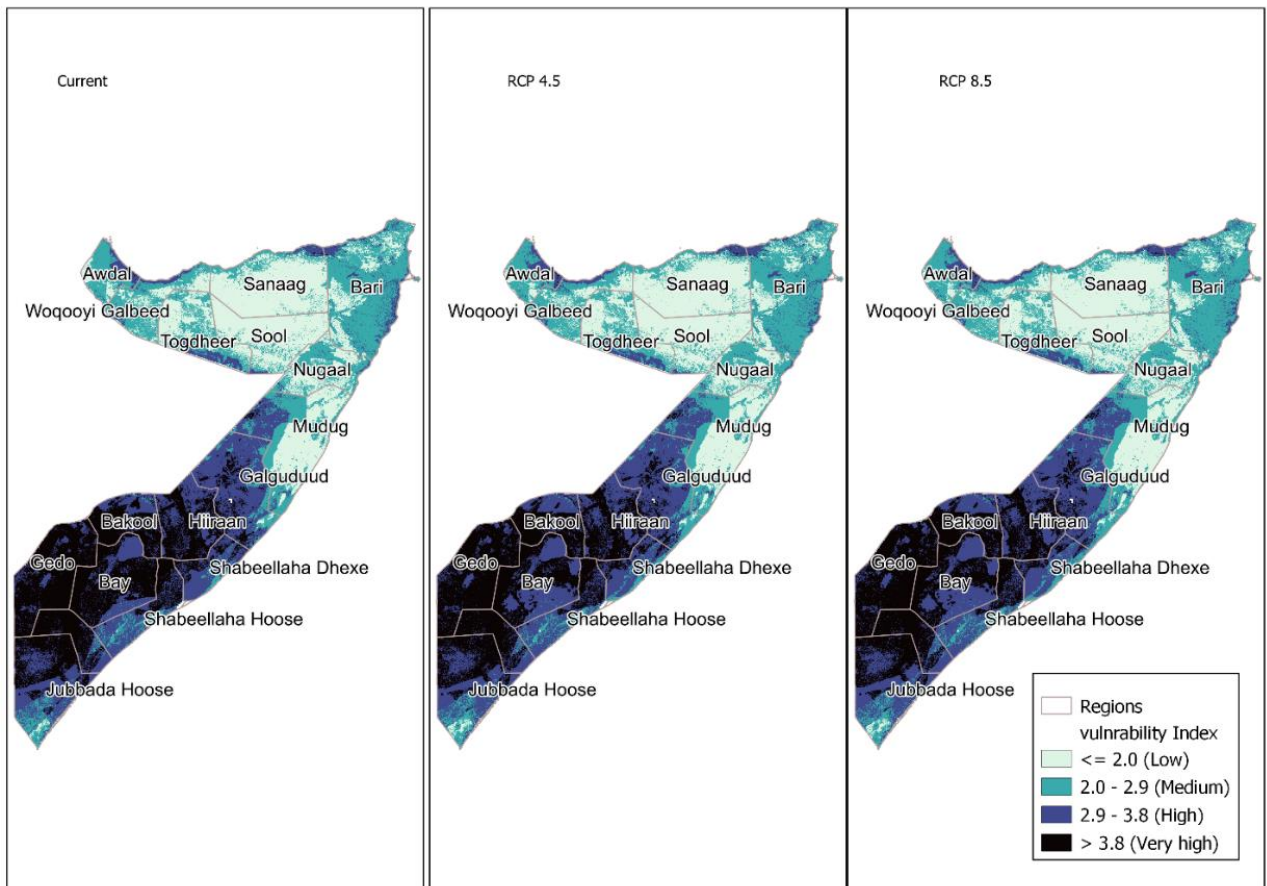


Figure 6: Maps of Vulnerability to Potential Floods

On the other hand, Figure 7, as displayed below, highlights the areas in Somalia that are particularly susceptible to droughts. A substantial portion of the central and southern regions, including Bakool, Gedo, and lower Jubba, are expected to face extremely high vulnerability to droughts. The expanse of land under extremely high risk of drought is predicted to escalate from the current approximately 68,348 km² to roughly 69,591 km² under the RCP 4.5 scenario, and further to about 256,269 km² under the RCP 8.5 scenario. This potential surge in drought vulnerability can be attributed to the forecasted rise in temperatures along with the increasing unpredictability of rainfall patterns and intensity in the future.

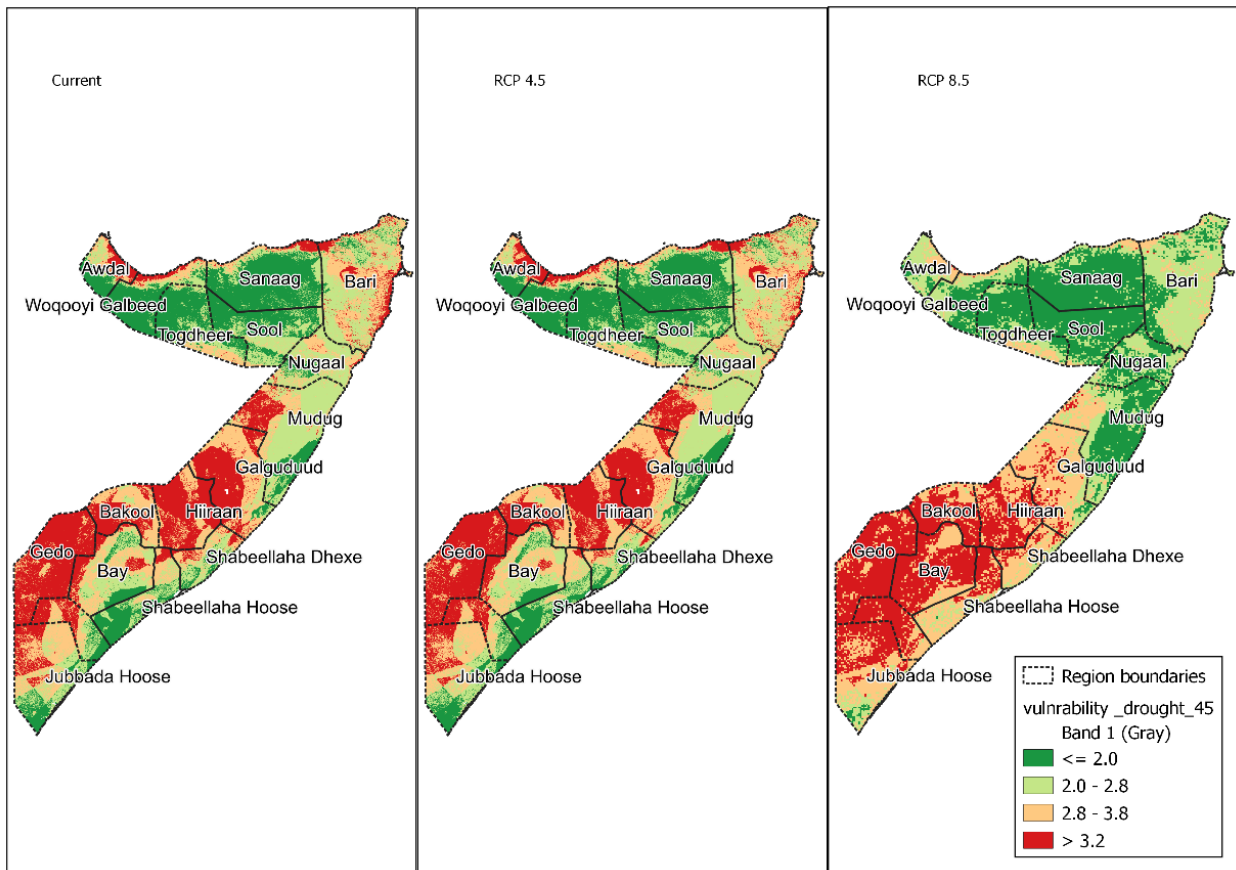


Figure 7: Maps of vulnerability to potential droughts

3. ADAPTATION ASSESSMENT AND MEASURES:

3.1 Introduction

The Resilient Livelihoods Recovery Project (RLRP) recognizes the critical importance of adaptation to cope with the increasing intensity and frequency of climate-related hazards in Somalia and specifically for the target district. The country prioritises adaptation in its national policy documents. Adaptation is a core objective of the project to ensure the long-term viability of livelihoods in the face of increasing impacts of climate change and vulnerability of communities in Somalia. To facilitate this, RLRP incorporates a series of adaptation options designed to counteract identified vulnerabilities and hazards in all its components and activities. This section provides a description of priority adaptation measures and specific measures that have been integrated into the project activities in response to climate risks that faces the project success.

3.2 Priority National adaptation measures in Somalia

Somalia prioritises climate adaptation measures to enhance adaptive capacity, strengthen resilience and reduce vulnerability to climate change through mainstreaming climate adaptation into sustainable development. The main priority measures as detailed in the updated NDC 2021 and Somalia Adaptation Communication to UNFCCC elaborate broad priority areas for adaptation actions and resilience investment in key sectors: agriculture and food security; water and public health;

disaster preparedness and response; coastal and marine environment and fisheries; energy; forestry and environment; human settlements; and infrastructure. The table below highlights the priority adaptation actions in RLRP relevant sectors identified in the NDC and Adaptation Communication.

#	Proposed Adaptation Actions	Estimated investment required (USD, 2021-2030)
1.	<p>Agriculture and food security</p> <p>1.1 Livestock Sector</p> <p>1.1.1 Strengthen Livestock Institution at FMSs levels and enhance capacities of staff on climate change</p> <p>1.1.2 Improve the livestock value chains</p> <p>1.1.3 Building Livestock market shed in the main cities</p> <p>1.1.4 Support development of Livestock strategies and policies</p> <p>1.1.5 Reopen Central Veterinary laboratories in Mogadishu and Invest in veterinary services to address climate related diseases</p> <p>1.1.6 Development necessary Infrastructure to increase resilience</p> <p>1.1.7 Re-restocking Program for pastoralists & agro-pastoralists</p> <p>1.1.8 Promote weather-based insurance products for pastoralists</p> <p>1.1.9 Establish disease-free zones to enhance quality for export of livestock products</p> <p>1.1.10 Improve animal productivity and animal breeds to increase resilience to climate change</p> <p>1.1.11 Implementing Feed and Fodder Production and sustainable rangeland management program to reach livestock feed security system to mitigate prolonged recurrent drought</p> <p>1.1.12 Improve access to weather information services</p> <p>1.2 Crop Production</p> <p>1.2.1 Establish agricultural institutions to research drought resistant crop varieties</p> <p>1.2.2 Provision of seeds and seedlings that are drought resistant to farming communities</p> <p>1.2.3 Put in place climate responsive policies and regulatory frameworks</p> <p>1.2.4 Develop irrigation systems, including dams, channel and water reticulation system</p> <p>1.2.5 Improve and establish marketing systems and infrastructure for farming communities, e.g., cooperatives, cooling systems for perishable goods</p> <p>1.2.6 Build marketing facilities and infrastructure for crops and livestock in urban centres</p> <p>1.2.7 Support small and medium enterprises (SMEs) to promote value addition of the crop and livestock products, e.g., cooling facilities</p> <p>1.2.8 Promote weather-based insurance products for farmers and pastoralists</p> <p>1.2.9 Invest in veterinary services to address climate related diseases</p> <p>1.2.10 Establish disease-free zones to enhance quality for export of livestock products</p> <p>1.2.11 Build adaptation capacity in climate-resilient agronomic practices for smallholder farmers</p> <p>1.2.12 Improve animal productivity and animal breeds to increase resilience to climate change</p> <p>1.2.13 Manage grazing areas and rangelands in a sustainable manner and enhance the development of livestock infrastructures and services, including feed storage</p> <p>1.2.14 Improve access to agro-weather information services</p>	USD 20 Billion
2.	<p>Water resources management and public health</p> <p>2.1 Conduct assessment of the water system</p>	USD 15 Billion

	<ul style="list-style-type: none"> 2.2 Enhance water conservation and management through better institutional arrangements 2.3 Establish and maintain strategic water reserves, from mega-dams to shallow wells, to capture runoffs 2.4 Develop solar powered boreholes 2.5 Invest in basic and portable water supply for households 2.6 Construct and operationalize water pans 2.7 Promote rainwater harvesting and conservation of water, including improved water use efficiency 2.8 Develop drainage and storm water systems in urban centres, especially Mogadishu, Baladweyne, Jowhar and Kismayu 2.9 Implement integrated Water Resources Management strategy 2.10 Launch public health awareness campaign, targeting rural areas on climate change effects and public health related issues 2.11 Establish and operationalize public health facilities in rural areas 	
3.	<p>Disaster preparedness and management</p> <ul style="list-style-type: none"> 1.1 Establish effective early warning systems and disaster risk management policies to improve resilience to extreme weather events 1.2 Establish meteorological networks to enhance early warning systems 1.3 Development of necessary infrastructure to increase resilience of communities, infrastructures and ecosystems to droughts and floods 1.4 Promote enhanced disaster coordination and information-sharing between relevant ministries and stakeholders 1.5 Establish disaster response systems for the country, including facilities, settlements for IDPs 1.6 Strengthen the adaptive capacity of the most vulnerable groups, including women, children, elderly persons and IDP communities, through social safety nets 1.7 Extend livelihood support for the vulnerable groups 	USD 10 Billion
Grand Total		USD 45 Billion

Source: Extract from Somalia Adaptation Communication (2023)

3.2 Adaptation Measures for RLRP

3.2 Support community resilience (Component 1):

3.2.1 Strengthened Community Governance and Services(1.1):

1. Capacity Building for Climate-Resilient Farming and Natural Resource Management (NRM):

The project aims to capacity build an initial 15 target communities (three in each of the five districts) on climate resilient farming and NRM. Training communities and institutions in farming practices that are resilient to climatic uncertainties ensures food security even in unpredictable weather patterns. This involves introducing drought-tolerant crops, optimizing irrigation techniques, and employing soil conservation methods. The training and integration of sustainable NRM ensures that the local resources are utilized in a manner that doesn't jeopardize them and the natural environment. This will also make communities more resilient to climatic stresses, such as drought or flooding, by maintaining ecosystem services and promoting sustainable land management practices.

2. Community based adaptation and community development plans (CDPs)

The project aims to strengthen adaptation at community level. The key steps of the project's CDD approach including undertaking district profiles will establish understanding the specific vulnerabilities, opportunities, and constraints of each district and allow for more tailored adaptation interventions. Recognizing the existing infrastructure gaps and potential market dynamics will guide effective resource allocation and interventions. The project aims to strengthen existing community institutions, and support new institutions, that are representative of the different categories of vulnerable the community (women, youth, vulnerable HHs, etc.) hence strengthening their adaptive capacities.

The Community Development Plans (CDPs) act as strategic documents outlining the community's vision, which inherently includes strategies to adapt to changing climatic conditions. From infrastructure development to economic activities, these plans will integrate climate resilience at their core. Additionally capacity enhancement of rural communities including training in governance, community procurement, gender and environmental, climate mainstreaming, and financial management. Empowering vulnerable communities with these skills ensures they can effectively manage climate-induced risks and harness opportunities.

3. Community Disaster Risk Management

The project will support training in disaster risk management thus enhancing understanding the risks posed by climate-related disasters and equipping communities with strategies to reduce and manage these risks hence communities are better prepared to cope with adverse events. This include: establishment of early warning systems that provide timely information about impending climate-related disasters, such as floods or droughts and ensure that communities know how to interpret and respond to warnings.

The support in development of Community Disaster Risk Management Plan (CDRMP) which outlines specific strategies for disaster risk reduction, readiness and response is a step towards community preparedness. Integrated within the CDP, this plan ensures that climate change adaptation and disaster risk management are intrinsically linked in community initiatives.

3.2.2 Community Investment Support: Building a Resilient Foundation (1.2)

Through this sub-component the project will support tangible investments that prepare communities and build their resilience in the face of climate change. RLRP's approach to adaptation recognizes that the creation and enhancement of resilient infrastructure, both physical and institutional, can substantially mitigate the direct and indirect impacts of climate change on rural communities. Some of the key adaptation measures integrated into this activities include:

Investment in resilient Water Infrastructure:

Water scarcity is a significant challenge that exacerbated by climate impacts. Based on the CDPs, the RLRP will support Community-Based Water Sources tailored for domestic use, crop irrigation, and livestock needs. The objective is to ensure consistent water availability, even in periods of drought or

water scarcity which has become for frequent and intense. The rehabilitation and climate-proofing of **primary and secondary canals** will ensure consistent water flow, preventing the adverse effects of erratic rainfall and promoting efficient water distribution. Additionally, **adopting pressurised (drip or sprinkler) irrigation systems** powered by solar energy, the project ensures water-efficient agricultural practices. This adaptation measure directly addresses the challenges of reduced rainfall and increasing water scarcity due to climate change.

In regions lacking access to rivers, the program aims to **construct lined dams** for water collection and conservation. This ensures that during rainy periods, excess water is collected for use in drier periods. The utilization of solar-powered pumping systems for irrigation and solar-powered cold storage facilities integrates renewable energy into the community infrastructure. This both reduces the community's carbon footprint and ensures functionality even during power outages or in areas with no electricity grid access.

Resilient Production and Market Infrastructure:

Establishment or rehabilitation of Post-Harvest Management Facilities facilities ensures reduced post-harvest losses, which is vital in times of erratic climate patterns affecting crop yields. Community-Owned Grain Reserves will also act as a buffer during periods of reduced crop yield, ensuring food security and stabilizing food prices. Some of the key technologies such as **Grain Drying Technology** will help in enhancing grain quality and reducing the chances of microbial activities which can spoil the grains. With unpredictable rainfall patterns, ensuring grains dry efficiently becomes crucial. Cold Chain Facilities powered by solar energy would also help in preserving the freshness and extending the shelf life of perishable products, preventing wastage. The infrastructure investments will be fully climate proofed during design, implementation and monitoring. The project will construct **livestock market sheds** in the target districts as a measure to enhance adaptation to heat stress considering effects of excess heat on livestock and communities

Community Capacity Building:

By ensuring the community is actively involved in the operation and maintenance of these infrastructures, and generating income from them, the RLRP ensures sustainability. This is achieved by teaching the community essential skills and instilling a sense of ownership. Such empowerment makes communities more resilient and self-reliant.

3.3. Support to Smallholder Livelihoods Enhancement (Component 2)

3.3.1 Strengthening Resilience in Crop and Livestock Value Chains:

- Supporting access to productive inputs including improved climate-resilient seeds, pesticides, fertilisers, and ecosystem friendly farm tools.
- Targeted support to disadvantaged HHs in crop and livestock production including through packages of inputs for low-cost, water-saving technologies for integrated homestead food production, distribution of shoats

Integrating climate adaptation into the agricultural extension services support

Agricultural extension services play a crucial role in disseminating knowledge and best practices to farmers. By integrating climate adaptation into these services, the RLRP seeks to ensure that farmers are better equipped to navigate the challenges posed by climate change.

The project will support training and capacity development the following specific topics:

- Conservation Agriculture: Emphasize techniques like reduced or no tillage, crop rotation, and cover cropping to increase soil carbon storage, improve water conservation, and reduce soil erosion.
- Agroforestry: Incorporate trees into farming systems to improve biodiversity, create windbreaks, improve water retention, and offer additional income sources.
- Sustainable Water Management: Techniques such as rainwater harvesting, micro-irrigation (like drip and sprinkler systems), and watershed management will be promoted.
- Waste Management: Encourage composting and vermi-composting, which enrich the soil and reduce the need for chemical fertilizers, while helping in waste reduction.

The proposed digital platform can send alerts about extreme weather events, provide guidance on when to plant or harvest based on climate forecasts, and give advice on dealing with pest outbreaks that may arise due to changing weather patterns.

The project will ensure that both male and female farmers receive training on climate adaptation techniques and recognize the role of women in agriculture, services will be designed to address their specific needs and challenges.

Field Visits and Study Tours will enable farmers to learn from peers who are successfully implementing climate-smart practices.

Promotion of drought resistant crop and livestock varieties

Rain-fed agriculture, a predominant mode in many regions, bears the brunt of erratic rainfall and prolonged dry spells. To mitigate this vulnerability, RLRP actively promotes the use of drought-resistant seed varieties. These varieties, developed after extensive research, are designed to withstand water stress, ensuring yields even in less-than-ideal moisture conditions. By adopting such seeds, farmers not only safeguard their crops against droughts but also ensure a consistent food supply and stable incomes.

On the Livestock Management front, the project will promote introduction of drought and stress-tolerant livestock breeds, training on climate-smart practices for livestock such as strategic destocking before droughts, supplementary feeding, and rotational grazing.

Invest in veterinary services to address climate-related diseases in livestock

The project will strengthen livestock resilience against the impacts of climate change, thereby ensuring sustainable animal husbandry and market viability. Some of the measures include:

Capacity Building for Community Animal Health Workers (CAHWs): Organize regular workshops and training sessions for CAHWs, focusing on climate-sensitive animal health challenges like heat stress,

disease outbreaks related to changing weather patterns, and altered feeding requirements. Provide CAHWs with necessary tools and diagnostic kits that can quickly identify and address health issues, especially those exacerbated by climate variations.

Promotion of Agroveter Supply Shops: The project will provide specialized training for youth entrepreneurs on managing agroveter shops, emphasizing the need for climate-resilient livestock supplies. The project will also facilitate agroveter shops as information dissemination points where farmers can learn about climate adaptation strategies for livestock.

Promoting climate smart agriculture

Promotion of Climate-Smart Agriculture (CSA) is fundamental to the RLRP's objective of strengthening the resilience of the agricultural sector against the impacts of climate change. Some of the activities related to CSA-promotion activities in the project include:

- Introduction and demonstration of Drought-Resilient Seed Varieties that are also high-yielding, and early-maturing.
- Establish demonstration plots with selected lead farmers to practically exhibit the seed performance under local conditions.
- Promotion of Good Agricultural Practices (GAPs) through educating farmers on various GAPs tailored for climate resilience and maintain soil health, enhance water retention, and boost overall crop yield.
- Training on CSA methods such as reduced or zero tilling to preserve soil structure.
- encouraging crop rotation and diversification to break disease cycles.
- Introducing integrated nutrient and pest management techniques.
- Advancing intercropping with fodder crops for dual benefits.
- Regular training workshops and exchange tours focusing on CSA practices to keep farmers updated with the latest practices and allow them to learn from peers.
- Encouraging private sector participation in providing climate-smart inputs to ensure the availability of quality inputs like drought-resilient seeds at the community level.
- Foster partnerships with private input suppliers and establish community-level outlets in collaboration with the Community Development Association (CDA).

Improve animal productivity and breeds to increase resilience to climate change.

The project will support sourcing and promoting livestock breeds resistant to drought and stress to maintain livestock productivity and well-being under harsh conditions. This will be done by conducting training sessions and workshops for farmers on the benefits and management of these breeds. The project will support introduction and promotion breeds of shoats that are known to be more tolerant to drought and stress conditions.

Improved Pasture Species through provision of seeds and knowledge for planting pastures that can withstand climate stresses better. Capacity Building for Shoat Producers will be undertaken to educate shoat producers on anticipatory actions like strategic destocking before droughts, ensuring a sustainable livestock population.

Additionally, the project will support educating farmers on sustainable rangeland practices to regenerate and maintain healthy grazing lands as well as support introduction of rotational grazing methods to allow vegetation recovery.

Improve agriculture and livestock value chains to optimize productivity and income generation

Through the project support, integration of crop and livestock farming will be encouraged. This will enhance farm productivity, nutrient recycling, and ensure diversified income.

Additionally, training sessions showcasing the benefits of such systems, especially in climate-vulnerable regions will be organized.

Targeted support for Vulnerable groups

The project will provide targeted support such as distribution of shoats (sheep or goats) to vulnerable households while providing training on effective animal husbandry. Additionally, the project will provide targeted support to internally displaced persons (IDPs) and the most impoverished households in producing their food.

Promotion of weather index-based livestock insurance;

To protect livestock farmers from potential losses caused by extreme and unpredictable weather events, the project will promote use quantifiable weather indices as triggers for insurance payouts. The project will complement other ongoing projects that work on weather index-based livestock insurance. Some key benefits for the target communities include:

- Provides a safety net for farmers, ensuring that extreme weather doesn't lead to severe economic hardships.
- With reduced risk, farmers could feel more secure in investing in their livestock operations, possibly leading to improved livestock quality and quantity.
- payouts will ensure that farmers can recover faster from weather-induced losses, maintaining the local economy's stability.

3.3.2 Entrepreneurship for VC development (Subcomponent 2.2)

Promotion of entrepreneurship focused on Climate Resilience and Sustainable NRM:

The selection of enterprises supported through the project emphasizes sectors that both prioritize community needs and are sustainable. This means that any business ventures pursued will inherently contribute to better NRM and climate resilience.

Through capacity Building and Skill Development, the training materials developed for lead entrepreneurs and their extension teams will incorporate lessons on climate-resilient and sustainable agricultural practices. This ensures that as they train others in the community, these sustainable and resilient techniques are passed down, promoting a more resilient agricultural community.

Direct targeted support and trainings including access to financial services and business development to vulnerable groups such as women and youth

By introducing community members, especially women and youth, to financial products that cater to climate-smart agricultural practices, the project is promoting economic growth and also local responses to climate change.

3.4 Programme Coordination and Capacity Building (Component 3)

Capacity building to government institutions and project teams on climate change adaptation

In this component, the focus is on ensuring that the programme is managed efficiently and effectively, with the integration of various considerations, including gender, youth, nutrition, environment, climate change, M&E, knowledge management, and communication (KMC). The capacity building of relevant Somali Federal and FMSs line ministries and other implementing partners is integral to this component, and it is aimed at enhancing oversight of programme implementation and contributing to evidence-based policy development for resilient rural livelihoods. This support could assist government institutions in integrating climate change considerations into their regular planning and budgeting processes. This ensures that climate adaptation is not a separate activity and ministry of environment issue but is a core part of Ministry of Agriculture and Irrigation and other relevant government activities and projects.

3.5 Monitoring Adaptation

Monitoring of the adaptation actions is a critical component, as it enables the continuous evaluation of the efficacy, relevance, and sustainability of the implemented measures. Effective monitoring requires a systematic approach that is built on clearly defined indicators, data collection methods, and a robust analysis framework.

Setting Clear Indicators: The first step in monitoring is to establish clear and measurable indicators that are aligned with the objectives of the adaptation options. These indicators may include factors such as increased agricultural yield, reduced vulnerability to climate-related hazards, and improved access to resources. These indicators should be SMART (Specific, Measurable, Achievable, Relevant, and Time-bound).

Data Collection Methods: An essential aspect of monitoring is the regular collection of data that tracks the progress of the adaptation measures. Multiple data collection methods can be utilized, including surveys, interviews, focus groups, and remote sensing. It is vital to ensure that the data collection tools are appropriate for the local context and are capable of capturing changes over time.

Stakeholder Engagement: Engaging stakeholders, including community members, local authorities, and relevant organizations, in the monitoring process is essential. Stakeholder engagement can help in verifying the data collected and provide invaluable insights into the practical challenges and opportunities of the adaptation options.

Baseline and Benchmarks: Establishing a baseline before the implementation of adaptation measures provides a reference point against which changes can be measured. Moreover, setting benchmarks or

targets for the indicators will facilitate an understanding of whether the adaptation options are achieving the desired outcomes.

Regular Reporting and Feedback Mechanism: Regular reporting on the progress of adaptation measures is crucial. Reports should be concise, focus on the indicators, and be communicated to all relevant stakeholders. A feedback mechanism should be in place to ensure that the insights from monitoring are integrated into the implementation process for continuous improvement.

Adaptive Management: The monitoring process should be linked to an adaptive management approach. This means that the information gathered through monitoring should be used to make necessary adjustments to the adaptation options. This may include scaling up successful practices, modifying approaches, or, if necessary, phasing out measures that are not yielding the desired results.

Capacity Building: Building the capacity of local communities and institutions in monitoring techniques is critical. This empowers them to take ownership of the process and contributes to the sustainability of the adaptation measures.

Below is a diagrammatic presentation of the monitoring cycle of the project:

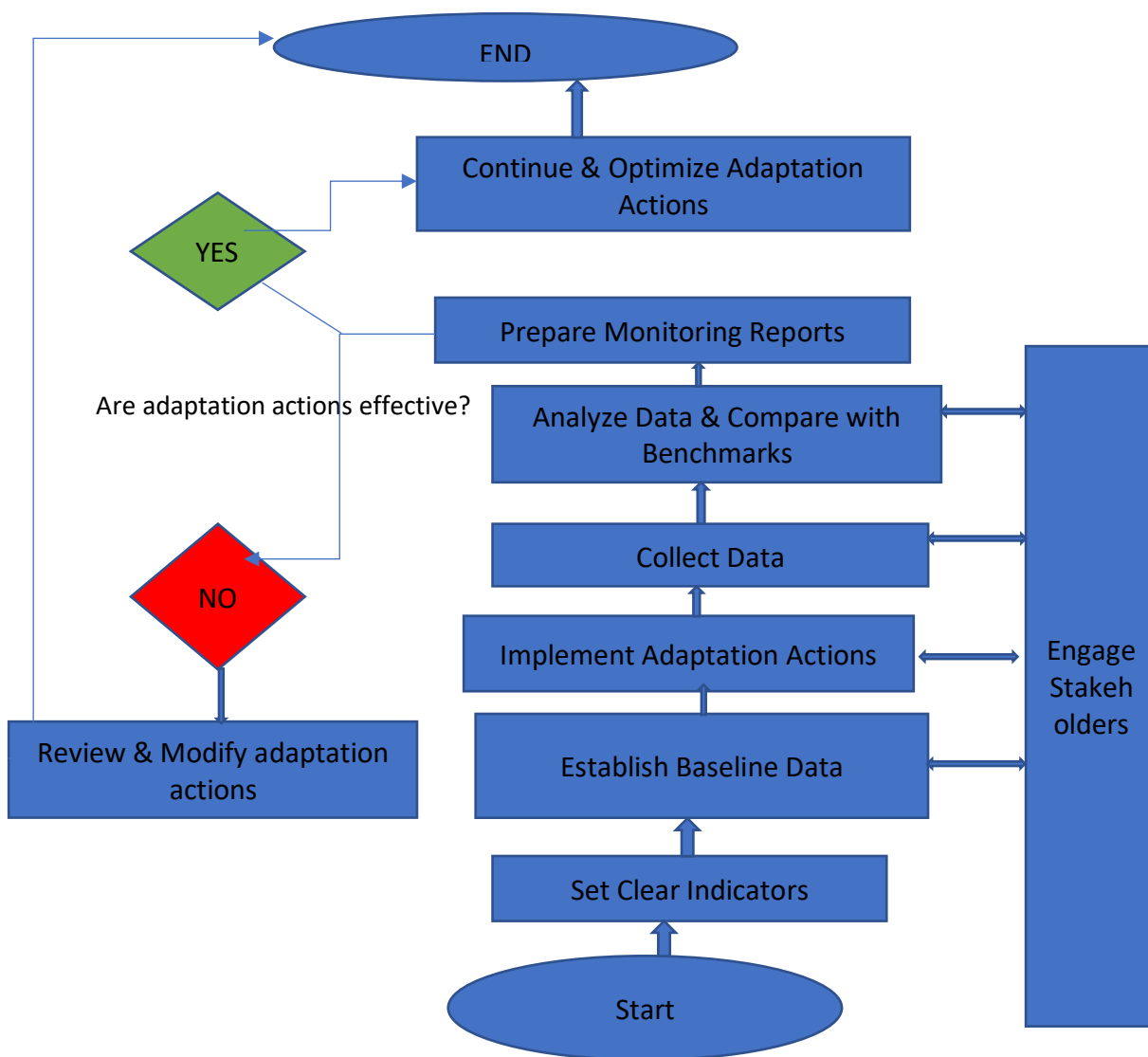


Figure 8: Flow chat on steps and decision-making involved in monitoring adaptation actions in RLRP project

In conclusion, monitoring is an ongoing process that is integral to the successful implementation of adaptation options. Through systematic monitoring, it is possible to ensure that the adaptation measures are effectively contributing to building resilience and improving livelihoods in the face of climate change.

4. COSTS AND BUDGETARY CONSIDERATIONS.

4.1 Budgetary considerations

The costs and budgetary considerations for the project strategically integrates the estimated costs for activities associated with climate adaptation measures, both within the primary project budget and the Environmental, Social, and Climate Management Plan. This comprehensive budget allocation has been designed specifically for the effective execution and continuous monitoring of the proposed adaptation strategies.

By embedding these expenses within the overarching program expenditure, we aim to emphasize the significance of these adaptation measures, ensuring they are not sidelined but rather prioritized. Such a seamless integration ensures that the recommended adaptation strategies are not just theoretical suggestions but are practically enacted, fostering sustainable and resilient project outcomes.

The estimated costs in the Table below include specific costs required for ESCMP and the project teams involved in the implementation of the ESCMP.

#	Activities	Budget (USD)
1	International Environment & Climate consultant- safeguards(covered by the Third party monitoring entity)	60,000
2	Environment & Climate Officer (National)	120,000
3	International consultant- gender (covered by the Third party monitoring entity)	60,000
4	Gender officer (National)	120,000
5	ESIA & ESCMP for the infrastructures -contractual	60,000
6	Public consultations including for ESIA for community investments	20,000
7	Travel expenses/DSA for national/IC	40,000
8	Training workshops expenses -Institutions & communities	100,000
9	Translation and publication of ESCMP related documents	20,000
	TOTAL	600,000

4.2 Responsibilities for Reporting:

This section elaborates the responsibilities of key institutions in reporting on the adaptation actions throughout the project cycle.

1. Ministry of Agriculture and Irrigation (MoAI):

- oversee the strategic direction and ensure that all activities align with national agricultural and irrigation priorities.
- will consolidate all reports submitted by various partners and create a comprehensive national-level report.

- responsible for submitting consolidated reports to higher governmental bodies, IFAD, or other partners as may be required.
- Based on the reporting and findings, the ministry will provide feedback which might lead to policy adjustments at the sector level or strategic inputs into National adaptation plans.

2. National Project Coordination Unit (NPCU):

- coordinate the collection of data and reports from executing partners, NGOs, and third-party monitors.
- ensure the quality and consistency of reports, making sure they adhere to project and national standards.
- provide feedback to executing partners and NGOs based on their reports, ensuring continuous improvement in the process.
- submit regular updates to MoAI and Project Steering Committee (PSC) highlighting progress, challenges, and any changes required.
- Detail the financial utilization, ensuring transparency in the expenditure.

3. Executing Partners – NGOs/partners at local/Federal Member States:

- responsible for ground-level implementation, data collection, documenting activities, outcomes, challenges, and lessons learned.
- Based on the project's requirements, submit monthly, or quarterly reports to the NPCU.
- Engage with local communities and stakeholders to gather feedback and integrate it into the reporting process.

4. Third Party Monitoring entity

- conduct independent evaluations of project activities to ensure objectivity and authenticity.
- Identify gaps or discrepancies between reported activities and actual outcomes on the ground.
- Provide recommendations based on their findings to enhance project efficiency and effectiveness.
- Submit their independent reports directly to both the IFAD and MoAI to ensure unbiased feedback reaches the highest levels.

4.4: Work Plan

The adaptation measures will be fully integrated into the overall project work plans to ensure that they're not treated as standalone actions but are deeply woven into the fabric of the entire project. Below is a simplified integration workplan for adaptation measures within the context of the overall project plan:

a) Project Initialization Phase:

- Engage local communities, government institutions, NGOs.
- Define roles and responsibilities for reporting in the NPCU and adaptation measures implementation.
- Conduct initial assessments and baseline data collection – Integrate climate change into ESIA

b) Capacity Building Phase:

- Organize training sessions on climate adaptation measures for government institutions, NGOs, and community members.
- Integrate climate change into capacity building activities across the project

- Train Community Animal Health Workers (CAHWs) on climate-smart animal health practices.
- c) Implementation Phase:**
- Community infrastructure projects**
- Undertake relevant studies and assessments including stakeholders engagements on proper designs and locations of community infrastructure considering climate risks
 - Procure relevant materials considering specifications informed by climate risks
 - Develop and climate proof the construction of all community investments
- Climate-Smart Agriculture (CSA):**
- Integrate(procure and distribute) drought and stress-tolerant seed varieties into existing agricultural practices.
 - Set up CSA demonstration plots within broader agricultural initiatives.
 - Promote CSA and soil conservation techniques within broader agricultural training.
 - Integrate climate change into capacity building activities and extension services
- Livestock Management:**
- Integrate improved breeds of shoats and pasture species into existing livestock programs.
 - Initiate partnerships for weather index-based livestock insurance within financial support schemes.
 - Implement rangeland management projects into existing land management programs.
- Entrepreneurship Development:**
- Embed sustainable agricultural enterprise training into broader entrepreneurial training programs for youth and women.
 - Collaborate with financial institutions for product development.
 - Integrate climate-smart financial products into broader financial literacy and inclusion programs.
- d) Monitoring, Evaluation, and learning Phase:**
- Combine field assessments of adaptation measures with broader project evaluations.
 - Collate and submit integrated reports that cover both project progress and adaptation measure success.
 - Use stakeholder feedback to fine-tune both project activities and adaptation measures and implement corrective actions where necessary.
- e) Policy Advocacy and Project Closure Phase:**
- Combine climate adaptation insights into the findings from the project to inform policy dialogues.
 - Document overall project outcomes, alongside lessons learned from the integration of adaptation measures.
 - Conduct project closure meetings with all stakeholders, ensuring adaptation success stories are highlighted.

5. CONCLUSIONS

Somalia is highly vulnerable to climate change impacts such as frequent droughts and flooding and these impacts can undermine the successful implementation of the RLRP project. The Rural Livelihoods Resilient Programme (RLRP) acknowledges the critical challenges posed by climate change, particularly for vulnerable rural communities.

The Targeted Adaptation highlights detailed information on data projections and vulnerability assessments provide a valuable basis for making informed decisions. The multifaceted nature of climate change demands an integrated approach. This Targeted Adaptation Assessment identify priority integrated climate adaptation measures to be implemented through the RLRP. The measures proposed, while designed for RLRP, have the potential to be scaled and replicated in other similar regions facing comparable climate challenges. The strategies, insights, and lessons learned could serve as a blueprint for other projects.

To address climate change challenges, RLRP integrates a suite of adaptation measures designed to strengthen the resilience of target groups and ensure the sustainability of the project interventions. The emphasis on community-driven adaptation solutions is the highlight of the assessment. Engaging communities ensures ground-level insights, local ownership, and more sustainable outcomes. Overall, through all its three interconnected components, RLRP integrates adaptation measures through:

- community based adaptation through climate resilient community development plans and capacity building
- implementation of climate proofed community investments including water infrastructure and disaster management
- strengthening agricultural and livestock value chains including through promoting climate smart agriculture
- providing targeted support to the most vulnerable groups such as women, IDPs and youth
- Development of entrepreneurial skills in agricultural and related services, with an emphasis on climate resilience.
- Capacity development while promoting sustainable and climate-resilient agriculture practices.
- Facilitation of access to financial services, including those tailored to climate-smart products.
- Capacity-building efforts for government institutions to ensure a top-down approach to climate change adaptation.

The assessment emphasis the need for continuous stakeholders and community engagement, continued capacity building both at institutional and community levels and effective reporting and regularly updated M&E framework to track the effectiveness of adaptation measures. The work plan, budget and procurement should be fully integrated into the mainstream project implementation activities. Additionally, the dedicated budget allocations for the ESCMP and clearly defined roles especially at the project management are essential to ensure that adaptation measures are realized, with clear responsibilities and timelines.

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Somalia

Rural Livelihoods Resilience Programme

Project Design Report

Annex: Draft Rlrp Labour Assessment And Management Procedures

Mission Dates: 20/06/2023 - 13/07/2023

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Near East, North Africa and Europe Division
Programme Management Department

FEDERAL REPUBLIC OF SOMALIA

MINISTRY OF AGRICULTURE AND IRRIGATION

RURAL LIVELIHOODS AND RESILIENCE PROJECT

LABOUR ASSESSMENT AND MANAGEMENT PROCEDURES (LAMP)

SEPTEMBER 2023

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1. INTRODUCTION

1.1. Project description

The project development goal is “to sustainably increase productivity, incomes and nutrition security and enhance the resilience of rural smallholder families in Somalia.

Project components. The RLRP comprises three components: (i) Support to community resilience, whose outcomes are strengthened and inclusive communities with enhanced social cohesion that are able to define their livelihood development pathways and manage conflict.(ii) Support to Smallholder Livelihoods Enhancement, whose outcomes are: increased production and productivity of priority crops and livestock for resilience, dietary diversity, food security, and improved incomes, as informed by the CDP; and (iii) Programme coordination and capacity building, whose outcomes are improved local governance due to a strengthened policy and institutional environment and sustainable local and national policies thanks to an efficiently and effectively managed programme.

Component 1: Support to Community Resilience: This component aims to empower socially and economically, the participating programme communities to articulate their sustainable development needs, prioritise these needs in a gender sensitive, climate and environmentally focused CDP, and implement the plan in order to build the resilience of the community. The outcome of this component is: *Strengthened and inclusive communities with enhanced social cohesion that are able to define their livelihood development pathways and manage conflict.* Component 1 provides the entry point for the RLRP, as well as the base for the implementation of Component 2. The component consists of two subcomponents: Strengthening community governance and services, and Community investment support.

Component 2: Support to Smallholder Livelihoods Enhancement: The outcomes of this component are increased production and productivity of priority crops and livestock for resilience, dietary diversity, food security, and improved incomes. The interventions under this component will be informed by the CDP. The subcomponents are: (i) Strengthening resilience in selected crop and livestock VCs; and (ii) Entrepreneurship for VC development.

Component 3: Programme Coordination and Capacity Building: The expected outcome of this component is an “efficiently and effectively managed programme with the integration of gender, youth, nutrition, environment, climate change, M&E, knowledge management and communication (KMC) considerations in all aspects of the programme”. This component will also assist in building the capacity of the relevant Somali line ministries for oversight of programme implementation, support appropriate training of FMS and district implementing partners staff on sustainable crop and livestock VCs, and provide the experience basis for policy dialogue and development of evidence-based policies tailored to the local context for resilient rural livelihoods. Potential topics for policy engagement include: (i) social inclusion, related to gender, nutrition and youth; and (ii) specific scalable activities such as new financial products to be developed under Component 2 of the RLRP.

1.2. Rationale of the labour assessment and management procedures

The overall environment and social risk rating is substantial. The project ESCMF has identified the potential for some risks and impacts associated with workers as well as community health and safety. The Labour Assessment and Management Procedure (LAMP) aims to manage and mitigate such labour related risks and impacts. This LAMP therefore sets out the projects approach to meeting national requirements as well as the objectives of the environment and social standards. It applies to full time, part time, temporary, seasonal or migrant workers employed by the project and her related contractors and/ or the community.

The LAMP has evaluated the potential labour risks associated with the project based on type of work and workers and documented suitable mitigation measures. The roles and responsibilities for the implementation of the LAMP has also been documented in line with the project structure. The LAMP may be updated during the project implementation in response to change in or new labour requirements and / or risks and impacts identified.

2. OVERVIEW OF LABOUR USE IN THE PROJECT

2.1. Application of LAMP

While the exact labour use in RLRP will be determined during the project implementation stage (including the number, characteristics and timing of labour requirements), below is the overview of anticipated national project workers in RLRP. As mentioned earlier, this LAMP will be updated at start up and during project implementation in response to changed or new labour requirements and/ or risks and impacts identified.

Direct workers: These are civil servants/staff and consultants employed by the PCU. They will be involved in the overall project management , implementation roll out in project, capacity building and field support, monitoring and reporting of project implementation progress and studies and assessments. All provisions will apply to all project workers encompassing fair treatment, non-discrimination and equal opportunity, as well as freedom of association and collective bargaining in a manner consistent with national laws, as well as accessible grievance response mechanisms (GRMs) to raise workplace concerns. Note that only a subset of provisions applies to civil servants which are otherwise governed by the respective national law.

Contracted workers: This category includes employees and other workers paid by project contractors including those receiving salary top ups, incentives, stipends or per diems by the contractors. Consultants will be hired to undertake technical studies, feasibility studies and surveys. If labour management instruments are being prepared for the downstream investment pipeline, then such instruments will include an assessment of skilled workers engaged by sub-contractors (e.g. heavy machine operators) and unskilled community members engaged by the contractors (e.g. host community members and IDPs, including female workers).

Unskilled community members engaged by the contractor: The project is designed to maximize the employment generation through engaging community members as unskilled workers. To ensure equal opportunities in employment, the contractor will be contractually required to coordinate with the PIU to prioritize the host communities and vulnerable groups in the engagement of such workers, including female workers, IDPs and persons with disabilities. Local community action groups are expected to support the selection of unskilled workers. The work assigned for unskilled female workers will include community engagement, traffic management, sand spreading, hand compacting and daily site cleaning and rubbish removal. The use of brokers or intermediaries to source unskilled workers is not expected¹.

Primary supply workers: Primary Suppliers are those suppliers, who on an ongoing basis, provide directly to the project goods or materials essential for the core functions of the project. These could be regular suppliers of project construction material. The primary suppliers will be required to demonstrate that they are managing child labour, forced labour and safety concerns for their workers. The environment and social inclusion specialists will be required to carry out due diligence monitoring. This will only apply to labour management instruments being prepared for the downstream investment pipeline.

¹Under the Somali Labour Code (Article 124), it is unlawful for any person to act as an employment agent.

Community workers: These are people employed or engaged in providing community labour, for example, community members who are involved in the project as members of community infrastructure committees, serve as community mobilizers or supervisors.

Civil servants: Government civil servants (including Federal, State and district officers in the ministries and departments) will remain subject to the terms and conditions of their existing public sector employment including security and GBV/SEA measures will apply.

3. ASSESSMENT OF KEY POTENTIAL LABOUR RISKS

3.1. Assessment of key labour risks

The Project's environmental and social risks are rated as substantial and has identified the potential for some risks and impacts associated with workers and community health and safety. This labour assessment and management plan (LAMP) developed for Rural Livelihoods and Resilience Project aims to manage and mitigate the labour related risks and impacts. The Potential labour risks during the implementation of this project are those related to labour and working conditions, such as work-related discrimination, GBV and security risks as summarised below:

Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH): Given the context, sexual harassment, exploitation and abuse of co-workers is a risk in this and downstream projects. Thus, all staff and contracted workers should sign a code of conduct outlining expected standard of behaviour in this regard and attend an awareness session on the same including the consequences of such actions. The grievance mechanism to be established will ensure special, confidential provisions for SEA/SH related grievances.

Child Labour: Somalia is among the top 10 countries of the world with highest child labour risks. Close to 40 per cent of all children under 15 of age are put to work in Somalia, where they engage in the worst form of child labour, according to the ILO². Somalia has ratified key international convention to protect children such as the United Nations Convention on the Rights of Children (UNCRC) and ILO Worst Forms of Child Labour Convention No 182 (1999) and has enacted some key laws that include the constitution and the general education law. Somalia is yet to ratify outstanding international and continental conventions, in particular the ILO Minimum Age Convention, 1973 (No. 138) and the African Charter on the Rights and Welfare of the Child. While not considered high risk for the technical work under this project, as the project will recruit skilled field staff with post-secondary school academic qualification for the data collection workers, labour instruments for the pipeline/downstream projects need to clearly assess those risks. The same applies for forced labour risks, which overall are less likely.

Labour Disputes over Terms and Conditions of Employment: Labour disputes are common in Somalia. Likely causes for labour disputes include demand for limited employment opportunities; labour wages rates and delays of payment; disagreement over working conditions; and health and safety concerns in work environment. As with other risks, the highly specialized workforce under this Project will prevent high vulnerability and risks in this regard, while for downstream projects, the risks will be considerably higher. However, implementing those projects' policy on sound labour treatment, project contractors/subcontractors will be required to provide their labours with information on the employment, while negotiating to reach a consensus on terms and conditions of employment with the labourers before signing labour contract for implementation. Monitoring the compliance with implementation of the terms of work conditions that have been signed labour contract of both sides

² ILO. National employment policy for Somalia finalized. February 27, 2019. https://www.ilo.org/africa/media-centre/pr/WCMS_673622/lang--en/index.htm

and carrying out strictly the GRM for labourers will be the effective mitigation measures to address the labour disputes during the projects' implementation.

Discrimination and Exclusion of Vulnerable Groups: Discrimination and exclusion of vulnerable groups is a risk under this Project, while there is an intrinsic motivation to hire the best available experts, thereby mitigating risks. For downstream interventions the risks are considerably higher. While unemployment and underemployment are widespread in Somalia, if unmitigated, vulnerable groups of people may be subject to increased risk of exclusion from employment opportunities under the project altogether or target for discriminatory labour practices such as unfair wages. Exclusion from employment opportunities under the project may be due to clannism, discrimination against minority groups and nepotism unless the project incorporates specific mitigation measures. Such groups may include women, IDPs and persons with disabilities. In addition, minority groups, including ethnic minorities such as Bantu, Bajuni, Benadiri, RerXamar, Bravanese, as well as artisanal and occupational groups such as Midgan, Gaboye, Tupal, Yibir, and Galgala may be marginalized or excluded. Sexual harassment and other forms of abusive behavior by workers will also have the potential to compromise the safety and wellbeing of the vulnerable groups of workers and the local communities, while adversely affecting project performance.

Labour risks associated with contracted workers at subproject level. This risk applies solely to downstream projects. Subprojects in those interventions will be implemented by local contractors and most contracted workers will likely be hired locally. All contractors will be required to have a written contract with their workers materially consistent and in compliance of this LAMP, in particular about child and forced labour, following the requirement of IFAD.

Security risks: Security risks are relevant for this and downstream projects, with different intensity. Travel safety and related security risks are central for this Project. With Al-Shabaab still in control of parts of the country and their attacks frequently targeting government and other strategic infrastructure, the security risk for the project workers is substantial. Communal and criminal violence add to the risk.

All contractors and workers involved with delivering the project will:

- I. commit to the prevention of forced and child (under 18) labour;
- II. address concerns including security protocols and protection from GBV/SEA/SH and infectious diseases; and
- III. need to be trained including the code of conduct (CoC) for workers and access to project GM, GBV/SEA/SH. In addition, for direct workers (PCU staff and contracted workers) the project will commit to (a) promote fair treatment, non-discrimination and equal opportunity; (b) put in place measures to prevent and address harassment, intimidation, and/or exploitation; and (c) provide accessible means to raise workplace concerns/GM including GBV/SEAH, which will be confidential and ensure non-retaliation

Table 1: Analysis of the labour risks and possible mitigation measures:

Risk/Impact	Analysis	Risk Mitigation Measures
<p>Discrimination of employment on the basis of gender, disability or ethnicity</p>	<p>The risk of discriminating on the basis of gender, disability and ethnicity/clannism in recruitment exists especially at the local level during the implementation process.</p>	<p>Decisions relating to the employment or treatment of project workers will not be made on the basis of personal characteristics unrelated to inherent job requirements.</p> <p>The employment of project workers will be based on the principle of equal opportunity and fair treatment, and there will be no discrimination with respect to any aspects of the employment relationship, such as recruitment and hiring, compensation (including wages and benefits), working conditions and terms of employment, access to training, job assignment, promotion, termination of employment or retirement, or disciplinary practices. The CoC (see template in Annex 1), to be signed by all workers, is aimed at preventing and addressing harassment, intimidation and/or exploitation (an abbreviated CoC is presented in Annex 2) -Contractors will be compelled to offer a written undertaking and commitment to safeguard the interests of women, including ensuring gender parity at the workspace, provide appropriate sanitation facilities at the workplace and appropriate PPEs for women and persons with disability</p> <p>Employees and workers will equally have unfettered access to the GM channel to raise their concern</p> <ul style="list-style-type: none"> -The Social Accountability Committee (SAC) will provide accountability checks to ensure that cases of discrimination are reported and addressed promptly -The social specialists will routinely and periodically supervise and monitor the project's approach and actions to ensure that no cases of discrimination occur or if they occur they are addressed immediately through the appropriate channels
<p>Use of child labour</p>	<p>The Labour Code 1972 prohibits work for children below the age of 15 years and makes special provisions for workers aged 18 years and below.</p>	<ul style="list-style-type: none"> -The Project will only allow deployment of workers in line with the Labour Code 1972 in all project worker categories -The project will require the implementation of age verification procedures by contractors for all its prospective employees, the verification procedure will be shared and verified by the social specialists -The contractor will keep a list of all the workers at the site together with their details including age. These data will be shared periodically and on demand with the PCU and IFAD

		-The PCU will work closely with the State and District Labour Inspectors to ensure and monitor compliance with the Labour code.
Terms and conditions of employment	The Labour Code 1972 stipulates that remuneration must be adequate in view of the quality and quantity of the work delivered, and must be non-discriminatory in regards to age, gender and other aspects IFAD labour procedures provides for the promotion of fair treatment, non-discrimination and equal opportunity of project workers.	Project workers will be provided with information and documentation that is clear and understandable regarding their functions, terms and conditions of employment. The information and documentation will set out their rights under national labour and employment law (which will include any applicable collective agreements), including their rights related to hours of work, wages, overtime, compensation and benefits. This information and documentation will be provided at the beginning of the working relationship and when any material changes to the terms or conditions of employment occur -The documentation will be translated into Somali and read out to workers who may not be literate -The workers will also be provided with accessible and safe means to raise workplace concerns. This will be done through the special GM and project grievance mechanism as well as formation and joining of collective bargaining bodies (workers union)
Use of forced labour	There is a risk of forced labour being used during the recruitment of more female labours to join the workforce in the project. In addition, community level labour may be provided through force by parents/guardians and/or community leadership.	-All employees will be required to read, understand and sign the employment agreement and the relevant CoC and for those unable to read, the employment agreement will be read to them in Somali -The workers will be provided with safe and accessible means to raise workplace concerns using a workplace GRM. In addition, the workers could use the project GRM. They should also be able to form and join of collective bargaining bodies to air their grievances -Any contractor engaged in the project shall undertake in writing not to accept, directly or indirectly to accept, allow or aide any form of forced labour -Work closely with the State and District Labour Inspectors to ensure that forced is not provided. -The SAC will publicly encourage any persons employed or working against their own will to come forward through the available channels or through them to raise their objections -The Social Specialist and the PCU will pay attention to the condition of workers during monitoring and supervisory visits.
GBV/SEA	Communities, especially women, girls and children living around project sites are at risk for	The project shall adhere to the measures proposed in the GBV Action Plan and Stakeholder

	different forms of genderbased violence.	<p>Engagement Plan (SEP). The mitigation measures will include:</p> <ul style="list-style-type: none"> • Sensitize project workers and beneficiary communities on GBV/SEA • Sensitize communities on GBV/SEA and the referral pathways • All project personnel to be sensitized on GBV/SEA as well as the beneficiary communities • The CoC, to be signed by the workers contains provisions on GBV/SEA
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4. LEGAL REGULATORY AND INSTITUTIONAL FRAMEWORK OF LABOUR IN SOMALIA

4.1. Overview of Somalia National Labour Code

The Provisional Constitution of the Federal Republic of Somalia (adopted in August 2012) provides the legislative framework for labour issues. Labour Code of Somalia (Law Number 65, adopted in 1972) is the specific labour law governing all aspects of labour and working conditions, which covers the contract of employment, terms and condition, remuneration, and, trade unions and labour authorities. The provisions of the Labour Code apply to all employers and employees in all project areas. The Labour Code is applicable to all project workers (see Section III on the institutional framework). The public service or public institutions are governed by the Civil Service Law (Law Number 11).

4.2. ILO Convention Ratified by Somalia

Somalia has been a member of the International Labour Organization (ILO) since 1960. The country has ratified 6 out of 8 fundamental conventions of ILO, including the following:

- Forced Labour Convention (1930/no. 29): The key objective of the Convention is to suppress the use of forced labour in all its forms. It defines forced labour as ‘all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily’. The Convention has been in force in Somalia since it was ratified in 1960.
- The Freedom of Association and Protection of the Right to Organize Convention (1948) No 87: Article 3 (1) Workers' and employers' organizations shall have the right to draw up their constitutions and rules, to elect their representatives in full freedom, to organize their administration and activities and to formulate their programs. Somalia ratified the Convention in 2014.
- The Right to Organize and Collective Bargaining Convention, 1949 (No. 98, ratified in 2014): Article 1 Each Member which ratifies this Convention shall take immediate and effective measures to secure the prohibition and elimination of the worst forms of child labour as a matter of urgency. Somalia ratified the Convention in 2014.
- Convention Concerning Forced or Compulsory Labour (ILO No. 29): Article I Each Member of the International Labour Organization, which ratifies this Convention, undertakes to suppress the use of forced or compulsory labour in all its forms within the shortest possible period. Article 5 1. No concession granted to private individuals, companies or associations shall involve any form of forced or compulsory labour for the production or

the collection of products which such private individuals, companies or associations utilize or in which they trade. The Convention has been in force in Somalia since Nov 18th, 1960.

- Convention on the Rights of the Child: The Convention on the Rights of the Child from 1989 is the most comprehensive compilation of international legal standards for the protection of the human rights of children. It acknowledges children as individuals with rights and responsibilities according to their age and development, as well as members of a family or community. This includes non-discrimination, the best interest of the child, the right to life, survival and development and the right to participation. Somalia ratified the Convention in 2015.
- Constitution of the International Labour Organization: The constitutional principle is that universal and lasting peace can be established if it is based on social justice. The ILO has generated such hallmarks of industrial society as the eight-hour work day, maternity protection, child labour laws, and a range of other principles. Somalia has been a member of the ILO since 1960.
- ILO Convention 182 on Worst Forms of Child Labour: Ratification of this Convention makes a country commit itself to taking immediate action to prohibit and eliminate the worst forms of child labour. Some predefined worst forms of child labour include sale of a child, trafficking of children, forced or compulsory labour, commercial exploitation of children, prostitution or the production of pornography, and work by its nature that is likely to harm the health, safety and morals of children. The Convention was ratified by Somalia in 2014

The following laws and commitments were ratified by Somalia in April 2021:

- Violence and Harassment Convention, 2019 (No. 190);
- International Labour Standards Convention, 1976 (No. 144);
- the Occupational Safety and Health Convention, 1981 (No. 155);
- the Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187);
- the Migration for Employment (Revised) Convention, 1949 (No. 97);
- the Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143);
- the Private Employment Agencies Convention, 1997 (No. 181)

4.3. Institutional Framework

The Federal Labour Ministry and Social Affairs (MOLSA) is responsible for labour policy and regulatory frameworks. The State Labour Ministry in each State is in charge of implementation of the labour code, including the labour inspection. While five federal member states have labour ministries, only Puntland and Somaliland have labour inspectors under the minister. Others have no functioning labour inspection. The function of labour inspection is under The Department of Legal and Labour Relations (DLLR) that is tasked to work towards promoting minimum standards for workplace practices in Somalia through developing policy, legal and institutional framework, regulating various aspects of labour relations for all workplaces, setting the rights and responsibilities of employees and employers in the workplace. While the new government established under the new Provisional Constitution is still nascent, there is significant gap³ in the implementation of the Labour Code.

The Labour Code of 19724 stipulates that all employment contracts must include:

- a) the nature and duration of the contract;

³ 3 The ILO is supporting the government in developing capacity of the MOLSA, Labour Ministries of Federal Member States and labour partners (Employers and Workers) for effective implementation of Labour Code

- b) the hours and place of work;
- c) the remuneration payable to the worker; and
- d) the procedure for suspension or termination of contract.

Furthermore, all contracts must be submitted to the competent Labour Inspector for pre-approval. With regard to OHS standards, the employer is obligated to provide adequate measures for health and safety, protecting staff against related risks, including the provisions of a safe and clean work environment and of well-equipped, constructed and managed workplaces that provide sanitary facilities, water and other basic tools and appliances ensuring workers’ health and safety. The Labour Code further forbids work for children below the age of 15 but allows employment of children between the age of 15-18. However, the employment has to be compatible with proper protection, health and the moral of children. The Code also recognizes freedom of association. Employers are prohibited from engaging in any kind of discrimination or restriction of the right of freedom of association. Workers are allowed to join trade unions. The Labour Code stipulates the right to equal pay for the same work as men and paid maternity leave. Women are entitled to 14 weeks of maternity leave at half pay.

The government has established institutional mechanisms for the enforcement of laws and regulations on child labour (Table 2). However, gaps exist within the operations of enforcement agencies that may hinder adequate enforcement of child labour laws

Table 2. Agencies Responsible for Child Labor Law Enforcement

Agency	Role
Somali Police Force (SPF)	Investigates and enforces laws related to the worst forms of child labor. The Counter-Trafficking and Organized Crime Unit has six officers. The SPF's Airport Police Task Force investigators are trained to recognize trafficked persons based on behavioural indicators and suspicious documents. The SPF Criminal Investigation Division continued to operate a unit dedicated to investigating cases of human trafficking for prosecution in 2020. However, the unit did not report any human trafficking cases during the reporting period.
Ministry of Labor and Social Affairs (MOLSA)	Investigates and enforces laws related to the worst forms of child labor.
Ministry of Defense	Operates separately from civilian law enforcement bodies, and leads efforts to combat the use of child recruitment and abduction by al-Shabaab. (7) Through the Child Protection Unit (CPU), screens Somali National Army (SNA) units for child soldiers. Raises awareness of child soldier issues, and implements standard operating procedures on protecting children associated with armed conflict

4.4. Occupational health and safety

The Somalia Labour Code and Somaliland Labour Law of 2021 cover protection against risks to the workers, notification procedures in occupational accidents, medical requirements at site and conveyance of injured workers to the hospitals, among others.

4.5. Discrimination and Abuse

Somalia’s Provisional Constitution provides that “all workers, particularly women, have a special right of protection from sexual abuse, segregation and discrimination in the workplace. Every labour law and practice shall comply with gender equality in the workplace” (Article 24-5). The following are the

relevant provisions in the Labour Code. Expecting and nursing mothers (Article 91): No woman worker shall be discharged during a period of pregnancy, as duly confirmed by a medical certificate, until the end of the period of leave mentioned in the next succeeding paragraph or until the child is 1-year-old, provided that this rule shall not apply to the following cases:

- The cessation of the activity of the undertaking in which the woman worker is employed; and the completion of the work for which the woman worker was engaged or the termination of the employment relationship on the expiry of the stipulated term.
- **Child labour and forced labour:** a. Prohibited work (Article 90): The term “children” means persons of either sex who have not attained the age of 15 years and the term “young persons” means those who have attained the age of 15 years but have not attained the aged of 18 years. Where the age is uncertain, medical opinion shall be obtained.
- **Unlawful to employ children (Article 93):** It shall be unlawful to employ children under the age of 15 years, provided that this restriction as to age shall not apply to:
 - Pupils attending public and state-supervised trade schools or non-profitmaking training workshops.
 - Members of the employer’s family and his relatives if they are living with him and are supported by him and are employed on work under his orders in an undertaking in which no other persons are employed.
- **Minimum age for certain types of work (Article 94):** The minimum age for employment on a vessel as a trimmer or stoker or on underground work in quarries or mines shall be 18 years, provided that the minimum age for any other employment on a vessel (including a fishing vessel) shall be 15 years. Young persons under the age of 16 years shall not be employed in work done on flying scaffolds or portable ladders in connection with the construction, demolition, maintenance or repair of buildings.
- **Freedom of Labour (Article 6):** Forced or compulsory Labour is forbidden in any form

5. IMPLEMENTATION ARRANGEMENT OF THE LAMP

The Project Coordination Unit (PCU) at the Ministry of Agriculture and Irrigation (MoAI) will be responsible for overall project management and coordination, including compliance with ESF requirements such as those on labour and working conditions. The PCU will be responsible for the overall project management and coordination, including compliance with safeguards requirements such as those contained herein. The PCU will engage consultants, as necessary, with expertise in environmental, social, OHS issues, public health, security, GBV and will work closely with other government officers including the Labour Inspectorate, and Safety and Health Officers. The PCU will have the following tasks in relation to labour and working conditions:

- recruit, assign and supervise the work of environmental and social specialists, as well as a communications and outreach specialist and a security advisor to this project with experience of labour management.
- promote and ensure the overall implementation of this LAMP, including training and orientation of staff at the Ministry of Public Works, and contractors and primary suppliers.
- ensuring that the PCU, contractors and primary suppliers comply with the provisions of this LAMP.
- guide the contractors in the preparation of their labour management procedures.
- report to IFAD on the implementation of the LAMP every 6 months.

The social and environmental specialists on the PCU will be responsible for promoting the implementation of the LAMP and OHS requirements within the project. The Project Coordinator and the entire PCU take responsibility for the implementation of these components which are integral to the project.

6. POLICIES AND PROCEDURES

Occupational Health and Safety: The relevant provisions of the National Labour Code (Articles 101-104) and IFAD standard procurement documents, the overseeing Ministry as well as the MoH will manage the project in such a way that the workers and the community are properly protected against possible OHS risks. The detailed OHS measures are provided in the ESCMF for this project. For labour management, the key elements of OHS measures will include:

- a) identification of potential hazards to workers;
- b) provision of preventive and protective measures;
- c) training of workers and maintenance of training records;
- d) documentation and reporting of occupational accidents and incidents;
- e) emergency preparedness; and
- f) remedies for occupational injuries and fatalities.

Specific OHS terms and conditions will be established in all relevant project bids and contracts (including service, works, construction, consultancies, etc.).

Labour disputes over terms and conditions of employment: The project will have GRMs for direct workers. Contractors will be required to have a GRM for contracted workers, to promptly address their workplace grievances. Further, the project will respect the project workers' right of labour unions and freedom of association.

Discrimination and exclusion of vulnerable groups: The employment of workers under the project will be based on the principle of equal opportunity and fair treatment, and there will be no discrimination based on personal characteristics unrelated to inherent job requirements with respect to any aspects of the employment relationship, such as relating to recruitment and hiring, terms of employment (including wages and benefits), termination and access to training. The project shall comply with the national Labour Code on gender equality in the workplace, which will include provision of maternity leave and nursing breaks, and sufficient and suitable toilet and washing facilities, separate for men and women workers. In some cases, affirmative action measures will be used to recruit more female health workers.

Security risks: Considering substantial security risks in some parts of the country, the project will develop a security management framework, based on a security risk assessment for the project. The PCU shall assign a focal point the role of a security officer as soon as the project becomes effective.

Monitoring and Reporting: The PCU shall report on the status of implementation of the above policies and procedures on a bi-annual basis. The PCU will closely monitor labour and OHS performance of the project and report to the IFAD on a bi-annual basis. **Fatality and serious incidents:** In the event of an occupational fatality or serious injury, the PCU shall report to IFAD as soon as becoming aware of such incidents within 48 hours of learning of the incidence incident and inform the government authorities (where available) in accordance with national reporting requirements (Labour Code Article 102). Corrective actions shall be implemented in response to project-related incidents or accidents. The PCU shall conduct a root cause analysis for designing and prepare a report outlining the steps to be implementing further corrective actions.

Minimum age of workers: No one under 18 years of age will be employed/engaged in relation to the project. Verification of age shall be undertaken prior to the engagement of labour and be documented. In Somalia context where official ID system is broadly unavailable, the PCU is advised to:

- (i) check the birthday on official documents such as birth certificate, national ID or other credible records, where available;
- (ii) where possible, obtain written confirmation from the medical practitioner, parents or guardian; or
- (iii) inquire with the local community leader, community action group or with other credible community sources.

The PCU will undertake monitoring, at a minimum every six months, of all project workers, to ensure that all contractors, subcontractors and primary suppliers engaged in project activities are not employing/engaging anyone under 18 years of age for work in relation to the project. If a person under the minimum age of 18 years is discovered working on project activities, the PCU will take measures to terminate the employment or engagement of that person in a responsible manner, considering the best interest of that person.

To ensure that the best interests of the child under 18 years are considered, the PCU will undertake, and ensure that all contractors, subcontractors and primary suppliers also undertake remediation within a reasonable time period agreeable to IFAD.

The remediation activities could include, among other options:

- (i) enrolling the child in a vocational training/apprenticeship program, but which does not interfere with the child's completion of compulsory school attendance under national law; or
- (ii) employment of a member of the child's family, who is at least 18 years of age, by the primary supplier, contractor, or subcontractor for project-related or other work.

7. TERM AND CONDITIONS OF PROJECT WORKERS

Project workers: The terms and conditions for direct workers will be governed by the contracts with the PCU and contracted workers with their employees. The terms and conditions of short-term and temporary staff will be based on a specific assignment to be completed within a certain period at a pay rate per day. These terms and conditions will be discussed at recruitment and before training commences and a CoC signed. The Labour Code of Somalia presented in Section 5 (Overview of Labour Legislation) is the guiding legislation on employment terms and conditions for all workers. Below are key components of the terms and conditions that should be applied to project workers under the SHIP project.

Provision of written individual contract of employment: A written individual contract of employment shall be provided to project workers that specify the following:

- name of worker;
- address, occupation, age and sex of worker;
- employer's name and address;
- nature and duration of contract;
- hours and place of work;
- remuneration payable to the worker; and
- procedure for suspension or termination of contract.

Depending on the origin of the employer and the employee, employment terms and conditions will be communicated in a language that is understandable to both parties. In addition to written documentation, an oral explanation of conditions and terms of employment will be provided to workers who may have difficulty understanding the documentation.

Notice for termination of contract: Either of the contracting parties may terminate a contract of employment by giving written notice as under:

- not less than ten days in the case of manual workers; or
- not less than 30 days in the case of non-manual workers.
- No notice needs to be given in case the duration of contract does not exceed one month. For vaccinators and supervisors who may be found in breach of confidentiality or falsifying information, termination should be forthwith even if contractual period is more than one month.

Minimum wages: While the mechanism to set the official minimum wage by Presidential decree (Labour Code, Article 72) is not currently functioning, the market rate is available for each job type in different localities. The fair market rate will be identified and applied for project workers. The legal provisions on hours of work, rest per week, hours per week, annual leave, maternity leave, nursing breaks for female workers, deductions of remuneration and all other benefits will be aligned to the legal provisions. Where collective agreements exist between the employer and project workers, such agreements will be applied, where relevant.

8. GRIEVANCE MECHANISM

8.1. Introduction

A grievance response mechanism (GRM) for direct workers will be established, while contractors will establish their own GRMs. Typical workplace grievances include fair and equal opportunity for employment; labour wage rates and delays of payment; disagreement over working conditions; and health and safety concerns in the work environment. The GRMs will be established together with managers to ensure they build on and strengthen existing structures to have a trusted and confidential system. All workers will be informed of the GRM at the time of recruitment and the measures put in place to protect them against any reprisal for its use. Handling of grievances should be objective, prompt, confidential and responsive to the needs and concerns of the aggrieved workers, enabling them to prevent, mitigate, or resolve tensions and problems before they escalate into more serious issues that will require extra resources to address. The mechanism will also allow for anonymous complaints to be raised and addressed. Individuals who submit their comments or grievances may request that their name be kept confidential. The workers' GRM is not the same as the project GRM to be established for project affected stakeholders, although if project workers are unable to resolve issues related to this LAMP in their workers' GRM, they can raise their complaints through the project GRM. The PCU should emphasize that the GRM is not an alternative/substitution to legal/judicial system for receiving and handling grievances. However, this is formed to mediate and seek appropriate solutions to labour related grievances, without the cost and time of escalation.

8.2. Accessibility of the GRM

Measures will be put in place to make the grievance mechanism easily accessible to all such project workers in line with the following:

- **General principles:** Typical workplace grievances include demand for employment opportunities; labour wages rates and delays of payment; disagreement over working conditions; and health and safety concerns in work environment. Therefore, a separate grievance response mechanism will be established for project workers (direct workers and contracted workers). Handling of grievances should be objective, prompt and responsive to the needs and concerns of the aggrieved workers. The mechanism will also allow for anonymous complaints to be raised and addressed. Individuals who submit their comments or grievances may request that their name be kept confidential.
- **Direct workers:** The project will have a compact but effective grievance system for direct workers. Each unit engaging direct workers (PCU, field staff, enumerators and the consultants) will hold periodic team meetings to discuss any workplace concerns. The grievance raised by workers will be recorded with the actions taken by each unit. The summary of grievance cases will be reported to IFAD as part of the regular report. Where the aggrieved direct worker wishes to escalate their issue or raise their concerns anonymously and/or to a person other than their immediate supervisor/hiring unit, the worker may raise the issue with the higher authority. Where the consultant has an existing grievance system, their direct workers should use such mechanism.
- **National Appeal Process:** As per the national Labour Code (Article 134), any individual labour dispute can be submitted by any of the parties to the competent district labour inspector for reconciliation, where such labour inspector is available. The inspector is mandated to attempt to settle the dispute within 14 days of its submission.
- **Grievances related to Gender Based Violence (GBV):** To avoid the risk of stigmatization, exacerbation of the mental/psychological harm and potential reprisal, the grievance mechanism shall

have a different and sensitive approach to GBV related cases and should be dealt with according to the complainant's informed consent. Where such a case is reported, the complainant, should be provided with information about and assistance to access if requested: confidential appropriate medical and psychological support, emergency accommodation, and any other necessary services as appropriate including legal assistance. All staff and GRM focal points should be informed that if they if a case of GBV is reported to them, the only information they should establish is if the incident involves a worker on the project, the nature of the incident, the age and sex of the complainant and if the survivor/complainant was referred to service provision. If a worker on the project is involved the incident should be immediately reported to the National Program Coordinator who will provide further guidance after consulting with the IFAD.

Somalia

Rural Livelihoods Resilience Programme

Project Design Report

Annex: Annex 13 Rlrp Programme Procurement Aspects Rev1

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Near East, North Africa and Europe Division
Programme Management Department

Annex 13- Procurement
Rural Livelihoods Resilience Programme (RLRP)
Project Design Report

SECTION 1: PIM – RLRP - PROJECT PROCUREMENT RULES AND GUIDANCE

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1 Applicable Procurement Rules

1. As part of the initial design of the Rural Livelihoods Resilience Programme (RLRP), IFAD undertook (i) country procurement assessment; and (ii) arrangements for procurement to be followed during the Project implementation. The outcomes of the assessment have shown that although the "Public Procurement, Concessions and Disposal Act" (PPCDA), dated 23rd November, 2015 covers most of the areas of transparency of arrangements, the degree of emphasis on open and competitive procedures, the monitoring of procurement results, and the extent of access to appeal and redress arrangements, there is no evidence that the requirements of the procurement Act are adhered to by public institutions. While procurement methods are clearly provided for in the Act, there is no focus on the capacity building of the public officials involved in public procurement. The Public Procurement authority (PPA) does not have adequate capacity to fulfil all its obligations as stipulated in the Act. The private sector faces many challenges and its growth is slow. The bid review mechanism is independent, but the extent of bidders' trust in it is not evident. Internal control and audit framework exist, but it is not focused on procurement. Except for the provisions in the Act, there are no anti-fraud and corruption measures in place to prevent and fight corruption in public procurement. The code of ethics specific to procurement does not exist. There is no electronic procurement yet.

Until such time that the PPA is operationalized:

- a. Procurement of goods, works and services shall be carried out in accordance with the provisions of **the IFAD Project Procurement Guidelines**¹.
- b. **The National Programme Coordination Unit (NPCU)** will fully abide by the provisions of the Financing Agreement, Project Design Report, Letter to the Borrower/Recipient, and IFAD Project Procurement Guidelines as well as with IFAD Procurement Handbook based on the above. The provisions of such references are generally not repeated in this Chapter, and the **Programme Coordination Unit** shall persistently consult with the same. Whenever IFAD's Operational Policy and Results Division (OPR) issues a circular, guidance or clarification, the **Programme Coordination Unit** will comply with the same and will amend the PIM accordingly.
- c. The **NPCU** will endeavour to recruit, train and sustain procurement staff in the required numbers and qualifications. The **NPCU** will ensure that any procurement staff is well versed with this Manual, IFAD procurement Guidelines as well as with IFAD Procurement Handbook.

2 Procurement Methods, Thresholds and Prior Review

2.1 Procurement Plans (PP)

2. The PP shall be prepared using IFAD's template, shall be fully aligned with the AWP&B, and shall be submitted for No Objection sufficiently in advance before the planned start of any procurement activity in the plan. No procurement activity shall start unless it is present in a PP that received a No Objection. The PP shall be updated with actual dates/figures and shall be upgraded for any changes in the procurement methods, addition of activities, elimination of others, increases in the budget, etc. Any upgrade to the PP shall also be submitted for No Objection. Procurement activities and their respective methods and timelines shall be strictly

¹ Any reference to IFAD Project Procurement Guidelines also includes the IFAD Procurement Handbook. Ensuring that applicable procurement rules are consistent with IFAD's Project Procurement Guidelines is mandatory; the Handbook is used as a guidance document for the borrower/recipient. For both the Guidelines and the Handbook, the latest version shall always apply.

adhered to. Further guidance on estimation of costs and schedule is provided under Section 3.2 of this PIM Chapter. The PP template is available at www.ifad.org/project-procurement.

3. The first PP shall be for an 18-months period and subsequent PP's shall be submitted on an annual basis shortly before the start of the fiscal year. At the end of each fiscal period, all outstanding procurement activities (i.e. not contracted yet) shall be transferred to the upcoming PP with its planned and achieved actual dates included as well.
4. Regardless of the time limits established by National procurement rules (if applicable), the time limits pre-designed into the PP template and automatically generated by it will be fully respected.
5. IFAD's No Objection needs to be sought prior to publishing any General Procurement Notice (GPN). The GPN template is available at www.ifad.org/project-procurement. The publication of an initial GPN (covering first 18 months of implementation) as well as subsequent publication of annual updated GPNs are highly recommended. The GPN should mandatorily include all open procurement methods in the upcoming period covered by the PP (i.e. REOI, Request for Prequalification, openly advertised consulting services, ICB and NCB) and preferably also other non-open procurement activities (e.g. prior-list based consulting services, shopping, Limited International Bidding, Direct Contracting and Single Source Selection).
6. The use of the PP for activities entrusted to Implementing Partners (goods, works, consulting services, non-consulting services, grants or loans) is subject to the provisions elaborated in sections 3.4 and 4.3 below.

2.2 Contract Register (CR) and Contract Monitoring Tool (CMT)

7. The CMT is a mandatory platform for the recording and monitoring of all contracts. It includes
 - a) procurement contracts (goods, works, services, and non-consulting services): all contracts and purchase orders signed based on the PP covering all procurement methods and contract types;
 - b) Grants (all first-level in kind and monetary grants): The procurement method for Grants will include competitive methods such as QCBS, QBS, FBS, CQS, ICS or non-competitive methods such as SSS or Selection based on project design/PIM; competitive methods are always recommended unless duly justified and exceptional; FBS is the closest method to grants where the ceiling is fixed;
 - c) Implementing Partner contracts (MoU, MoA): including all agreements with all types of third parties who will be delegated procurement authority such as UN agencies and community participation contracts whether contracted competitively or not; procurement methods for these implementing partners are the following:
 - (i) Community contract (single source selection)
 - (ii) Community contract (recipient or selection process defined at design/PIM)
 - (iii) Community contract (competitive selection)
 - (iv) Governmental body / State owned enterprises
 - (v) UN agency (competitive selection)
 - (vi) UN agency (single source selection)
 - (vii) NGO / International Organization (competitive selection)
 - (viii) NGO / International Organization (single source selection)
 - d) Subsidiary financing agreements and investment agreements: typically include financing contracts for micro-credit loans and other types of loans. In this case, only the first-level financing or refinancing contract selected using one of two methods shall be entered in the CMT:

- (i) Selection as defined in Design/PIM; or
 - (ii) Single Source Selection.
8. The Contract Register will be extracted as a Report directly from the CMT. It will be a cumulative document that is augmented progressively and automatically with the new contracts signed and inserted in the system.
 9. The ***NPCU will*** adopt the Contract Monitoring Tool deployed by IFAD and will dedicate sufficient resources to use and operate and generate reports from this system as instructed by IFAD. CMT Help section offers guidance and support on how to use this tool.
 10. The recording of contracts signed by Implementing Partners with third parties (goods, works, consulting services, non-consulting services, or grants) must also be made on the CMT and is subject to the provisions elaborated below in sections 3.4 and 4.3 below.

2.3 Tabular Summary of Applicable Methods and Thresholds

11. The default procurement method for goods, works and non-consulting services is the ICB; however, for procurement activities estimated to cost less than the ICB threshold, other procurement methods may be used as per the below table.
12. The default procurement method for consulting services (and non-consulting services similar to them) is the QCBS; however, for procurement activities estimated to cost less than the QCBS threshold, other procurement methods may be used as per the below table.

Procurement Methods, Thresholds and Time-limits² (Currency US\$)					
Procurement Methods →	DC (Direct Contracting)	Shopping (limited Request for Quotations)	NCB (National Open Bidding)	ICB (International Open Bidding)	PRIOR Review
Project Types and Time limits ↓					
Goods/NCS	Only in exceptional cases where sufficient justification is provided	≤ 35,000	> 35,000 to < 100,000	≥ 100,000	•All contracts ≤ 30,000 •All Direct Contracts
Works/NCS	Only in exceptional cases where sufficient justification is provided	≤ 90,000	> 90,000 to < 300,000	≥ 300,000	•All contracts ≤ 50,000 •All Direct Contracts
Minimum Time Limit to submit quotes/bids from launch	n/a	14 days	30 days	45 days	
Minimum Time limit for bidders to ask questions (measured from deadline)	Same day	7 days	15 days	25 days	
Minimum Time limit for NPCU to answer questions (measured from deadline)	Same day	5 days	10 days	20 days	
	SSS	CQS	QBS, FBS, LCS	QCBS	PRIOR Review
Consulting Services / NCS - Firms	Only in exceptional cases where sufficient justification is provided	≤35,000	< 50,000	≥ 50,000	•All contracts above ≤ 10,000 •All Direct Contracts

² The time limits in this table are minimum periods; the actual dates generated by the Procurement Plan for bid/proposal submission will be the ones adopted for each procurement activity.

Procurement Methods, Thresholds and Time-limits² (Currency US\$)					
Procurement Methods →	DC (Direct Contracting)	Shopping (limited Request for Quotations)	NCB (National Open Bidding)	ICB (International Open Bidding)	PRIOR Review
Project Types and Time limits ↓					
Shortlisting	Shortlisting using REOI is mandatory for CQS and ICS; Shortlisting (REOI or Prior List) is mandatory for all other methods ≥ US\$35,000				
Minimum Time Limit to submit proposals from launch	n/a	21 days (REOI) 21 days (RFP)	21 days (REOI) 45 days (RFP)	21 days (REOI) 45 days (RFP)	
Minimum Time limit for bidders to ask questions (measured from deadline)	Same day	10 days (REOI) 10 days (RFP)	10 days (REOI) 25 days (RFP)	10 days (REOI) 25 days (RFP)	
Minimum Time limit for NPCU to answer questions (measured from deadline)	Same day	8 days (REOI) 8 days (RFP)	8 days (REOI) 20 days (RFP)	8 days (REOI) 20 days (RFP)	
Individual	< US\$	Any contracts for consulting services estimated to cost US\$35,000 equivalent or less may be awarded on the basis of IC with due consideration of the principles set out in the Procurement Handbook 2020.			<u>All SSS Contracts</u>
Minimum Time Limit to submit proposals from launch	n/a	21 days (REOI) 21 days (RFP)			
Minimum Time limit for bidders to ask questions (measured from deadline)	Same day	10 days (REOI) 10 days (RFP)			
Minimum Time limit for NPCU to answer	Same day	8 days (REOI) 8 days (RFP)			

Procurement Methods, Thresholds and Time-limits ² (Currency US\$)					
Procurement Methods → Project Types and Time limits ↓	DC (Direct Contracting)	Shopping (limited Request for Quotations)	NCB (National Open Bidding)	ICB (International Open Bidding)	PRIOR Review
questions (measured from deadline)					
The aforementioned thresholds are subject to modification by the Fund during the course of Project implementation.					
Trainings, Workshops and Study-Tours	Trainings/Workshops are not procurement items as they are, but rather management issues. This may involve Services Procurement if hiring of a trainer is involved, it may involve the procurement of Goods if they buy training materials, it can be Non-consultancy Services Procurement if they rent a venue.				<ul style="list-style-type: none"> •All training with aggregate values above USD 20,000 •All international trainings

Table 1 - Applicable Methods, Thresholds and time limits

2.4 Special Procurement Arrangements

13. Procurement of goods, works and services shall be carried out in accordance with IFAD Project Procurement Guidelines and IFAD Procurement Handbook, by observing the following:

- Procurement will be carried out in accordance with provisions of the Grant Agreement and any duly agreed amendments thereto;
- Procurement will be conducted within the Project implementation period;
- The cost of the procurement is not to exceed the availability of duly allocated funds as per the Grant Agreement;
- Procurement is to be consistent with the duly approved annual work plan and budget (AWP/B) including a procurement plan (for the first time, the procurement plan will cover the first 18 months of the Project implementation period);
- Procurement is to result in the best value of money and fit for purpose.
- All goods, works and services procured will be exempt from duties and taxes.

2.5 Standard Procurement Documents (SPD) to be used

14. The PAL states which SPD's will be used; in case national templates need to be used, they need to be reviewed by IFAD in advance.

15. The following Standard Bidding Documents will be adopted by the Project for all procurement activities:

Procurement Method/Process	Standard Procurement Documents
Procurement Plan	<i>IFAD template</i>
GPN	<i>IFAD template</i>
SPN	<i>IFAD template</i>
ICB Works/NCS	<i>IFAD SPD</i>
ICB Goods/NCS	<i>IFAD SPD</i>
NCB Goods/NCS	<i>National SPD</i>
NCB Goods/NCS	<i>National SPD</i>
Shopping Works/NCS	<i>National SPD</i>
Shopping Goods/NCS	<i>National SPD</i>
Direct Contracting	<i>IFAD Standard Contract</i>
Request for Pre-qualification	<i>National SPD</i>
REOI	<i>IFAD SPD</i>
QCBS	<i>National SPD</i>
QBS, FBS, LCS	<i>National SPD</i>
CQS, ICS	<i>National SPD</i>
SSS	<i>IFAD Standard Contract</i>
Prequalification Report	<i>National template</i>
Shortlisting Report	<i>National Template</i>
Evaluation Report	<i>IFAD template</i>
Negotiation Report	<i>National Template</i>
NOITA	<i>IFAD template</i>
NoA	<i>IFAD template</i>

Table 2 - Applicable Standard Procurement Documents

16. If National documents and templates are permitted as per the above table, the **NPCU will** be responsible to ensure absence of any contradictions with IFAD's Guidelines. National procurement documents shall be amended to eliminate any inconsistency highlighted in Section 3.1 below; they shall also include the mandatory Self-Certification Forms (at bidding stage and at contract stage).

17. IFAD's Standard Procurement Documents are available at www.ifad.org/project-procurement.

2.6 Guidance Offered in the IFAD Procurement Handbook

2.6.1 Application of the Handbook

18. The IFAD Procurement Handbook includes “best practice advice on all elements of the procurement process for any IFAD-financed operation. It serves as a guidance document when country systems are used, and as an operations’ manual when IFAD systems are solely used.”
19. In the implementation of this Project:
20. The **NPCU** will rely on the Handbook for Guidance where National Procurement complies with IFAD Procurement Guidelines and will rely on the Handbook strictly for areas where National Procurement contradicts the provisions of IFAD Guidelines. These areas of contradiction are spelled out in section 3.1 below.

2.6.2 Key Provisions of the Handbook

21. Based on the above, the **NPCU** will refer to the Handbook following the below guidance on relevant sections for various procurement aspects:

Procurement Aspect	Reference in the Handbook
Procurement Planning and GPN	Module C
Procurement and Selection Methods	Goods, Works and NCS: Module F1 Consulting Services and NCS: Module F2
Direct Contracting and Single Sourcing	Goods, Works and NCS: Module F1 (Section 6) Consulting Services and NCS: Module F2 (Section 6)
Individual Consultants	Module F2 (Section 7)
Technical Specifications and Terms of Reference	Need identification: Module D Requirements & Specifications for Goods: Module E1 Requirements & Specifications for Works: Module E2 Terms of Reference: Module E3
Prequalification and Shortlisting	Module G
Preparation of Procurement Documents	Goods: Module H1 Works: Module H2 Consulting Services: Module H3 Contract Types: Module J
Bidding Process	Module I
Evaluation	General: Module K1 General Goods, Works and NCS: Module K2 Goods: Module K3 Works: Module K4 General Consulting Services: Module K5 QCBS: Module K6 LCS: Module K7 NCS: Module K8 Abnormally Low Bids (all methods): Module K9 Post-qualification (all methods): K10 Rejection of All Bids: Module O1
Formation of Evaluation committees	Module K1
Notifications for Intent to Award and for Award	NOITA: Module L1 NoA: Module L2
Standstill and Debriefs	Module M1
Protests and Appeals	Module M2
Negotiations and discussions	Negotiations (Consulting Services): Module N1 Discussions (Goods, Works and Services): Module N2
Contract Award	Module O2 and O3
Contract Management	Module P
Force Account	Module F1 (Section 7)
Community Participation	Module Q
Procurement from UN Agencies	Module F1 (Section 9)
Records Management	Module B

Table 3 - Mapping of Procurement Guidance in the Handbook

2.7 Prior Review Documentation

22. All prior review submissions shall be communicated and No Objections issued through the Online Procurement End-to-End (OPEN) system (For a transitory period, NO objections for non-procurement activities will continue on the IFAD No Objection Utility System (NOTUS)³). The below are the No Objection requirements for all transactions listed in the PAL:

2.7.1 Procurement Plan (PP)

23. The **Programme Coordination Unit** shall ensure IFAD's no Objection on each of the following:

- a) The initial 18-months PP;
- b) Annual PP's, subsequently; and
- c) Any upgrade to the PP.

2.7.2 The General Procurement Notice(s) (GPN)

24. The **Programme Coordination Unit** shall ensure IFAD's no Objection on each of the GPN's before publication.

2.7.3 ICB/NCB (Goods, Works, Non-Consulting Services)

25. Submission for No Objection shall be for the following procurement files and documents:

- a) Specific Procurement Notice (Announcement);
- b) Prequalification documents (if applicable) as well as Announcement for Prequalification;
- c) Prequalification report (if applicable);
- d) Bidding documents inclusive of Technical Specifications (including cost estimates and, as applicable, drawings, Bills of quantities, and schedules of requirements);
- e) Any amendments to the Bidding Documents;
- f) Evaluation Reports (including Bid Opening Reports) inclusive of all clarifications; in case of two-envelope procedure, separate opening and evaluation reports for the Technical envelopes and the Financial Envelopes in addition to a Combined report combining both;
- g) Draft Contract duly filled;
- h) Signed contract (for information and record);
- i) Cumulative Contract amendments⁴ exceeding 10% of the original contract value (Module P2, article 2 (v)); and
- j) Cumulative Contract extensions exceeding 25% of the original contract duration (Module P2, article 2 (v)).

2.7.4 Shopping (Goods, Works, Non-Consulting Services)

26. Submission for No Objection shall be for the following procurement files and documents:

- a) Request for Quotations inclusive of Technical Specifications (including cost estimates and, as applicable, drawings, Bills of quantities, and schedules of requirements);
- b) Any amendments to the RFQ;

³ NOTUS is in the process of being replaced by IFAD Online Project Procurement End-to-End System (IFAD OPEN) since early 2023.

⁴ Amendments to existing goods, works and non-consulting services contracts involving items of similar nature shall be made using DC up to a maximum of 10% of the original contract value (reference IFAD Handbook Module F1 article 6); amendments to existing contracts for additional quantities (of the same items) may exceed 10% subject to the N.O. of IFAD with no need to use DC (reference IFAD Handbook Module P2 article 2). In case of Consulting Services, SSS may be approved in cases of services that are deemed a natural continuation of previously delivered services for concluded contracts (reference IFAD Handbook Module F2 article 6); if the contract is ongoing, amendments are possible. Amendments increasing the contract price by more than 10% requires IFAD N.O. with no need for SSS (reference IFAD Handbook Module P2 article 2);

- c) Evaluation Reports inclusive of all clarifications; in case of two-envelope procedure (exceptionally used), separate opening and evaluation reports for the Technical envelopes and the Financial Envelopes;
- d) Draft Contract or Purchase Order duly filled;
- e) Signed contract or PO (for information and record);
- f) Cumulative Contract/PO amendments exceeding 10% of the original contract/PO value (Module P2, article 2 (v)); and
- g) Cumulative Contract/PO extensions exceeding 25% of the original contract/PO duration (Module P2, article 2 (v)).

2.7.5 Consulting Services: QCBS, QBS, FBS, and LCS

27. Submission for No Objection shall be for the following procurement files and documents:

- a) Request for Expression of Interest (REOI) (if applicable), the Terms of Reference, and the detailed cost estimates;
- b) Shortlist Report (if applicable);
- c) Prior list (if applicable) including the rationale for selecting the firms;
- d) Request for Proposals (RFP);
- e) Any amendments to the RFP;
- f) Technical Evaluation Report (inclusive of Proposal Opening Report) and any clarifications;
- g) Combined Evaluation Report (inclusive of Financial Proposal Opening Report);
- h) Draft Contract duly filled;
- i) Minutes of Negotiations (inclusive of unsuccessful negotiations and intention to cancel or invite second ranked consultant);
- j) Signed contract (for information and record);
- k) Cumulative Contract/MoU amendments exceeding 10% of the original contract value; and
- l) Cumulative Contract/MoU extensions exceeding 25% of the original contract duration.

2.7.6 Consulting Services: CQS and ICS

28. Submission for No Objection shall be for the following procurement files and documents:

- a) Mandatory Request for Expression of Interest (REOI) and Terms of Reference (including cost estimates);
- b) Mandatory Shortlist Report;
- c) Request for Proposals (RFP);
- d) Any amendments to the RFP;
- e) Evaluation Report (inclusive of any clarifications);
- f) Draft Contract duly filled;
- g) Minutes of Negotiations (inclusive of unsuccessful negotiations and intention to cancel or invite second ranked consultant);
- h) Signed contract (for information and record);
- i) Cumulative Contract amendments exceeding 10% of the original contract value; and
- j) Cumulative Contract extensions exceeding 25% of the original contract duration.

2.7.7 Direct Contracting and Single Source Selection

29. Submission for No Objection shall be for the following procurement files and documents:

- a) Justification for Single Sourcing (including below the DC/SSS thresholds set above in Table 1) and rationale for selecting the particular firm/individual;
- b) Technical Specifications or Terms of Reference;
- c) Simplified Bidding Document or Request for Proposals;
- d) Negotiation Report (inclusive of evaluation of submitted bid/proposal and its full negotiation);
- e) Draft Contract duly filled;
- f) Signed contract (for information and record);
- g) Cumulative Contract amendments exceeding 10% of the original contract value; and
- h) Cumulative Contract extensions exceeding 25% of the original contract duration.

2.7.8 Procurement from United Nations Agencies

30. Submission for No Objection shall be for the following procurement files and documents:

- a) Justification Report for recourse to UN Agencies (if not already submitted along with PP);
- b) Solicitation Document for UN Agency to be engaged with the Project for the particular scope;
- c) Draft Agreement duly filled;
- d) Signed agreement (for information and record);
- e) Cumulative Agreement amendments exceeding 10% of the original value; and
- f) Cumulative Agreement extensions exceeding 25% of the original duration.

2.7.9 Other specific Prior Review requirements

31. The **Programme Coordination Unit** shall additionally secure IFAD's No Objection for the following:

- a) The recruitment of the Procurement staff;
- b) The templates of bidding documents and requests for proposals for all procurement methods (whether for post review or prior review) in case different from IFAD SPDs;⁵
- c) Recommendation to reject all bids or proposals or to cancel a procurement process;
- d) Recommendations to terminate negotiations with a consulting firm/individual and proceed with negotiations with the next-ranked consulting firm/individual;
- e) Recommendations to proceed to award the next ranked bidder in case the selected bidder failed to sign a contract;
- f) Justifications for proceeding with opening of bids/proposals that are less than three;
- g) Use of a performance guarantee other than in the form of an unconditional and irrevocable on-demand bank guarantee;
- h) Decisions concerning Abnormally Low Bids;
- i) Establishing a shortlist composed of less than three entities; and
- j) Intention to terminate any contract.

⁵ If IFAD Procurement Guidelines must apply, IFAD SPD's must be adopted.

2.8 Other procurement-related coordination with IFAD

32. The **Programme Coordination Unit** shall coordinate in advance with IFAD on the following matters and issues:
- a) Any changes to the PIM;
 - b) Any changes to the staffing of the **Programme Coordination Unit**;
 - c) Composition of Evaluation committees;
 - d) Summaries of Debriefing requests and copies of Protests for all prior review procurement activities before a decision is issued (optional for post review procurement activities);
 - e) The **NPCU** shall inform IFAD of any related Appeal filed to competent national authorities (if applicable) immediately upon becoming aware of such an appeal;
 - f) Procurement progress reports as well as special reports on critical issues;
 - g) Details of defaulting or corrupt vendors;
 - h) Debarment of a vendor who appears to be debarred by another MDB for validation by IFAD if cross-debarment should apply (for prior and post review); and
 - i) Any other matter specifically requested by IFAD.
33. In addition to the above, the Project will provide full assistance to IFAD implementation support, supervision, MTR, and project closing missions. The Project will avail all necessary staff and provide all required documents, records and files. The same applies for any IFAD audit or investigation.

3 Critical Procurement Issues

3.1 Areas of Inconsistency between National Law and IFAD Project Procurement Guidelines

34. As part of the initial design of the Rural Livelihoods Resilience Programme (RLRP), IFAD undertook (i) country procurement assessment; and (ii) arrangements for procurement to be followed during the Project implementation. The outcomes of the assessment have shown that although the "Public Procurement, Concessions and Disposal Act" (PPCDA), dated 23rd November, 2015 covers most of the areas of transparency of arrangements, the degree of emphasis on open and competitive procedures, the monitoring of procurement results, and the extent of access to appeal and redress arrangements, there is no evidence that the requirements of the procurement Act are adhered to by public institutions. While procurement methods are clearly provided for in the Act, there is no focus on the capacity building of the public officials involved in public procurement. The Public Procurement authority (PPA) does not have adequate capacity to fulfil all its obligations as stipulated in the Act. The private sector faces many challenges and its growth is slow. The bid review mechanism is independent, but the extent of bidders' trust in it is not evident. Internal control and audit framework exist, but it is not focused on procurement. Except for the provisions in the Act, there are no anti-fraud and corruption measures in place to prevent and fight corruption in public procurement. The code of ethics specific to procurement does not exist. There is no electronic procurement yet.

Until such time that the PPA is operationalized, and the documents reviewed and found satisfactory by the IFAD, Procurement of goods, works and services shall be carried out in accordance with the provisions of the **IFAD Project Procurement Guidelines**⁶.

⁶ Any reference to IFAD Project Procurement Guidelines includes also the IFAD Procurement Handbook. Compliance with both the Guidelines and the Handbook is mandatory. For both the Guidelines and the Handbook, the latest versions shall always apply.

3.2 Cost and Schedule Estimate

35. The detailed cost and schedule estimates of each procurement activity will be accurately estimated during the elaboration of the requirements (specifications or TOR's) at the latest. These detailed estimates shall be submitted along with the requirements for prior review activities. Should the cost estimate exceed the allocated budget in the AWP&B and the PP, one of the following will be done:
- Update the AWP&B and PP by reallocating the required funds; if the increase in originally approved budget exceeds **10%**, the upgraded PP should be submitted to IFAD No Objection (as per the Handbook Module C, article 3);
 - Redesign the procurement activity to fit within the limits of available budget;
 - A mix of the two above options.
36. When packaging procurement activities, due consideration shall be given to pooling of needs and activities into packages that may be launched under one procedure split into several lots in order to achieve economies of scale, promote competition, facilitate access to small and medium enterprises, and reduce the transaction cost associated with procurement activities. When the procurement activity is split into lots, the total cost estimate of all lots will be used for identifying the correct procurement method. Artificially splitting procurement activities into smaller packages launched separately in order to escape the application of more open and competitive procurement methods is a breach of the procurement principles.
37. The schedule estimates for implementing contracts shall also be accurately estimated to ensure that the timeframe specified in solicitation documents are realistic and do not deter competition.

3.3 Publication of Notices

38. 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). The following advertisements for International Competitive Bidding will be published in UNDB through IFAD:
- invitation for bids for procurement of goods and works using ICB procedures;
 - request for expression of interest for consulting services with estimated costs more than US\$100,000;
 - contract award details of all procurement of goods and works using ICB procedure, and
 - contract award details of all consultancy services with estimated costs more than US\$100,000.

3.4 Award of Grants/Loans

39. Grants: Award of grants (whether monetary or in-kind) is as provisioned in the Project Design. Grants may be executed (i.e. disbursed in case of monetary grants or procured and distributed in case of in-kind grants) by the **NPCU** solely or in partnership with an Implementing Partner based on the provisions of the design. The selection of Implementing Partners for this purpose will be based on the following provisions under section 3.4.1.
40. Loans: In the case of micro-credits and loans (inclusive of refinancing), the **NPCU will** rely on Partner Financial Institutions (PFI) either as nominated in the project design, or as competitively selected based on the provisions of the Financing Agreement and National Law.

3.4.1 Selection of Grant or Refinancing Partners

41. Grants: In some cases, the **NPCU** may not be the direct entity responsible for disbursing grants. Disbursement of monetary grants is sometimes conducted through intermediaries, such as Implementing Partners (I.P.). The engagement with such I.P.'s can be made through a proper procurement process resulting in an agreement with each partner. This means that

such first level agreements shall be duly registered separately in the PP with the proper selection method of the I.P. When the I.P. is stated in the Financing Agreement, the selection process will be SSS. Otherwise, it would be through a competitive process. The value, where applicable, of such agreements may be composed of several components depending on the case: (i) the fees that such I.P.'s charge for the services entrusted to them; and (ii) the other fees and expenses that the I.P. may be required to spend in providing support to beneficiaries (e.g. training, events, coaching, etc.). In very rare cases, if provisioned in the design, the grant funds may also be included in the agreement with the I.P. In any case, the I.P. agreement should be processed in OPEN and recorded in the CMT.

42. Whenever the grant funds to be disbursed to beneficiaries are included in the I.P. agreement, the I.P. will be responsible for the selection of those beneficiaries through a Call for Proposals (CfP) issued and managed by the I.P. In this case, the selection process is entered in the PP of the I.P. (and in OPEN if subject to prior review) and the resulting grant contracts are entered in the CMT. In the other case, where the grant funds are to be disbursed by the **NPCU** to beneficiaries, the CfP shall be issued and managed by the **NPCU**. In this case, the CfP is entered in OPEN (if subject to prior review) and the resulting grant contracts are entered in OPEN and the CMT. For both cases, details of issuing the CfP and awarding the grants are found in section 3.4.2 below.
43. Loans: PFI's must meet eligibility criteria set in Government Decisions and following national legislation Regulation No. (132) of 2011. The selection of such partners will follow the instructions set in the project design. The draft agreement that will be signed with these PFIs shall be subject to the prior review by IFAD; each such agreement shall be planned in the PP and registered in the CMT. However, credit and refinancing agreements (second-level agreements such as micro-credits) with third parties are neither entered in OPEN nor in the CMT, but should be maintained in a separate CR.
44. The table below summarizes the various types of agreements/contracts normally associated with grants and loans and specifies whether use of OPEN and CMT are required:

Type of Agreement/activity	Entered in OPEN	Entered in CMT
Grant Call for proposals launched by NPCU and subsequent Grant contracts signed between NPCU and beneficiaries (first-level agreements)	Yes ⁺	Yes
Agreement between NPCU and I.P. for the disbursement of monetary grants (first-level agreement)	Yes ⁺	Yes
Agreement between NPCU and I.P. for the procurement of in-kind grants (first-level agreement)	Yes ⁺	Yes
Agreement between NPCU and PFI for the refinancing of micro-credits (first-level agreement)	Yes ⁺	Yes
Grant Call for proposals launched by I.P. and subsequent grant contracts signed between I.P. and beneficiaries (second-level agreements) for either monetary or in-kind grants	Yes ⁺	Yes
Procurement of grant assets by NPCU (in-kind grants)	Yes ⁺	Yes
Procurement of grant assets by I.P. (in-kind grants)	Yes ⁺	Yes
Loan contracts signed between PFI and borrowers (second-level agreements)	No	No [*]
+ if above the prior review threshold as per the PAL. * even though not entered in the CMT, those contracts are entered in a dedicated and separate CR specific to the I.P./PFI.		

Table 2 - Guidance on whether OPEN and CMT apply for some types of contracts or agreements

3.4.2 Grant Beneficiary Selection

45. As mentioned under section 3.4.1 above, Grants provisioned in the Financing Agreement shall be openly advertised by the **NPCU** and/or an Implementing Partner (I.P.) as the case may be. In either case, the process shall follow the following steps:
- a) Planning the call(s) for proposals in the respective PP(s) (**Programme Coordination Unit's** PP or the I.P.'s PP as the case may be); the total value of grants provisioned under the CfP and the method used shall be the basis for the determination of the review procedure (prior or post). Grants award processes can be done through one of the services' methods;
 - b) Preparation of the Request for Proposals (by **NPCU** or I.P.) using the appropriate selection method and the detailed Terms of Reference elaborating the requirements, selection criteria, evaluation criteria, etc. for award of grants in multiple contracts; since the ceiling of the grant is usually fixed, selection should ideally follow the Fixed Budget selection. The template to be used shall be reviewed by IFAD in advance and N.O. issued for adoption of the template;
 - c) The use of REOI facilitates shortlisting of qualified applicants who later submit proposals in response to the RFP; all applicants meeting the eligibility criteria can be shortlisted for the next stage of the application. However, REOI is not mandatory as the CfP for grants may be launched directly subject to N.O. without threshold limitation;
 - d) The grant proposals are evaluated based on the pre-disclosed criteria, and an evaluation report is prepared recommending award of grants in the requisite numbers within the grant cap and total ceilings set; evaluation shall include scoring of applications based on the evaluation criteria of the RFP to (i) identify those who pass from those who don't and (ii) enable selection of the passing applicants that will be awarded grants in case the total number of eligible and passing applications exceeds the financial resources available. In the latter case, the selection will be starting from the top ranked applicant downwards;
 - e) When an I.P. launches the Call for Proposals, the I.P. will submit to **NPCU** the evaluation of the applications as well as the applications received for **NPCU** verification; **NPCU will** prepare a verification report approving/amending the evaluation process as is necessary;
 - f) The resulting evaluation and selection reports shall be uploaded in OPEN. In case the CfP is managed by the I.P., the **NPCU will** handle OPEN submissions. If applicable, IFAD's review will ensure consistency with the Financing Agreement, PIM, and CfP. Once N.O. is issued by IFAD, the grant contracting process with the selected beneficiaries may start by signature of Agreements by the **NPCU** or the I.P. as the case may be;
 - g) All monetary grant agreements disbursed directly by the **NPCU will** be entered in the CMT. Monetary grants disbursed by an I.P. will also be recorded in the CMT;
 - h) All In-kind grant agreements where the distributed assets are procured by the **NPCU will** be entered in the CMT with a monetary value set to zero. The purpose is to avoid double accounting for the grant amount since the value of the grant will appear in the procurement contract through which the **NPCU will** procure the subject of the grants (assets). Similarly, in-kind grant agreements where the assets are procured by an I.P. are registered in the CMT with a value of zero as the Partner will be procuring those assets through a separate contract.

46. The flowcharts below summarize the basic steps in the selection process of grant beneficiaries:

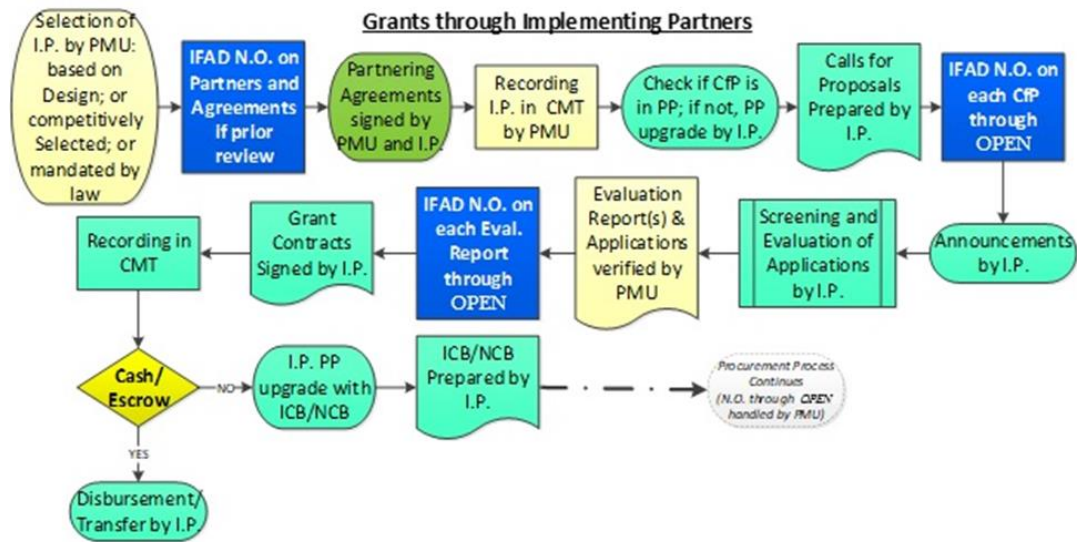


Figure 1 - Grants through Implementing Partners

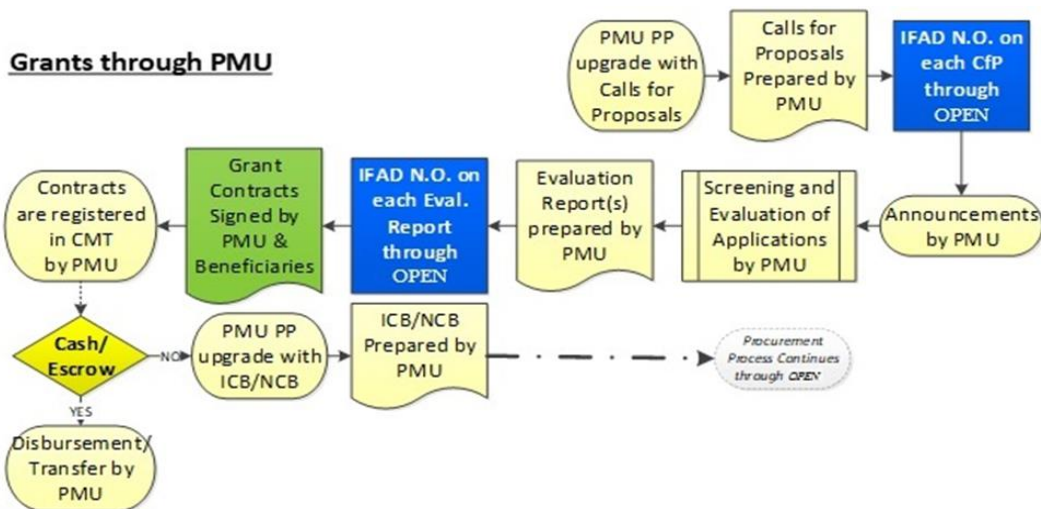


Figure 2 - Grants through NPCU/SPCU

3.4.3 Micro-credit Financing

47. The agreements with partner financial institutions for the provisioning of micro-credit loans shall be planned in the PP as per the requirements of Section 3.4.1 above. The resulting credit agreement with the financial institutions shall be recorded in the CMT. However, the procedures for selecting loan recipients shall not be governed by this Manual and shall follow pre-agreed mechanisms set with the credit institutions.

3.5 Procurement Principles and Ethics

48. The **Programme Coordination Unit** will strictly adhere to the provisions of Section II of the IFAD Project Procurement Guidelines (2019) covering the key Procurement Principles:
- a) Ethics;
 - b) Accountability;
 - c) Competition;
 - d) Fairness;
 - e) Transparency;
 - f) Efficiency, Effectiveness and Economy; and
 - g) Best Value for Money.
49. Furthermore, the **Programme Coordination Unit** will strictly adhere to the provisions of **IFAD's Policy on Preventing Fraud and Corruption in its Activities and Operations** available at www.ifad.org/en/document-detail/asset/40738506. The Project shall ensure that this policy is clearly stated in all procurement documents (solicitation documents and contracts) and that all vendors comply with this policy. All such documents shall clearly include also IFAD's Anti-corruption Hotline:

Office of Audit and Oversight (AUO)
Investigation Section (IS)
Via Paolo di Dono 44
00142 Rome, Italy
Email: anticorruption@ifad.org
Phone: +39 0654592888
Fax: +39 0654597888

3.6 Combatting Corruption and Sexual Harassment

50. The **Programme Coordination Unit** will strictly adhere to the provisions of **IFAD's Policy to Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse** available at www.ifad.org/anticorruption_policy. The Project shall ensure that this policy is clearly stated in all procurement documents (solicitation documents and contracts) and that all vendors comply with this policy. All such documents shall clearly include also IFAD's Ethics Hotline:

Ethics Office (ETH)
Via Paolo di Dono 44
00142 Rome, Italy
Email: ethicsoffice@ifad.org
Phone: +39 06 5459 2525
<https://www.ifad.org/en/ethics>

3.7 Anti-Money Laundering and Countering Financing of Terrorism

51. The **Programme Coordination Unit** will strictly adhere to the provisions of **IFAD's Anti-Money Laundering and Countering the Financing of Terrorism Policy** available at www.ifad.org/en/document-detail/asset/41942012.

3.8 Record Keeping

52. As per the provisions of Module B of the Handbook, the **Programme Coordination Unit** will retain procurement records and files (for 10 years) in an easily accessible and easily retrievable manner that facilitates review and audit even when conducted remotely. The table of records as extracted from the Handbook for ease of reference is available in Annex 2. To facilitate review, supervision and audit, all procurement and contract management records shall be archived under the responsibility of the procurement staff. Should other departments or teams or entities be entrusted with archiving some of the procurement documents, a copy should be retained by the procurement staff. Records shall also include all documentation associated with grants/loans to beneficiaries of the project.
53. Where implementation is delegated to pre-approved third parties, the **Programme Coordination Unit** shall maintain a full record of all documentation electronically while the full original set of documents are maintained by the implementing partner for 10 years also.

4 Procurement Transactions – Institutional Setup and RACI

4.1 Institutional Setup, Roles and Responsibilities

54. The subsections below elaborate on the operational procedures for Evaluation Committees, on the mechanism for staff recruitment and on the responsibilities of key stakeholders and staff.

4.1.1 Evaluation Committees

55. Since the project applies National Procurement Rules as far as they do not contradict with IFAD's Project Procurement Guidelines, the following procedures concerning Evaluation Committees shall apply for all evaluation committees under the project:
- a) Each procurement activity (including grants and staff recruitment) shall have its officially appointed Opening and Evaluation Committee;
 - b) The committee may be one for both Opening and Evaluation proceedings as long as each member is free from any conflict of interest and assures that his/her engagement in evaluation will not be biased based on preparatory work such as drafting specifications or terms of reference and conducting market studies;
 - c) The following conditions will be respected for all committees:
 - 1) The committee is formally appointed by the competent authority;
 - 2) The committee members are well acquainted with the REOI, Pre-qualification Documents, Bidding Documents or Request for Proposals; they dedicate sufficient time to fully understand the document and process and allocate full time to complete the evaluation promptly;
 - 3) All members of the committee sign a Declaration of Impartiality and Confidentiality (following IFAD standard template) immediately after knowing the names of the bidders and any of their partners, staff, experts, subcontractors, etc. Immediately upon realizing presence of conflict of interest (potential or actual), the concerned committee member should report the same to the Chairperson who shall coordinate immediate replacement;
 - 4) The committee includes technical specialists in the subject-matter of the procurement, procurement specialists, and other specialists as is necessary for the particular activity (e.g. finance, legal, etc.);

- 5) The committee may include end-user representatives as well; end-users are engaged when the procurement activity is dedicated to the benefit of a group or community that is legally established;
- 6) Should the staff of the **NPCU** (and of end-users if applicable) lack some qualifications, skills or expertise in the subject matter of the procurement, the **NPCU** may include in the committee an external member (consultant or staff of another public entity) as long as this member is free from any conflict of interest and abides by the rules outlined in this Manual and Handbook;
- 7) The number of committee members is odd with a minimum of three with the size depending on the value and complexity of the assignment;
- 8) The committee operates autonomously and does not include managers who ultimately approve the outcome of the evaluation; there should be also no hierarchical authority between committee members to ensure that no such a hierarchy exerts undue pressure on members;
- 9) The evaluation is done individually by each committee member especially when evaluation involves scoring; in this case, the individual scores are subsequently discussed and may be adjusted accordingly as long as original scores and adjusted scores are both included in the report with reasoning behind the adjustments; combined scores will be on average basis (average of adjusted individual scores);
- 10) In all aspects of evaluation that are on a pass/fail basis (no scoring), the committee should take its decision unanimously, failing which decision should be based on majority vote with due recording of dissenting opinion. In case the disagreement is major with irreversible impact on the outcome, the Chairperson will decide;
- 11) Committee members are anticipated to evaluate the full set of EOI's/qualification applications/bids/proposals/quotations received for the full steps of evaluation; splitting of evaluation vertically (splitting bids among members for evaluation) or horizontally (some members conducting preliminary examination while others handling technical evaluation) are both not allowed;
- 12) Despite the above, each member of the committee will exert their expertise and qualifications without unduly influencing the opinions of other members;
- 13) In addition to fulfilling the evaluation role just as other committee members, the procurement specialist in the committee is responsible for ensuring the full respect of the procurement rules in place; the procurement specialist shall be responsible for communicating any clarifications (based on committee agreement) with bidders and for drawing up the evaluation report. Furthermore, the procurement specialist will assume the role of committee Facilitator as provisioned in IFAD Handbook Module K1 including ensuring compliance with the procurement rules in place as per this Manual;
- 14) Each committee shall be presided by a Chairperson responsible for coordinating technical discussions within the committee and will assume the roles as per the Handbook Module K1;
- 15) All evaluations and decisions shall be made based on criteria and requirements elaborated in the Procurement documents, Bidding Documents or Requests for Proposals; all decisions should be sufficiently substantiated with elaboration of deliberations, reservations, discussions, strengths and weaknesses, etc. in sufficient detail to ensure that due process has been applied;
- 16) The committee completes evaluation promptly and in any case within the period of validity of bids/proposals; in exceptional and duly substantiated circumstances, the committee may request extensions of bid validity. Such requests are addressed to bidders officially in writing before the expiry of the validity through the **NPCU** Coordinator;

- d) The same evaluation committee should ideally proceed into pre-contract discussions or negotiations within the limitations for the same as specified in the Handbook and this Manual;
- e) For the procurement of Goods with thresholds less than US\$ 150,000, for Works with thresholds less than US\$ 500,000 and for Consulting Services with thresholds less than US\$ 50,000, the NPCU Project Manager is the appointing authority of evaluation committees; the NPCU Project Manager is also the approving authority of the evaluation outcomes. Consequently, the NPCU Project Manager will not be a member or chair of such committees; The NPCU Project Manager shall appoint a committee for each procurement activity (or groups/categories of activities as long as the competencies, experience and skills required are common and as long there is no overlap in terms of timing and workload); the committee is formed sufficiently in advance of the date and time of opening, and its constituents should remain confidential until the public opening date and time;
- f) For the procurement of Goods, Works and Consulting Services with thresholds more than the ones mentioned above, the appointment of evaluation committee and evaluation report approval will follow the provisions of the national Law and Regulations.
- g) Any attempt by a prospective bidder or economic operator to influence any of the committee members or any of the **NPCU** or end-user staff or staff of concerned government agencies should not be tolerated; it should be recorded in the evaluation report and referred to competent authorities;
- h) The committee shall have the following authorities:
 - 1) Independently evaluate each submission based on its own merits and on the basis of criteria included clearly in the solicitation documents;
 - 2) Decide individually (each member) on the outcome of evaluation and collectively (committee jointly) where consensus is needed, without the recourse to any person or authority external to the committee;
 - 3) Request the assistance of subject-matter experts to be appointed by the [*insert function of appointing and approving authority*];
 - 4) Decide on the deviations identified in each submission and classify each as minor or major based on the sole guidance of the Handbook, the content of the procurement documents while ensuring fairness, equal treatment, proportionality and transparency;
 - 5) Decide on the need for and content of clarifications from bidders in line with the provisions of the solicitation documents and the Handbook;
 - 6) Decide autonomously on the rejection of a submission with detailed justifications;
 - 7) Decide autonomously on the rejection of all submissions and cancellation of the process if one of the conditions of cancellation in the Handbook is present;
 - 8) Decide with due substantiation on the recommendations for award;
 - 9) Report any attempt to influence the committee in the conduct of its work;
 - 10) Refrain from disclosing any information related to its work to any person or entity until the proceedings of evaluation are completed; then, internal reporting as well as reporting to IFAD are required before the evaluation outcome can be made public;
 - 11) Provide detailed opinion and feedback for any complaint or debrief request; and
 - 12) Where negotiations are permitted, manage the whole negotiation process within the limits allowed by the Request for Proposal and Handbook and within the validity period of proposals
- i) In addition to appointing the committee, the NPCU Project Manager reviews and approves the outcome of evaluation for the financial thresholds within his competence; the NPCU Project Manager has the following authorities:

- 1) Replace a member of the committee for reasons of conflict of interest or other reasons and amend the committee formation decision accordingly;
 - 2) Issue requests for bid validity extensions if duly substantiated by the committee;
 - 3) Approve the recommendations as submitted by the committee in the signed report;
 - 4) Upon receipt of the signed report, clarify from the committee aspects of the evaluation and request more elaboration and substantiation;
 - 5) Reject the recommendation of the committee based on detailed justifications; and
 - 6) Approve the dissemination of the outcome of evaluation (e.g. NOITA, NOA, Cancellation notices, etc.)
- j) The committees shall refer to IFAD Procurement Handbook for detailed guidance on evaluation (see section 2.6.2 above).

4.1.2 IFAD-funded NPCU staff selection

56. The procedure to recruit IFAD-funded staff to join the **National Programme Coordination Unit (NPCU)** will be the Individual Consultant Selection procedure (ICS) described in IFAD Procurement Handbook. This does not apply to staff seconded by government. As stated under section 2.8 (bullet 2), selection of **National Programme Coordination Unit (NPCU)** staff or changes to staff shall be coordinated in advance with IFAD. If the selection process exceeds the prior review threshold for individual consultants, the selection shall be also subject to the No Objection by IFAD through OPEN as per section 2.7.6 above. To identify whether the selection process is subject to N.O., the **NPCU** shall estimate the cost covering the remuneration for the full remaining duration of the project as per the Financing Agreement. Some IFAD-funded **National Programme Coordination Unit (NPCU)** staff selections are subject to No Objection regardless of the value as per the PAL (including all procurement staff). All staff recruitment shall feature in the relevant Procurement Plan.
57. The selection process shall follow the ICS procedure with the following highlights adapted for the particular case of selecting **National Programme Coordination Unit (NPCU)** staff:
- a) Preparation of TOR using IFAD SPD Template – TOR;
 - b) Preparation of REOI using IFAD SPD Template – REOI Advertisement;
 - c) If interviews with the shortlisted applicants are foreseen to help identify the most qualified applicant,
 - 1) the interview as well as the related criteria should be explicitly specified in the REOI and TOR; this means that the interview requirement must be known in advance and announced to the public as well;
 - 2) the interview competencies required should be assigned a weight in addition to the weights for other qualification criteria;
 - 3) competency criteria should be formulated in a clear and objective manner;
 - 4) interviews should be based on the same set of competency questions used with all candidates;
 - 5) all applicants passing the minimum score (for CV evaluation) shall be invited for interview;
 - 6) interviewees should be given sufficient time in advance;
 - 7) interviews should be held online in case of obstacles to physical meeting are present;
 - 8) In addition to competency questions, **NPCU** may test interviewees to validate their knowledge and experience through one or more “technical questions” which also shall be standardized and common to all interviewees;

- 9) **NPCU** shall consult with IFAD in advance for setting up the competency-based interview questions as well as the technical questions for each position; apart from such a consultation, the questions shall remain strictly confidential; and
- 10) the interviews shall be fully documented as well as the resulting scoring within the evaluation report.
- d) for the recruitment of long-term **National Programme Coordination Unit (NPCU)** staff funded by IFAD, competency-based interviews *shall consistently be required*;
- e) The flowchart below depicts the main steps in the ICS procedure.

58. In exceptional and duly justified cases identified in the Handbook, Individual Consultants may be selected on a sole-source basis:

- a) tasks that are a continuation of previous work that the consultant has done and for which the consultant was competitively selected;
- b) certain assignments expected to last less than three months;
- c) emergencies arising from natural disasters;
- d) when the individual is the only consultant qualified for the assignment; and
- e) when the individual consultant assignment budget is below the predefined low value threshold for SSS.

59. In such cases, the **NPCU will** launch an SSS through OPEN including detailed justifications.

60. Recruitment of Civil Servants is subject to IFAD’s policies. Whenever Operational Policy and Results Division (OPR) issues a new update, the PIM will need to be updated accordingly.

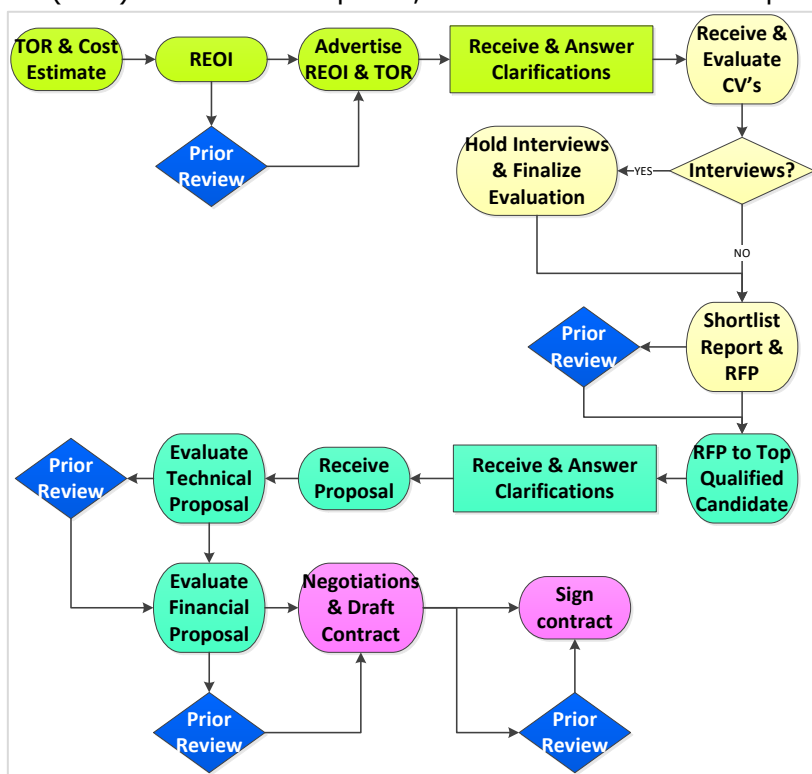


Figure 3- Flowchart for ICS procedure for selecting IFAD-funded project staff

4.1.3 Roles & Responsibilities

61. The below two tables clarify the roles and responsibilities of all stakeholders especially those entrusted with one or more functions of the procurement cycle. The first table is a high-level representation of organizational roles and responsibilities of high-level procurement functions among concerned entities while the second table (in Annex 1) is a detailed responsibility Assignment Matrix covering the majority of procurement functions and steps within the **NPCU**.

	Central Programme Coordinating Unit (NPCU)
Prepare Procurement Plan (PP)	X
Finalize and Approve PP	X
Manage PP updates and upgrades	X
Prepare Technical Requirements	X
Finalize and Approve Requirements	X
Prepare Bidding Documents (B.D.)	X
Finalize and Approve B.D.'s	X
Publish Notices and Advertisements	X
Evaluation committee Members	X
Form Evaluation Committees	X ⁷
Manage Bid/Proposal Opening	X
Manage Bid/Proposal Evaluation	X
Approve Evaluation Recommendations	X ⁸
Manage Debriefs and Protests	X
Prepare Draft Contract	X
Sign Contract	X
Technical Management of Contract	X ⁹
Contract Management	X
Acceptance committee members	X
Form Acceptance Committee	X ¹⁰
Prepare Payment Requests	X ¹¹
Check and approve payment requests	X ¹²
Process Payments	X
Archive all procurement-related files	X
Correspond with IFAD for No Objection	X

Table 3 - Inter-agency Procurement Roles and Responsibilities

⁷ For the financial thresholds specified in section 4.1.1

⁸ For the financial thresholds specified in section 4.1.1

⁹ For Component 2

¹⁰ For the financial thresholds specified in Section 4.1.1

¹¹ For Component 2

¹² For all Components

Annex 1: Responsibility Assignment Matrix (RAM - RACI) Template

This RAM clarifies the roles and responsibilities of units and staff in each phase/step of implementation of procurement and procurement-related activities within the IFAD project. It assigns for each step the person who is Responsible, Accountable, Consulted, or Informed. It facilitates internal workflow and inter-agency coordination, removes any ambiguity, and promotes accountability. In each cell against each activity, the letters "R", "A", "C", or "I" are entered for the respective function as is applicable. The meaning of each is as explained in the Legend below:

Activity/Role	Project Steering Committee	Country Director	NPCU Coordinator	NPCU Proc. Staff	NPCU Tech. Staff	NPCU Financial Manager
AWPB – elaborating activities		I	A	R	R	C
AWPB - budgeting		I	A			R
AWPB – Approval	R/A					
Procurement Plan – packaging (lots)			A	R	I	I
Procurement Plan – scheduling (timing)			A	R	I	I
Procurement Plan – procurement methods			A	R	I	I
Procurement Plan – consolidation (final)		R	A	R	I	C
Procurement Plan – update or upgrade		R	A	R	I	C
All Requests for No Objections		R	R/A			
Initiation (request to start preparation)			A	R	R	
Market research			A	C	R	
Stakeholder consultation/coordination			A	C	R	
Cost and schedule estimation		I	A	R	R	R
TOR/Technical Specifications			A	R	R	
Requisitioning (request to launch procurement)		I	A	R	I	I
Qualification criteria			A	R	C	
Request for Expressions of Interest		R	A	R	I	
Pre-qualifications documents		R	A	R	I	
Bidding documents, Requests for Proposals, Requests for Quotations		R	A	R	C	
Invitation letters (for direct invitation)			A	R		
Publicity and dissemination			A	R		
Formation of Committees			A ¹³	R	I	I
Receipt and handling of clarifications			I	A	R	
Pre-bid conferences			A	R	R	
Receipt of bids				R/A		

¹³ For financial thresholds below the ones specified under section 4.1.1

Activity/Role	Project Steering Committee	Country Director	NPCU Coordinator	NPCU Proc. Staff	NPCU Tech. Staff	NPCU Financial Manager
Safekeeping of bids				R/A		
Receipt and management of appeals			A	R	C	
Approval of Evaluation Recommendations		R	R/A	I	I	I
Approval of Negotiation findings		R	R/A	I	I	I
Contract signature up to [X] ¹⁴¹⁵		R	R/A	I	I	I
Contract signature more than [X] ¹⁶		R	R/A	I	I	I
Contract monitoring Form			A	R	C	I
Commencement order			R/A	I	C	I
Access to site			A	R	C	
Suspension of works/supply/services			A	R	C	I
Granting Extension of Time by less than or equal to 25% of original duration		I	A	R	C	I
Granting Extension of Time by more than 25% of original duration		I	A	R	C	I
Application of liquidated damages		I	A	R	C	R
Changes in specifications/quality		R	R	C	R/A	
Changes in sequencing of activities			I	C	R/A	
Increasing quantities resulting in increasing contract value by less than or equal to 10%		R	R/A	R	R	R
Increasing quantities resulting in increasing contract value by more than 10%		R	R/A	R	R	R
Adding new items not provisioned in the contract increasing contract value by less than or equal to 10%		R	R/A	R	R	R
Adding new items not provisioned in the contract increasing contract value by more than 10%		R	R/A	R	R	R
Payment validation			R	R	R	A
Payment processing			R/A	I	I	A/R
Review of submitted guarantees			I	R		A
Forfeiture of a bank guarantee			R/A	R		R
Safekeeping of bank guarantees			I	I		R/A
Validation of Insurance Policies			I	R/A		

¹⁴ Please insert Threshold for contract signature: authority for signing the contracts BELOW the threshold of "X".

¹⁵ No Thresholds are specified for contract signature.

¹⁶ Please insert Threshold for contract signature: authority for signing the contracts ABOVE the threshold of "X"

Activity/Role	Project Steering Committee	Country Director	NPCU Coordinator	NPCU Proc. Staff	NPCU Tech. Staff	NPCU Financial Manager
Receipt and processing of contract correspondence – day-to-day - technical			C/I	C	R/A	
Receipt and processing of contract correspondence – day-to-day - contractual			C/I	R/A	C	C
Changes in contract terms and conditions (other than mentioned above)		R	R/A	R	C	C
Amicable settlement proceeding		I	A	R	R	C
Approving deliverables and outputs			R	R/A	R/A	
Certification of readiness for acceptance			A	I	R	
Formation of acceptance committees			R/A	I	I	
Approval of acceptance findings		I	A	R	C	I
Vendor Assessment Form ¹⁷		I	C	R/A	C	I

R: Responsible: Executes or approves or clears; the person(s) who is (are) entrusted with a task or process.
A: Accountable: Holds responsibility and is accountable; one person per RAM line; usually the senior authority of an organization or can be also middle management in case of empowerment and decentralized management.
C: Consulted: participates by reviewing/commenting on documents, deliverables, activities or processes; reviews and comments are documented but may or may not be taken into account depending on final decision of Responsible person or Accountable person.
I: Informed: copied on process/document “for information”. Whether action needs to be taken or not by the “Informed” person depends on the person’s role and organizational duties.

¹⁷ See Annex 5 for the template of the Vendor Assessment Form.

Annex 2: Procurement Records and Files

Document	Preferred Format
(i) a copy of the published REOI advertisement or shortlist (if applicable) *	Hard copy
(ii) a copy of the published pre-qualification and bidding documents and any amendments, extensions or clarifications requested and issued *	Hard copy
(iii) a record of the tender opening, signed by all TEC members and the bidders present	Hard copy
(iv) a full copy of each bid received and evaluated, plus clarifications requested and responses received	Hard copy
(v) a copy of the evaluation report *	Hard copy
(vi) signed minutes of all meetings related to the procurement, including pre-bid and negotiation meetings, when held	Hard or soft copy
(vii) a contract award notice *	Hard copy
(viii) any letter of tender acceptance to the supplier, contractor or consultant *	Hard copy
(ix) the signed contract document and contract acceptance *	Hard copy
(x) any contract amendments *	Hard copy
(xi) all contractual correspondence between the procuring entity and a supplier, contractor or consultant	Hard or soft copy
(xii) post-contract documents related to the fulfilment of contract obligations, especially photocopies of bank guarantees or payment guarantees	Hard copy
(xiii) signed minutes of any meetings related to contract management, including contract progress or review meetings	Hard copy
(xiv) signed delivery documents evidencing delivery of supplies, or signed completion certificates related to a contract for services or works under the contract, including any contract delivery records	Hard copy
(xv) a copy of all invoices for works, services or supplies, including working papers verifying the accuracy of payments claimed and details of the actual payment authorized	Hard copy
(xvi) a copy of cumulative payment worksheets/records evidencing management of all payments made	Soft copy
(xvii) all decisions of the concerned borrower's approval authority related to the procurement, including the approval of the bidding documents, the approval of the evaluation report(s), the contract award, the approval of contract documents and contract amendments and any decision to suspend or cancel procurement proceedings	Hard copy
(xviii) a copy of any claims made by the procuring entity with respect to any warranty, non-warranty, short supply, damage and other claims against the contracted vendor or the procuring entity	Hard or soft copy
(xix) in the case of IFAD prior review, all submissions and correspondence related to the seeking of IFAD's no objection (NO) and a copy of the respective IFAD NO letter.	Hard or soft copy
(xx) any other communications related to the procurement in question, including internal entity correspondence	Hard or soft copy

* Ideally, previous drafts (before the final version is issued) of these published documents and reports should also be retained for completeness and to provide a full picture of how the published document evolved. It is accepted, however, that in the case of space limitations, this is not always feasible in practice.

Annex 3: Guidance on using the Procurement Plan

For the QUICKCARDS, please refer to the First Sheet of the PP Template.

Annex 4: Guidance on using the Contract Monitoring Tool

For the QUICKCARDS, please refer to the "HELP" function in the Platform for the Contract Monitoring Tool.

Annex 5: Guidance on using OPEN and NOTUS

For the QUICKCARDS of NOTUS, please refer to the "HELP" function in the NOTUS System.

For the QUICKCARDS OPEN, please refer to the "HELP" function in the OPEN System.

Annex 6: Vendor Assessment Form

VENDOR ASSESSMENT FORM¹⁸ (FOR WORKS/SUPPLIES/SERVICES CONTRACTS)

Project Name:
Contract Name:
Location:
Contract Reference:
Name of Contractor:

1 PLANNED IMPLEMENTATION PERIOD

From	<i>Planned commencement date of the contract</i>	To	<i>Completion Date: End of Warranty:</i>
-------------	--	-----------	--

2 ACTUAL IMPLEMENTATION PERIOD

From	<i>Actual Commencement date of the contract</i>	To	<i>Completion Date: End of Warranty:</i>
-------------	---	-----------	--

3 CONTRACT VALUE (*Currency*)

Original		Updated	
-----------------	--	----------------	--

¹⁸ Adopted with modifications from <https://ec.europa.eu/europeaid/prag/annexes>

3 PERFORMANCE RATING OF VENDOR

Factor	Rating	Comments
Achievement of contract objectives (as per the technical specifications and drawings or terms of reference)		
Achievement of contract objectives (as per the required quantities)		
Achievement of contract objectives (as per the agreed time limits)		
Quality of work/supplies/services		
Good faith and cooperative attitude		
Risk management and mitigation measures		
Respect to contractual responsibilities and liabilities		
Litigation and claims-man-ship: the tendency to engage in claims and disputes		
Beneficiary feedback on the vendor (e.g. trainees in training, target groups in awareness, municipality benefiting from construction, etc.)		
Other criteria: ...		
TOTAL VENDOR SCORE (average) ¹⁹		

Rating scheme	
1	Do not reengage
2	Failure to perform
3	Below expectations
4	Meet expectations
5	Exceed expectations

¹⁹ The Total Score gives an overview of the overall performance of the Vendor; a score of 1, 2 or 3 should raise a red flag and should be justified with the measures taken by the Implementation Unit or Agency during or upon completion if applicable.

4 PERFORMANCE RATING OF KEY PERSONNEL

Name ²⁰	Client relations	Written communication	Verbal communication	Drive & determination	Job management	Personal effectiveness	Technical competence	Overall
TOTAL PERSONNEL SCORE (Average) ²¹								

Rating scheme	
1	Do not reengage
2	Failure to perform
3	Below expectations
4	Meet expectations
5	Exceed expectations

5 REPRESENTATIVES (Technical and Contractual) ²²

Name	
Signature	
Date	

Name	
Signature	
Date	

6 APPROVED BY:

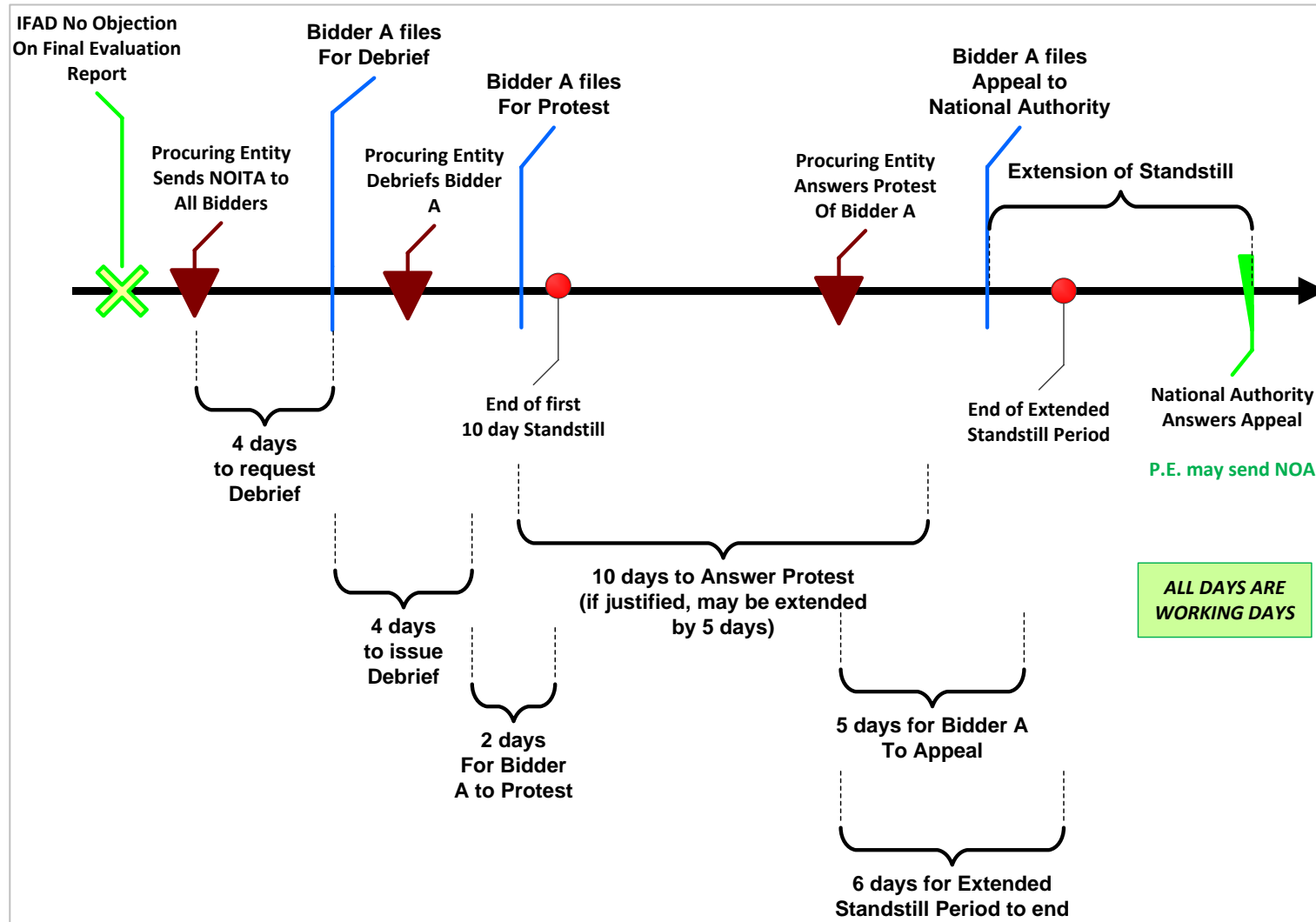
Name	
Signature	
Date	

²⁰ The Key personnel include: Vendor representative or project director; key experts nominated in the contract; other experts not specified in the contract, but were involved in implementation; and (for construction works) staff managing construction.

²¹ The Total Personnel Score gives an overview of the performance of the vendor staff on the project; a score of 1,2 or 3 should raise a red flag and should be appended with clarifications on what measures were taken during implementation or upon completion, if applicable.

²² The staff supervising the contract during implementation and not the acceptance committee members.

Annex 7: Debrief, Protest and Appeal Timeline



Annex 8: Integration of SECAP Risks into Procurement

Introduction

This document provides indication to the SPO on the SECAP risks to be incorporated into procurement plans. While the general integration of SECAP requirements into procurement documents is described into ANNEX 4, Volume 1 of the SECAP, the project specific risks are as identified by the SECAP online tool. The ES specialist has identified, through the SECAP environmental and social screening checklist, the issues in the table below that need to be mitigated through procurement. In case the SPO has ambiguity as to the guidance provided by the ES specialist in the rightmost column of the below Results Table, then the SPO will need to collaborate with the ES specialist and relevant members of the PDT in order to reach an agreement as to how these ES issues can be dealt with best through procurement mitigation measures that the Borrower must be required to put in place with respect to procurement parameters like:

1. Technical Specifications
2. Bidder Qualification
3. Bid Evaluation Criteria
4. Contract Clauses

For Example, if use of harmful types of pesticide is an issue in the project area, then it can be dealt with through the specifications of the pesticide and both the ES specialist and the SPO will agree that the project will use a "WHO-FAO approved pesticide and that WHO-FAO codes for safe labelling, packaging, handling, storage, application and disposals of pesticide are respected". If the project involves work in a sensitive cultural heritage area or an area where biodiversity is to be protected, then the successful past experience of the contractor in working in such zones is critical and the ES specialist will select "Bidder qualification" and "Bid Evaluation Criteria". If labour conditions or indigenous peoples' rights are often compromised in the project's area, then the ES specialist may select "Contract Clauses" and give whatever further guidance is possible for SPO. If deforestation or extensive use of natural resources in the project area is an issue identified by the ES specialist, then the ES specialist will chose "specifications" and "Bid Evaluation Criteria" and agree with the SPO to specify legally-harvested timber (or timber certified with the relevant label) and agree as to the evaluation criteria to be used to promote resource efficiency (e.g. evaluation criteria to favour energy efficient pumps, efficient transformer sub-stations, fuel saving equipment etc.).

The ES specialist, relevant members of the PDT and the SPO will need to consult together and pool their collective expertise in the various disciplines in order to arrive at the right mitigation measures to be reflected in the PRM. In this manner downstream work by the SPO in prescribing the project requirements for the Procurement Plan (PP) and PDR are facilitated and can be readily reflected in the PIM and the choice of bidding documents and contract provisions.

Environmental and Social Safeguards			
Biodiversity conservation	Risk Rating	Consequence	Guidance for SPOs
1.8 Could the project involve or lead to procurement through primary suppliers of natural resource materials?	Moderate	Minor Project may possibly require procurement of natural resources through primary suppliers, and resource extraction is tightly regulated. Alternatives to procurement of natural resources through primary suppliers exists.	<p>The technical specifications of the bidding documents for Goods/Products will consider alternatives to purchasing natural resources from primary suppliers.</p> <p>Technical weight will be given to eco-labelled Goods/Furniture in the evaluation of bids.</p> <p>Previous work experience of the Supplier in similar environments will be required,</p> <p>Additional supervision will be required at the reception Goods/Furniture.</p>
Resource Efficiency and Pollution Prevention	Risk Rating	Consequence	Guidance for SPOs
2.6 Could the project involve inputs of fertilizers and other modifying agents?	Moderate	Minor The project only requires minimal amounts of fertilizer	<p>Agricultural production activities of the communities could result in increased use of agrochemicals</p> <p>List/ refer to all approved chemicals in tender documents</p> <p>Contract documents to promote safe fertilizer use by ensuring that the correct investments and capacity-building activities for the selection, distribution, storage, application and disposal of fertilizers are included</p>

Environmental and Social Safeguards			
<p>2.7 Could the project involve or lead to procurement, supply and/or result in the use of pesticides on crops, livestock, aquaculture or forestry?</p>	<p>Moderate</p>	<p>Minor The project only requires minimal amounts of pesticide.</p>	<p>Agricultural production activities of the communities could result in increased use of agrochemicals</p> <p>Refer to the list of approved pesticides in the tender documents Technical specifications: "WHO-FAO approved pesticide and that WHO-FAO codes for safe labelling, packaging, handling, storage, application and disposals of pesticide are respected"</p> <p>Implementation of Pest Management Plan</p>
Labour and Working Conditions	Risk Rating	Consequence	Guidance for SPOs
<p>5.1 Could the project operate in sectors or value chains that are characterized by working conditions that do not meet national labour laws or international commitments? (Note: this may include discriminatory practices, high gender inequality and the lack of equal opportunities, denial of freedom of association and collective bargaining, labour migrants)</p>	<p>Low</p>	<p>Minor The project operates in sectors or value chains that have, in the past, not met national labour laws, or international commitments, but is now adequately nationally regulated, and is part of international value chains that are subject to regular environmental and social auditing.</p>	<p>The project will include works that need to adhere to the relevant labour laws</p> <p>Contract Clauses: to ensure compliance to national and international laws on Labour</p> <p>Application of the Labour Management and Assessment Procedure</p>
Community Health, Safety and Security	Risk Rating	Consequence	Guidance for SPOs
<p>6.7 Could the project lead to the potential for gender-based violence, including sexual harassment, exploitation and abuse, as a result of labour influx, land redistribution, or other actions that alter community dynamics?</p>	<p>Low</p>	<p>Negligible The project will not result in labour influx, land redistribution, or other actions that alter community dynamics.</p>	<p>Contractors, suppliers and service providers will be required to respect the IFAD Policy to preventing and responding to sexual harassment, sexual exploitation and abuse and mandatory references to safe policies will be included in the bidding documents and contracts entered into</p>

Environmental and Social Safeguards			
<p>6.9 Could the project lead to an influx of project workers?</p>	<p>Low</p>	<p>Negligible The project does not require an influx of project workers</p>	<p>Moderate risks are associated with seasonal labour for value chains of the project that can be managed through adherence to the labour laws and labour management plan of the project</p>

SECTION 2: PROJECT PROCUREMENT STRATEGY

SOMALIA

Rural Livelihoods Resilience Programme (RLRP)

Dated: August 15, 2023

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1 Project Overview

Country:	Somalia
Full Project Name:	The Rural Livelihoods Resilience Programme (RLRP)-Somalia
Total Finance (\$):	The total cost is estimated at US\$31.2 million including US\$11.6 million (37.2% of the total cost) from IFAD PBAS DSF; US\$2.7 million from the Federal Government of Somalia (FGS) and Federal Member State (FMS) combined; US\$3 million from beneficiary farmers in cash or in-kind contribution; and a financing gap of US\$13.9 million (44.6%).
Project Number:	2000004325
Summary of Project Development Objectives	The programme will be implemented over an eight-year period. The goal of the RLRP is “improved and resilient livelihoods of rural smallholders in Somalia.”

1.1 Project Development Objectives & Project Description

1.1.1 Project Development Objectives

The programme development objective (PDO) is “sustainably increase productivity, incomes and nutrition security and enhancing resilience of rural smallholder families in Somalia.” The programme has two technical components and one programme coordination component. The first component focuses on supporting community resilience by providing capacity building on planning, governance among others as well as investing in community infrastructure. The second component aims to support livelihood activities through value chain development.

Project components. The RLRP comprises of three components: (i) Support to community resilience, to empower the participating programme communities to prioritize their sustainable development needs in a community development plan (CDP), and implement the plan in order to build the resilience of the community; (ii) Support to Smallholder Livelihoods Enhancement, whose outcomes are: increased production and productivity of priority crops and livestock for resilience, dietary diversity, food security, and improved incomes, as informed by the CDP; and (iii) Programme coordination and capacity building, to efficiently and effectively manage the programme and assist in building the capacity of the relevant Somali line ministries for oversight of programme implementation.

1.1.2 Project Cost and Financing

Project costs

The programme is proposed to be implemented over an eight-year period.

The total cost is estimated at US\$31.2 million including US\$11.6 million (37.2% of the total cost) from IFAD PBAS DSF; US\$2.7 million from the Federal Government of Somalia (FGS) and Federal Member State (FMS) combined; US\$3 million from beneficiary farmers in cash or in-kind contribution; and a financing gap of US\$13.9 million (44.6%).

1.2 Project Implementing Entities

Programme oversight and management. The Ministry of Agriculture and Irrigation (MoAI) shall be the lead implementation agency and the chair of the Programme Steering Committee (PSC) which shall also have representatives of the Ministry of Finance (MoF), as the Recipient of the IFAD

grant, the Ministry of Livestock Forest and Range (MoLFR), the Ministry of Environment and Climate Change (MoECC), and the Prime Minister’s Office (PMO). The National Programme Coordination Unit (NPCU), reporting to the MoAI, will be responsible for: (a) managing the procurement of goods, works and services for the implementation of all programme activities; (b) developing the AWPB; (c) undertaking the M&E of programme activities; and (d) reporting on implementation progress and results to IFAD and MoAI. The NPCU shall comprise a National Programme Coordinator (NPC), Financial Controller (FC), and other specialists who are competitively-recruited, with IFAD no-objection. In order to build the capacity of the public sector, staff from the ministries will also be screened and seconded to the NPCU as deputies to the specialists. The performance of the seconded staff will be assessed at the MTR to determine if they are capable of taking over from the specialists. A steering committee will be established in each participating state along with a lean State Programme Coordinating Unit. IFAD will supervise the RLRP directly, engaging where required, third-party implementing partners for periodic monitoring and reporting on project implementation, especially in hard-to-reach areas due to insecurity and poor accessibility.

IFAD supervision. IFAD will supervise the RLRP directly, conducting field missions directly where feasible or through TPIPs engaged to augment the IFAD supervision activities through periodic monitoring and reporting on project implementation, especially in hard-to-reach areas due to insecurity and poor accessibility. The IFAD Country Team and the country presence officer based in Nairobi will monitor and follow-up the implementation of the RLRP, and support policy engagement, KMC, and partnership building.

2 Strategic Assessment of Operating Context and Borrower Capability

2.1 Operational Context

This Project Procurement Strategy (PPS) is analysing and considering the operational context factors that may affect the procurement approach, the motivation of bidders to participate, and the likely success of any subsequent contracts. Which includes the following:

● Governance aspects

Somalia is emerging from a legacy of two and half decades of cycles of violent conflict and fragility. Since 1991, the country has been fragmented by armed conflict, ad hoc regime changes and state capture. Over the last four years, Somalia has taken encouraging steps towards a political settlement and the rehabilitation of government institutions. The creation of four new Federal Member States in southern Somalia and the reduced control by Al Shabaab in major tax bases such as Mogadishu and Kismayo, form the basis for a devolved/federal political settlement. While the formation of the new Federal Member States (FMS) is a positive step towards reshaping the political economy, the federation process has been complex and challenging. Uncertainties remain over the assignment of functions to different levels of government, pending a final constitutional settlement. There has been a deepening rift between the federal government and the FMS with the States declaring a suspension of formal ties with the centre in September 2018 over concerns with resource and power allocations within Somalia’s federal structure. Relations between the federal government and the States will likely remain fluid for years to come, even as inter-government cooperation arrangements emerge. The planned infrastructure and services face high political and governance risks. Activities are proposed to be delivered in areas controlled or heavily influenced by Al-Shabaab although this has not yet impeded implementation of the ongoing SURP. Access to those areas is difficult and facilitated on an ad hoc basis. Lack of government presence, a volatile security situation, and the ongoing anti-terror campaign can restrict access and the delivery of support. Furthermore, the nature of project interventions, targeting criteria and geographical coverage are also considered politically sensitive.

● Economic Aspects

Somalia's economy has proven remarkably resilient. Despite the perpetual civil conflict, the economy has grown at a moderate pace, averaging 2.2 per cent real GDP growth from 2013- The economy rebounded in 2018 from the 2016/17 drought and sporadic terror attacks. Real GDP growth is estimated at 2.8 percent in 2018, up from 1.3 percent in 2017, mainly supported by recovering agricultural production, sustained consolidation of peace and security, gradual increase in private investment, and donor inflows. In the long-term, the Somalia GDP Annual Growth Rate is projected to trend around 3.60 percent in 2023 and 3.40 percent in 2024, according to our econometric models. Sectors such as telecommunications, money transfer businesses, livestock exports, and localized electricity services remain key drivers of growth. With an estimated GDP per capita of US\$342 in 2018, Somalia remains one of the poorest countries in the world. Poverty is estimated at approximately 49 percent at the national level while overall urban poverty rate stands at 45 percent; the poverty rate in Mogadishu is higher than the national average at 57 percent. Poverty is heavily concentrated in settlements of Internally Displaced Persons (IDPs) at 70 percent. The poor are also likely to experience non-monetary poverty with even worse access to basic services such as education, health, water and sanitation than the overall population.

The private sector has a critical role to play, especially contractors for infrastructure creation and maintenance and the capacity of the local private sector will in part determine the employment and local economic impact of investment expenditures. However, this capacity is generally very weak or non-existent particularly in engineering consultancy and construction for large civil works contracts.

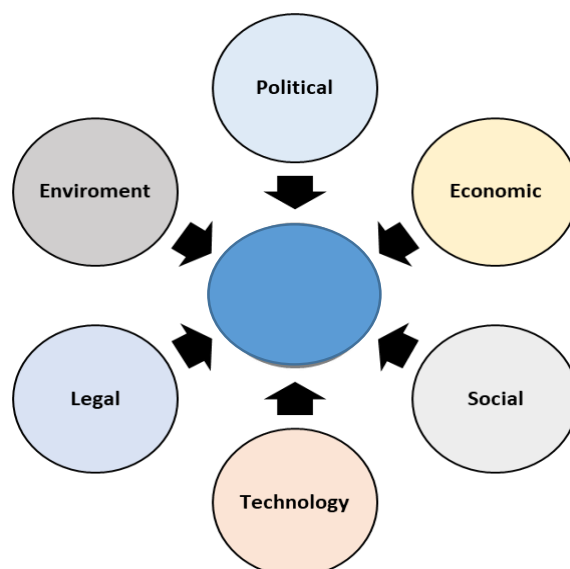
● **Sustainability Aspects**

Because of the protracted war and persistent drought conditions in many parts of Somalia, the country is facing uncertainty regarding the sustainability of the programs intended to support the growth of the economy thus support sustainable programming. It is hoped that with the steps that the country has been able to take since 2012, and with Government in place, the country will be able to develop more long-term sustainable development.

● **Technological Aspects**

Besides the devastating impact of Somalia's civil war, a technology sector has been growing in the country for years. Somalia has one of the most active mobile money markets in the world, with millions of people subscribed to e-payment services. Young people, with increased access to the internet and mobile phones, have shown interest in launching technology-driven businesses, crowd funding entities—and even innovating around famine relief efforts. For envisaged works, goods and equipment, are standard specifications and changes in the technology are gradual. Hence the variation of price due to technological changes on the overall price is minimal.

2.1.1 PESTLE Analysis



Political	<ul style="list-style-type: none"> • High bureaucracy levels and some corruption is evident
Economic	<ul style="list-style-type: none"> • Relatively high unemployment at around 19.87% in 2021 • High inflation rate has been affecting the local economy during the past several years • The impact of COVID-19 has been high given the service nature of the economy (tourism especially)
Social	<ul style="list-style-type: none"> • Unequal opportunities for male and female in education and employment • The impact of COVID-19 has affected demographics and the ability to move internally
Technological	<ul style="list-style-type: none"> • Access to internet is low • Pace of change in technology is low • Development of communication and technology infrastructure is low • Lack of digital awareness and understanding
Legal	<ul style="list-style-type: none"> • Enforcing labour codes is a challenge
Environment	<ul style="list-style-type: none"> • Evidence of climate change • Current policies and instruments lack the rigor to effectively reduce pressures on natural assets and protect public health from poor environmental quality • Somalia’s environmental legal framework is poorly developed and does not cover key aspects of environmental protection legislation.

Table I – PESTLE Analysis

2.1.2 Key PESTLE Conclusions

Overall, operational context imposes high risk to implementation of the project.

2.2 Client Capability and Programme Coordination Unit Assessment

Financial Management, Procurement and Governance shall be implemented by the Ministry of Agriculture and Irrigation (MoAI). It will approve the AWPB and review the report and audit of

the RLRP. The MoAI as the Lead Agency will work closely with the key sectors for RLRP such as the Ministry of Livestock, Forestry and Range (MoLFR) and the Ministry of Environment and Climate Change (MoECC). The Programme Coordination Unit (NPCU) under the MoAI will be responsible for: (a) managing the procurement of goods, works and services and contract implementation for all project activities; (b) developing the AWPB, and undertaking the M&E and KMC of programme activities; and (c) reporting on implementation progress and results to IFAD and MoAI.

The National Procurement System assessment (Procurement Risk Matrix) indicates that there are major challenges and they mainly relate to; i) insecurity; ii) limited number of dedicated procurement staff; iii) restricted movements and access inside Somalia; iv) weak capacity of bidders and limited service providers; v) incomplete public procurement regulation and non-adherence to the procurement Act guidelines; and vi) weak legal and financial institutions and subsequent regulatory framework. For these reasons, procurement capacity for RLRP is rated as “High risk”.

As a remedy to the noted challenges, a hands-on approach, including the introduction to NOTUS and CMT will allow the systematic tracking of procurement activities throughout the project cycle. The Programme Coordination Unit has experience in implementing IFI-financed projects accordance with the provisions with IFAD Procurement Guidelines and Handbook. Nevertheless, the NPCU procurement staff shall be further trained in NOTUS and CMT, and the Procurement Specialist at IFAD shall closely work with the NPCU and provide training as needed. For procurement packages that are deemed to pose challenges, 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, etc.

2.3 Market Research and Analysis

2.3.1 Works

Construction companies: An assessment of the construction industry identified that a very limited number local construction companies are available in Somalia, who can execute works contracts under the Project.

Construction supervision: Supervision of construction works in a fragile state requires experienced firms with capacity to function within that environment. Apart from providing engineering supervision for civil works, the firm or agency also requires techniques and skills to adjust the designs whenever necessary without modifying the Contract. Due to weak business environment in the country, there is limited or no chance of finding a consultancy firm, competitively in the local market, with the required technical competence and financial capability to undertake assignments within the country. In this regard, a supervision firm with the required technical competence and financial capacity will be engaged, based on quality and cost, to undertake the assignment.

Consultancy Services: These will include both consultant firms and individuals from local and international market as appropriate. There are limited domestic capacity of firms/individuals who can be engaged as Technical Assistants (TAs) for capacity building. However, there are well qualified consulting firms and individuals mainly from the region who have participated in the previous consultancy assignments in the past. Previous experience from other similar projects shows that both local and foreign firms have participated in the bid opportunities. In some instances, local firms have partnered with foreign firms. There is therefore a likelihood of foreign firms to associate

with national firms to enhance their capacity. Firms and individuals will be selected on open-international/national basis as appropriate. The preferred procurement method for firms under consulting services would be QCBS. However, other methods including Consultant Qualification and Direct Selection would be used as stipulated in the Procurement Plan.

Procurement of Non-Consulting Services: Contracts under non-consulting services include activities such as workshop venues, transport, printing services or IT services. These non-consulting services are available either locally or internationally. Given the size and nature of non-consulting services to be procured, most of the potential bidders are available locally. Such items will be procured through Open National Market Approach and Request for Quotations.

Office Equipment and Supplies: Somalia has available local traders for ICT equipment, scientific equipment, motor vehicles, and furniture and other office supplies. For equipment, vehicles and ICT hardware and Software, no domestic manufacturing capacity or facility to produce these goods, equipment and machineries. The bidders import the equipment/goods and provide after sales support. For this reason, such items will be procured using either Open National Market Approach or Request for Quotation method. Procurement of Vehicles, Office Equipment and ICT Hardware etc. will be procured through Request for Bids (RFB). The specifications for these items are of standard nature.

3 Arrangements for Procurement under the Project

National Public Procurement Law and Procurement Templates: The Public Procurement, Concessions and Disposal Act, 2015 (PPA) is the relevant public procurement legal framework. The Act foresees a decentralized system of procurement. The Act further provides for an independent oversight body that will foster the regulatory and the policy framework of public procurement in the country. The PPA has been reviewed by the IFAD and found to be satisfactory and consistent with the National Procurement Procedure requirements. However, institutions are not yet in place in accordance with the Act. Similarly, regulations and other procurement guidance documents, including Standard Bidding Documents, are yet to be finalized. The private sector and civil society have limited capacity or functionality. Currently, the process of operationalizing the PPA are underway. In accordance with the PPA, it is anticipated that, when the PPA is operationalized, for the national procedures to be used, the following shall be observed: (i) the request for bids/request for proposals document shall require that Bidders/Proposers submitting Bids/Proposals present a signed acceptance at the time of bidding, to be incorporated in any resulting contracts, confirming application of, and compliance with, the IFAD’s Anti-Corruption Guidelines, including without limitation to the IFAD’s right to sanction and the IFAD’s inspection and audit rights; and (ii) rights for the IFAD to review Project Executing Entity’s procurement documentation and activities.

Until such time that the PPA is operationalized, and the documents reviewed and found satisfactory by the IFAD, the Project shall use IFAD’s Standard Procurement Documents (SPDs) customized to national standards when approaching the national market. Also, the IFAD’s SPDs shall be used for procurement of goods, works, and non-consulting services under open International Competitive Procurement. All bidding documents for the procurement of works, goods and services shall be prepared by the NPCU procurement staff with the support of technical experts, as needed, who will provide specifications, terms of reference, and bill of quantities and so forth as required.

Procurement procedures/planning: Procurement will be carried out in accordance with the requirements in the IFAD’s Procurement Guidelines and IFAD’s Procurement Handbook 2020. According to the requirement of the Procurement guidelines, the Project Procurement Strategy (PPS) will be prepared agreed between the Project Executing Entity and IFAD. The PPS describes how procurement activities will support project operations for the achievement of the Project Objectives and deliver value for money. Based on the PPS, the Procurement Plan (PP) for the first 18 months will be prepared. The PP sets out the selection methods to be followed by the Project Executing Entity during the project implementation in the procurement of goods, works and consulting services and includes the cost estimates, time schedules, the IFAD’s review requirements, brief description of the activities/contracts etc. The PP will be updated at least every 12 months, or as required to reflect the actual project implementation needs, but each update shall require IFAD’s approval following which it will be publicly disclosed in accordance with IFAD’s disclosure policy. All procurement will be carried out in strict accordance with the approved procurement plan, whereas any procurement actions inconsistent with the approved procurement plan will considered as misprocurement and related expenditures ineligible. At a minimum, annual procurement plans will include all goods, services and works to be procured during the year, units required and unit costs, prior/ex-post review requirements (both internal and with IFAD), procurement methods, and target dates for each key procurement activity.

Evaluation: Each bid/proposal will be evaluated as provided for in the tender documents. An ad-hoc tender board will be appointed by a designated personnel in consultation with the procurement specialist and the subject-matter specialist. The appointed tender board members will be required to sign a confidentiality agreement as well as an affidavit indicating that they are not in a position of conflict of interest. The selection and appointment of members of the tender board will consider technical expertise requirements to ensure the required mix of skills is available for specialised

evaluations.

Contract Administration: The project will apply improved systems and to facilitate effective monitoring of contractual obligations and invoking necessary actions such as penalty clauses in cases of failure on the part of the contractor/supplier to uphold contractual obligations. In this regard, comprehensive contract registers will be maintained and shared with IFAD periodically. Contract monitoring forms will be used to strengthen the monitoring of milestone-based contracts requiring more than one payment. Updated versions of these documents will be made available to IFAD on a quarterly basis and form an integral part of project progress reporting (as described below). As part of start-up activities contract administration training will be provided to the entire RLRP project management team.

Reporting Requirements for Procurement: NPCU shall maintain all procurement information, from planning to contract awards and subsequent performance of contracts. As procurement plans can change quite often, either by delay or advance procurement with consequent effect on programme implementation, NPCU will be required to closely monitor the progress of procurement actions against plans. Quarterly procurement reports (QPRs) will be submitted to IFAD for information within 15 days following the end of the quarter. At a minimum, the QPRs will include the following information:

- Updated Procurement Plan;
- Updated Contract Register;
- Open Contract Monitoring Forms;
- Narrative explaining significant variances between actual and planned implementation

A hands-on approach, including the introduction to NOTUS and CMT will allow the systematic tracking of procurement activities throughout the project cycle. NPCU will use NOTUS and CMT, and the Procurement Specialist at IFAD shall closely work with and provide training to the procurement staff, as required. For procurement packages that are deemed to pose challenges to the NPCU, 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.

Responsibility. NPCU procurement staff will be responsible for undertaking the following tasks: (i) consolidate annual procurement plans; (ii) implementation and monitoring of procurement activities; (iii) interface with IFAD for procurement reporting; and (iv) ensure that the procurement under the Project is undertaken in line with the Project Design Report and IFAD Procurement Guidelines and IFAD Procurement Handbook 2020.

The following basic principles shall guide the work of NPCU while implementing the procurement activities: (i) economy and efficiency; (ii) equal opportunities to all eligible bidders; and (iii) fairness, transparency, integrity and good governance.

4 Procurement Risk Analysis

In view of the challenges outlined above, the risk for procurement was considered **High**. Up until a fully implemented and effective mitigation measures proposed in the Table below are implemented, a residual risk will remain **High**.

Risk Description	A	B	Description of proposed mitigation through the procurement process	Risk Owner
	Inherent	Residual		
Additional procurement personnel might need to be hired at the NPCU	H	H	<ul style="list-style-type: none"> Hiring a qualified procurement specialist who will be trained on NOTUS and on IFAD Project Procurement Guidelines and a Handbook 	NPCU
Poor contract management system, with potential time and cost overruns and poor-quality deliverables.	H	H	<ul style="list-style-type: none"> Introduce key performance indicators in the contracts. Active communication with supplier during contract implementation with proper project monitoring and control process in place and periodic progress reports from the supplier. 	NPCU
Possible Fraud and Corruption	H	H	<ul style="list-style-type: none"> Conduct customized training on fraud and corruption 	NPCU
Low level of Competition (Few Bidders)	H	H	<ul style="list-style-type: none"> Conduct bidder’s awareness and set qualification requirements to ensure better completion. Innovate more suppliers and increase advertisement, lighter some requirements 	NPCU
Ensuring quality of proposed solution	H	H	<ul style="list-style-type: none"> Set qualification requirements for bidders and detailed functional and non-functional requirements, testing and user acceptance testing (UAT). 	NPCU
Delays with project implementation	H	H	<ul style="list-style-type: none"> Penalties, contract performance control 	NPCU
Contract termination	H	H	<ul style="list-style-type: none"> Ensure technical requirements are clearly defined so the right provider is selected Conduct new procurement according to WB procurement procedures. 	NPCU

Table II – Procurement Risks and Mitigation Measures

Procurement Risk Analysis for abovementioned contract/group of similar contracts

Procurement Type	Risks	Mitigation Measures
Works Contracts	<ul style="list-style-type: none"> • Limited access to domestic financing • Skilled labour shortages • High cost of construction materials 	<ul style="list-style-type: none"> • Encourage use of ICB to broaden pool of potential suppliers and maximize Value for Money
Goods Contracts	<ul style="list-style-type: none"> • High cost of inputs • Non-availability of goods locally • Lack of participation by SMEs 	<ul style="list-style-type: none"> • Application of domestic preference as prescribed in the national law to encourage participation by domestic SMEs • Engage in proper planning to ensure goods are obtained in time, without delaying implementation
Consultancy Services Contracts	<ul style="list-style-type: none"> • Growing but still small market may result in inadequate expertise in various fields • Oligopolistic market may constrain competition 	<ul style="list-style-type: none"> • Provision of TA by IFAD to cover gaps in consultant expertise • Comprehensive TORs to ensure selection of qualified suppliers

Procurement Objective for abovementioned contract/group of similar contracts:

1. Maximize Value for Money
2. Timely completion of contracts
3. Achieve adequate competition
4. Selection of qualified suppliers with good track record in implementation and SECAP concerns

5 Recommended Procurement Approach for the Project

Works Contracts:

Attribute	Selected arrangement	Justification Summary/Logic
Specifications (SECAP compliance)	Conformance	Stringent SECAP standards have been outlined in the SECAP for SPOs table included in the PIM. Conformance is adequate to ensure good SECAP performance.
Sustainability Requirements	Yes	
Contract Type	A. Traditional	Most of the works' contracts follow the normal contracting process.
Pricing and costing mechanism	A. Lump Sum B. Schedule of Rates/Admeasurement	These two methods are applicable and can be used in the pricing and cost mechanism of these contracts.
Supplier Relationship	A. Collaborative	
Price Adjustments	A. None, fixed price B. Negotiated C. Percentage	Fixed Price applies or Admeasurement price
Form of Contract (Terms and Conditions)	D. State any special conditions of contract	<ol style="list-style-type: none"> 1. 10% Performance Security shall be required from a reputable bank 2. The maximum amount of liquidated damages for the whole of the works is 10 percent of the final Contract price.
Selection Method	A. Requests for Bids (RFB) B. Requests for Quotations (RFQ) C. Direct Selection	Most of the procurements will go through RFB to give an opportunity for competition and a wide range of competitors.
Selection Arrangement	A. Commercial Practices	Selection arrangements will be based on standard commercial practices.

Attribute	Selected arrangement	Justification Summary/Logic
Market Approach	A. Type of Competition 1. Open B. Number of Envelopes/Stages 1. Single Envelope C. Negotiations - No	Open competition allows greater competition by increasing potential bidders. No negotiations are allowed on works contracts
Pre / Post Qualification	Post-Qualification	Since bids are advertised in the open market, Post qualification is the most ideal method.
Evaluation of Costs	A. Adjusted Bid Price (corrected for bidder’s minor deviations)	Adjusted bid price is the most ideal method.
Domestic Preference	Yes	7.5% domestic Preference is allowed to encourage local companies to participate in tenders
Rated Criteria	List the type of criteria to be used (mandatory/desired)	Lowest Price or Lowest Evaluated cost

Goods Contracts:

Attribute	Selected arrangement	Justification Summary/Logic
Specifications (SECAP compliance)	Conformance	Stringent SECAP standards have been outlined in the SECAP for SPOs table included in the PIM. Conformance is adequate to ensure good SECAP performance.
Sustainability Requirements	Yes	Sustainability should always be considered in all procurement activities
Contract Type	A. Traditional	The standard traditional contract applies to these procurements of goods.
Pricing and costing mechanism	A. Lump Sum	Lump-sum pricing serves well in most of the procurement of goods for the project
Supplier Relationship	A. Collaborative	Collaborative relationships work well where suppliers agree on the prices and terms to be met.
Price Adjustments	A. None, fixed price B. Negotiated C. Percentage	Fixed prices will apply to procurement of goods as no negotiations are allowed for procurement of goods.
Form of Contract (Terms and Conditions)	D. State any special conditions of contract	N/A
Selection Method	A. Requests for Bids (RFB) B. Requests for Quotations (RFQ) C. Direct Selection	Most of the procurements will go through RFB to give an opportunity for competition and a wide range of competitors.

Market Approach	<p>A. Type of Competition 1. Open</p> <p>B. Number of Envelopes/Stages 1. Single Envelope</p> <p>C. Negotiations (No)</p>	<p>Most of these tenders are open to encourage competition amongst suppliers in the market and also internationally where possible.</p> <p>Single Envelope will be used for procurement of goods.</p> <p>No negotiations are allowed for procurement of goods.</p>
Pre / Post Qualification	Post-Qualification	The post-qualification will apply in most cases
Evaluation of Costs	<p>A. Adjusted Bid Price (corrected for a bidder's minor deviations)</p> <p>B. Life-Cycle Costs</p>	Adjusted Bid price will be used.
• Domestic Preference	Yes / No	This is allowed up to 7.5%
• Rated Criteria	List the type of criteria to be used (mandatory/desired)	Lowest Price or Lowest Evaluated cost

Consultancy Services Contracts:

Attribute	Selected arrangement	Justification Summary/Logic
Specifications (SECAP compliance)	Conformance	Stringent SECAP standards have been outlined in the SECAP for SPOs table included in the PIM. Conformance is adequate to ensure good SECAP performance.
Sustainability Requirements	Yes	Sustainability will be a mandatory requirement for any procurement carried out in this project.
Contract Type	Lump Sum; or Time-based	Both types of contract will be used
Supplier Relationship	Collaborative	Collaborative relationship will apply in all contracts with consultants
Price Adjustments	A. None, fixed price B. Negotiated	Both Fixed Price and negotiated contracts methods will be used. Contract negotiations are allowed only on exceptional cases, such as: – when the single sourcing/direct contracting method of procurement has been used; or – when price has not been a factor in the bid evaluation process (i.e. quality-based selection).
Selection Method	A. Quality Cost Based Selection (QCBS) B. Fixed Budget Based Selection (FBS) C. Least Cost Based Selection (LCS) D. Quality Based Selection (QBS) E. Consultant’s Qualifications Based Selection (CQS) D. Direct Selection	Where possible QCBS will be the default procurement method. However other methods are allowed based on the approved procurement plan.

<p>Selection Arrangement</p>	<p>A. Commercial Practices</p>	<p>Selection arrangements will be based on standard commercial practices.</p>
<p>Market Approach</p>	<p>A. Type of Competition 1. Open 2. Limited 3. International 4. National 5. No Competition - Direct Selection B. Number of Envelopes 1. Single Envelope 2. Two Envelopes C. Negotiations (as applicable)</p>	<p>Competition is supposed to be Open and International but in very isolated cases direct selection could also be used</p> <p>Both Single and Two Envelopes will be used</p> <p>Contract negotiations are allowed only on exceptional cases, such as: – when the single sourcing/direct contracting method of procurement has been used; or – when price has not been a factor in the bid evaluation process (i.e. quality-based selection).</p>
<p>Rated Criteria</p>	<p>Relevant experience; Past performance; Management and technical skills; Resources; etc.</p>	<p>QCBS, QBS, CQS and ICS</p>

SECTION 3: DRAFT INPUT IN THE GRANT AGREEMENT.

GRANT AGREEMENT**Schedule 2***Allocation of the Grant*2.1. *Allocation Table.*

a. The amounts allocated to each category for the Project shall be as follows (US\$ '000):

Category of Expenditure	Federal FGS	IFAD	Other Co-Financing	FMS	Beneficiaries	Total
I. Investment Costs						
A. Works	0	931	1,091	132	636	2,790
B. Training and capacity building	2	367	575	32	61	1,037
C. Consultancies, studies and TA	26	739	859	180	75	1,879
D. Goods and Inputs	0	412	562	75	49	1,098
E. Services	0	802	1,065	318	107	2,292
F. Equipment and Materials	20	71	61	-	-	152
II. Recurrent Costs						
A. Salaries and Allowances	158	563	479	-	-	1,200
B. Office operating costs	11	41	35	-	-	87
TOTAL	218	3,925	4,728	736	928	9,973

2.2. *Disbursement through ICP.* In addition to the requirements of paragraph 3.3 of the General Provisions, the Withdrawal Applications (WA) and Statements of Expenditure (SOE) should be submitted through IFAD Client Portal (ICP), once the letter of evidence of authority to sign WAs and SOE and permission to access the ICP website has been submitted to IFAD, as per the format set forth in the IFAD Grant Forms. Until ICP will be activated and duly set up for the project, SOEs and WAs will be submitted to IFAD offline and in line with IFAD the relevant sections of the General Provisions.

Procurement

(a) Procurement of goods, works and services shall be carried out in accordance with the provisions of the IFAD Project Procurement Guidelines²³.

(b) The Recipient shall: (i) inform Third Parties of the IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations and IFAD Policy on Prevention and Responding to Sexual Harassment, Sexual Exploitation and Abuse; and (ii) ensure that all bidding documents and contracts for procurement of goods, works and services financed by the Grant are in accordance with the above-mentioned Policies.

(c) By notice to the Borrower/Recipient, the Fund may require that all bidding documents and contracts for procurement of goods, works and services financed by the Financing include provisions requiring bidders, suppliers, contractors, sub-contractors and consultants to:

(i) allow full inspection by the Fund of all bid documentation and related records;

²³ Any reference to IFAD Project Procurement Guidelines also includes the IFAD Procurement Handbook. Ensuring that applicable procurement rules are consistent with IFAD's Project Procurement Guidelines is mandatory; the Handbook is used as a guidance document for the borrower/recipient. For both the Guidelines and the Handbook, the latest version shall always apply.

- (ii) maintain all documents and records (including electronic records) related to a bid or contract for at least three (3) years after completion of the procurement processor contract execution; and
 - (iii) fully cooperate with agents or representatives of the Fund carrying out an audit or investigation.
- (d) Should the result of procurement activities result in savings to the Grant Contract amount, such savings shall not be due to the Grantee and will be automatically deducted from the Contract ceiling. Should the outcome of procurement activities result in additional costs (e.g. the items budgeted for by the Grantee are underestimated or an inflation causes increase in prices), the Grantee will be required to finance the extra budget needed.
- (e) *IFAD Client Portal (ICP) Contract Monitoring Tool.* The Recipient shall ensure that a request is sent to IFAD to access the project procurement Contract Monitoring Tool in the IFAD Client Portal (ICP). The Recipient shall ensure that all contracts, memoranda of understanding, purchase orders and related payments are registered in the Project Procurement Contract Monitoring Tool in the IFAD Client Portal (ICP) in relation to the procurement of goods, works, services, consultancy, non-consulting services, community contracts, grants and financing contracts. The Recipient shall ensure that the contract data is updated on a quarterly basis during the implementation of the Program.

SECTION 4: PROJECT PROCUREMENT ARRANGEMENTS

Date -----

Preamble to the Procurement Plan

Country (Full Name): Somalia

IFAD Financing (Grant Number):

Project (Full Name of Project): Rural Livelihoods Resilience Programme (RLRP)

Excellency,

1. I refer to the Grant Agreement between Somalia (“Recipient”) and the International Fund for Agricultural Development (IFAD), dated [insert date of GA] (“Agreement”). The Agreement will enter into force when IFAD receives an instrument of ratification.
2. The instructions contained in these Project Procurement Arrangements govern the execution of project procurement operations with respect to the acquisition of goods, works and services under the Agreement. These arrangements replace and supersede any procurement guidance that has previously been issued to the project. In case these instructions conflict with those of the IFAD Project Procurement Handbook, the instruction of these Procurement Arrangements shall prevail.
3. Capitalised terms defined in the Grant Agreement and General Conditions shall have the same meaning in these Arrangements unless expressly defined otherwise in this document.
4. Section C, paragraph 5 of the Grant Agreement provides that the procurement of goods, works and services under the Programme shall be carried out in accordance with the provisions of IFAD’s Project Procurement Guidelines and Procurement Handbook as well as any other measures identified by IFAD²⁴.
5. The IFAD Simplified Project Procurement Procedures for Fragile and Conflict Affected Situations guidelines shall not apply to this project.
6. Each Annual Work Plan and Budget must contain a Procurement Plan, which shall identify the procedures that must be implemented by the Recipient in order to ensure consistency with the IFAD Project Procurement Guidelines. The following procurement methods shall be used²⁵ for:
 - a. Works and works-related Non-Consulting Services:
 - (i) International Competitive Bidding (ICB): This procurement method applies to contracts estimated to cost US\$300,000 or more. Under ICB, the Recipient may not apply domestic preference to local contractors;
 - (ii) National Competitive Bidding (NCB): might be applied to contracts estimated to cost less than US\$ 300,000. A waiver for the use of this method beyond this threshold can be requested for individual activities with proper justification;

²⁴ Any reference to IFAD Project Procurement Guidelines also includes the IFAD Procurement Handbook. Ensuring that applicable procurement rules are consistent with IFAD’s Project Procurement Guidelines is mandatory; the Handbook is used as a guidance document for the Recipient. The regulations set out in these Procurement Arrangements supersede the Handbook in case of conflict. For both the Guidelines and the Handbook, the latest version shall always apply.

²⁵ To know the applicable procurement method, the cost estimate shall be for the entire procurement activity whether it is divided into lots or not; in case of lots, the sum of the cost estimates of all lots shall be used for identifying the applicable procurement method for the procurement activity.

- (iii) Shopping: might be applied to contracts estimated to cost US\$90,000 or less. A waiver for the use of this method beyond this threshold can be requested for individual activities with proper justification; and
 - (iv) Direct Contracting: applies to the indicated contracts in the Procurement Plan with due justification (as mentioned in the Handbook) subject to IFAD's NO under prior review²⁶.
- b. Goods and Goods-related Non-Consulting Services
- (i) International Competitive Bidding (ICB): This procurement method applies to contracts estimated to cost US\$100,000 or more. Under ICB, the Recipient may not apply domestic preference to local contractors;
 - (ii) National Competitive Bidding (NCB): might be applied to contracts estimated to cost less than US\$100,000. A waiver for the use of this method beyond this threshold can be requested for individual activities with proper justification;
 - (iii) Shopping: might be applied to contracts estimated to cost US\$35,000 or less. A waiver for the use of this method beyond this threshold can be requested for individual activities with proper justification; and
 - (iv) Direct Contracting: applies to the indicated contracts in the Procurement Plan with due justification (as mentioned in the Handbook) subject to IFAD NO under prior review²⁷.
- c. Consulting Services and related Non-Consulting Services
- (i) Quality and Cost Based Selection (QCBS): This selection method is the default for contracts with firms estimated to cost US\$50,000 or more; International Advertisement is mandatory for consultancy contracts estimated to cost US\$ 100,000 or more, regardless of the selection method;
 - (ii) Quality Based Selection (QBS): might be applied to contracts of any value if a proper justification is provided;
 - (iii) Fixed Budget Selection (FBS), or Least Cost Selection (LCS)²⁸: might be applied to contracts with firms estimated to cost less than US\$50,000. A waiver for the use of this method beyond this threshold can be requested for individual activities with proper justification;
 - (iv) Consultants Qualification Selection (CQS): might be applied to contracts with firms estimated to cost US\$ 35,000 or less. A waiver for the use of this method beyond this threshold can be requested for individual activities with proper justification;
 - (v) Individual Consultants Selection (ICS): applies to contracts with individuals regardless of the value;

²⁶ A sufficiently detailed justification shall be submitted to IFAD to obtain its NO and shall include the rationale for the choice of direct contracting instead of competitive procurement and the basis for recommending a particular contractor/service provider in all such cases. Direct contracting could be justified under any of the circumstances listed in section 6, Module F1: Procurement Methods for Goods, Works and Non-consulting Services of the IFAD Procurement Handbook.

²⁷ A sufficiently detailed justification shall be submitted to IFAD to obtain its NO and shall include the rationale for the choice of direct contracting instead of competitive procurement and the basis for recommending a particular supplier/service provider in all such cases. Direct contracting could be justified under any of the circumstances listed in section 6, Module F1: Procurement Methods for Goods, Works and Non-consulting Services of the IFAD Procurement Handbook.

²⁸ The choice among QBS, FBS and LCS shall be made by the Recipient in the Procurement Plan based on the nature and circumstances of the relevant procurement activity following the guidance of the IFAD Procurement Handbook.

- (vi) Shortlisting following a Request for Expression of Interest is mandatory for all CQS and ICS procedures. In addition, Shortlisting is mandatory for all consulting services contracts estimated to cost US\$ 35,000 or more;
- (vii) Sole/Single Source Selection (SSS): applies to contracts with firms designated under SSS in the Procurement Plan with due justification (as mentioned in the Handbook) subject to prior review²⁹;
- (viii) Sole/Single Source Selection (SSS): applies to contracts with individuals designated under SSS in the Procurement Plan with due justification (as mentioned in the Handbook) subject to prior review³⁰.

d. Other Procurement Methods or Arrangements:

- (i) The use of Force Account is not allowed.
- (ii) Extensions of contracts funded by IFAD for Goods, Works or related Non-Consulting Services to cover items of similar nature not listed in the original contract may not exceed 10% of the contract value and require IFAD’s No Objection (such extension shall be considered as Direct Contracting). However, extensions of existing contracts, issued in order to increase/decrease items already listed in the original contract as a result of evolutionary changes during contract execution and subject to the contractual clauses governing such change may exceed 10%. In this case, the extension is subject to IFAD’s No Objection.
- (iii) Procurement with Community Participation is not allowed.
- (iv) The award of Grants and Investment Agreements are subject to the prior review threshold for Consulting Services (firms). The packaging of Grants and Investment Agreements is encouraged, single awards to entities or individuals are discouraged.
- (v) Procurement from United Nations Agencies is not allowed.
- (vi) Secondary Procurement (orders against existing Long-term Agreements, national e-catalogues etc.) follows the regulations and applicable thresholds of the national legislation. The prior review threshold of the respective procurement category (goods, works, consulting services and related non-consulting services) applies.
- (vii) The Recipient shall adopt and use the Standard Procurement Documents issued by IFAD for all methods of procurement listed under 6 a, b, c and d.

7. In accordance with paragraphs 49, 66 and 67 of the IFAD Project Procurement Guidelines and IFAD’s Procurement Handbook, the following will be subject to prior review by IFAD and requires IFAD’s No Objection:

1	Procurement Plans submitted as part of Annual Work Plans and Budget and any subsequent amendment of these plans;
2	General Procurement Notices
3	All contracts above US\$10,000 procurement activities using NS, QBS, FBS, LCS, CQS and ICS;

²⁹ Any request for SSS by the Recipient must be accompanied by a detailed justification, which will be carefully examined by IFAD to ensure that no alternative selection methods can be used. To receive IFAD’s NO, it must be demonstrated that there is a clear advantage to SSS over competitive selection. Examples of such circumstances are listed in Section 6, Module F2: Selection Methods for Consulting Services of the IFAD Procurement Handbook.

³⁰ Any request for SSS by a borrower/recipient must be accompanied by a detailed justification, which will be carefully examined by IFAD to ensure that no alternative selection methods can be used. To receive IFAD’s NO, it must be demonstrated that there is a clear advantage to SSS over competitive selection. Examples of such circumstances are listed in Section 7, Module F2: Selection Methods for Consulting Services of the IFAD Procurement Handbook.

4	Any use of Force Account – Not Applicable
5	The TOR (Job Description), Advertisement and selection proceedings for the hiring of any staff responsible for carrying out or administering procurement processes as part of the project
6	Award of any Memorandum of Agreement irrespective of its value
7	Award of any contract for goods and goods-related non-consulting services estimated to cost US\$30,000 or more;
8	Award of any contract for works and works-related non-consulting services estimated to cost US\$50,000 or more;
9	Award of any contract for consulting services provided by firms estimated to cost US\$ 10,000 or more;
10	Award of any contract for individual consulting services;
11	Award of any contract via Direct Contracting for Goods and related Non-Consulting Services above the low-value threshold specified in paragraph 6. b. (iv). Any contract below this low-value threshold does not need N.O. as long as the cumulative value of such low-value contracts does not exceed the cumulative threshold stated in the same paragraph;
12	Award of any contract via Direct Contracting for Works above the low-value threshold specified in paragraph 6. a. (iv). Any contract below this threshold does not need N.O. as long as the cumulative value of such low-value contracts does not exceed the cumulative threshold stated in the same paragraph;
13	Award of any contract via Single/Sole Source Selection of Consulting Services to firms above the threshold specified in paragraph 6. c. (vii). Any contract below this threshold does not need N.O. as long as the cumulative value of such low-value contracts does not exceed the cumulative threshold stated in the same paragraph;
14	Award of any contract via Single/Sole Source Selection to individuals above the threshold specified in paragraph 6. c. (viii). Any contract below this threshold does not need N.O. as long as the cumulative threshold stated in the same paragraph is not exceeded and the contract duration is three months or less.

8. In addition, the following interim steps of the procurement process for Goods/Works/Services also require IFAD’s No Objection for contracts designated for **“prior review”** in the project’s procurement plan. No downstream procurement action by the Recipient can proceed until prior NO is issued by IFAD as to the propriety and compliance of the undermentioned steps with the IFAD PPF:

	Activity / Step of the procurement process for Prior Review Contracts	IFAD “NO” is required
1	Call/Request for Prequalification document and related advertisement	Yes
2	REOI (Request for Expression of Interest) document for consultancy services and related advertisement	Yes
3	Terms of Reference for consultancy services and related non-consulting services	Yes, usually as part of NO request for issue of the RFP (step 9 below)
4	Technical Specifications for Goods/Works/NCS	Yes, usually as part of NO request for issue of

		the bid docs (step 9 below)
5	Composition of evaluation committees	Yes, usually as part of steps 9, 13 or 15
6	Prequalification report for Goods/Works/NCS	Yes
7	Shortlisting report for consultants' selection	Yes
8	The use of "prior lists" for shortlisting consultants	Yes
9	Complete Bidding Documents and RFPs and CfPs and related advertisement if applicable	Yes
10	Use of a Performance Guarantee template if other than unconditional, irrevocable and on-demand guarantee	Yes
11	Amendments to the Bidding Documents and RFPs, CfPs	Yes
12	Opening bids/quotes/proposals that are less than 3 (excluding DC/SSS)	Yes
13	Technical evaluation report (in two envelope procedures)	Yes
14	The combined evaluation report (in two envelope procedures)	Yes
15	The single evaluation report (in one envelope procedures) for Goods/Works/NCS/Consulting Services (SSS)	Yes
16	Decisions concerning abnormally low bids	Yes
17	Draft contract	Yes
18	Minutes of negotiation at award for consultancy services (where applicable) or when using DC for Goods/Works/NCS	Yes
19	Rejection of all bids/proposals and cancellation of the procurement procedure	Yes
20	Failure of negotiations and proceeding to next ranked consultant	Yes
21	Proceeding to next ranked bidder if top ranked fails to sign the contract in Goods/Works/NCS	Yes
22	Determination to reject a bid/proposal because of cross-debarment	Yes, usually as part of steps 13, 14 or 15
23	Amendments to contracts exceeding 10% in value (increase/decrease in quantities as a result of evolutionary changes). Additional unforeseen new items exceeding 10% of the contract value is a new procurement subject to Single Source/DC conditions.	Yes
24	Extension of time to contracts exceeding 25% of the original contractual duration in Goods/Works/NC Services/Consulting Services	Yes
25	Termination of a contract in Goods/Works/NC Services/Consulting Services	Yes
26	The use of Force Account	Yes

9. Debriefing and Protest procedures for all procurement activities shall be based on the procedures laid down in the IFAD Procurement Handbook including the requirements to issue a Notice of Intent to Award and the application of a standstill period.

10. IFAD must receive a duly completed Authorised User(s) Letter (see Annex 1), from the designated representative specified in Section E of the Agreement or his/her delegate, designating the name(s) of official(s) authorised to undertake actions in the IFAD's client project procurement systems which includes client project submitting electronic

documentation, entering and updating fiduciary data and to request IFAD's No Objection. The designated representative of the Recipient may from time to time change the name/s of the Authorised User(s) or add new ones by written notice to IFAD.

11. Requests for IFAD prior review and no objection, should be routed through OPEN, IFAD's End-to-End Procurement system. OPEN enforces a step-by-step documentation of the workflow for the process for the entire procurement process (expression of interest, IFAD No-Objection, to contract signature) according to the type (e.g. national competitive bidding, international competitive bidding) and object of procurement (e.g. civil works, goods, services). OPEN also has a function as a tracking system for non-procurement workflow (e.g. Project Implementation Manual – PIM, Annual Workplan and Budget). Until this functionality is rolled out, these workflows will be tracked through NOTUS (IFAD No-Objection Tracking Utility System).
12. All contracts, Memorandums of Agreements,³¹ purchase orders and related payments must be recorded in the Contract Monitoring Tool of the IFAD Client Portal. The register of contracts contained within the Contract Monitoring Tool replaces the requirement to complete the Forms C-10 (Register of Contracts) and C-11 (Contract Payment Monitoring Form). Instead, an extract of the register of contracts must be downloaded from the Contract Monitoring Tool for submission together with Withdrawal Applications. The register of contracts must be kept up-to-date on a continuous basis.
13. All the above-outlined procurement terms and conditions shall also apply to project implementing partners and implementing agents approved by IFAD.
14. The aforementioned terms and conditions may be modified by IFAD during the course of Project implementation.

Anticorruption Measures

15. IFAD-financed and IFAD-managed activities and operations are governed under the Revised IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations; therefore, the Recipient is required to familiarize itself with this Policy in order to comply with all applicable requirements therein.
16. Specifically, paragraphs 11 to 15 in Section II. D (iii) of the Policy states the actions that the Recipient will take to prevent, mitigate and combat Prohibited Practices (i.e., fraud, corruption, collusion, obstruction and coercion, as defined by the Fund) in any IFAD-financed and/or IFAD-managed activity or operation. Borrowers/Recipients are instructed to, *inter alia*:
 - a. Prior to the implementation of an IFAD-financed and/or IFAD-managed operation or activity, inform the Fund of the arrangements made for receiving and taking action in response to allegations of fraud and corruption relating to IFAD-financed and/or IFAD-managed activities and operations, in particular:
 - i. appoint **and inform the Fund of the** independent and competent national or local authority (or authorities, if the activities that follow fall under the jurisdiction of more than one authority) to be responsible for receiving, reviewing and investigating allegations of fraud and corruption relating to IFAD-financed and/or IFAD-managed activities and operations; and;

³¹ IFAD distinguishes between a Memorandum of Understanding, Memorandum of Agreement and a service contract in the following way:

Memorandum of Understanding: equivalent to a letter of intent, it cannot involve payments of any kind.

Memorandum of Agreement: it can involve payments but is only applicable to the public sector. It needs IFAD NO regardless of the value.

Commercial (service) contract: should be used for all private sector entities including NGOs.

ii. provide the name(s), position(s) and contact information of a focal point within that authority (or those authorities, as appropriate) and inform IFAD of any potential changes of that focal point.

b. Borrower/Recipients are also encouraged to have in place, in accordance with effective whistle-blower protection measures and confidential reporting channels in order to appropriately receive and address allegations of fraud and corruption relating to IFAD-financed and/or IFAD-managed operations and activities.

Sexual Harassment, Sexual Exploitation and Abuse

17. IFAD has no tolerance for acts of sexual harassment, sexual exploitation and abuse in relation to its funded activities or operations. In April 2018, IFAD released its Policy to preventing and responding to Sexual Harassment, Sexual Exploitation and Abuse (the IFAD Policy³²) to define obligations and responsibilities of all individuals who are holders of a contract with IFAD as well as third parties and recipients of IFAD funding.
18. According to Section 7.07 of the General Conditions, the Recipient and the Project Parties shall ensure that the Project is carried out in accordance with the provisions of the IFAD Policy as may be amended from time to time. The Fund may take appropriate measures in line with such Policy.
19. In line with Section 34 of the Policy, the Recipient shall ensure that contracts with Project Parties include: (i) provisions prohibiting acts of sexual harassment, sexual exploitation and abuse, (ii) obligation to immediately report incidents of sexual harassment, sexual exploitation and abuse to IFAD or to the Recipient and (iii) provisions allowing for the immediate termination of the contract based on proven acts of sexual harassment, sexual exploitation and abuse.
20. Pursuant to Section 8.06. of the General Conditions, the Recipient and Project Parties shall promptly inform the Fund of any non-compliance with the IFAD Policy. In accordance with Section 12.01 (xxv) of the General Conditions, the Fund may suspend, in whole or in part, the right of the Recipient to request withdrawals from the Loan and/or Grant Accounts if, after consultation with the Recipient, it determines that acts of sexual harassment, sexual exploitation and abuse were engaged in by representatives of the Recipient or a Project Party or by any other recipients of the proceeds of the Financing without the Borrower/ Recipient having taken timely and appropriate action, satisfactory to the Fund, to address such acts when they occur.
21. Borrowers/Recipients are also encouraged to have in place, effective whistle-blower protection against retaliation measures, victim support and assistance mechanisms and confidential reporting channels in order to receive, address and respond to allegations of sexual harassment, sexual exploitation and abuse relating to IFAD-financed and/or IFAD-managed operations and activities.

Accept, Excellency, the assurances of my highest consideration.

Country Director

³² <https://www.ifad.org/en/document-detail/asset/40738506>

SECTION 5: PROCUREMENT SUPERVISION PLAN

1. Introduction

The Ministry of Agriculture and Irrigation (MoAI) as the lead implementing agency of the Rural Livelihoods Resilience Programme (RLRP) aims to achieve resilient agricultural livelihoods by strengthening community governance and improving the agricultural productivity and business capacities of rural smallholder farmers, especially women and youth. The project will be implemented mainly through the community driven development (CDD) and value chain (VC) development approaches. The National Programme Coordination Unit (NPCU) under the MoAI will be responsible for: (a) managing the procurement of goods, works and services and contract implementation for all project activities; (b) developing the AWPB, and undertaking the M&E and KMC of programme activities; and (c) reporting on implementation progress and results to IFAD and MoAI. A lean State Programme Coordination Unit will coordinate implementation in each participating FMS. A competitively-recruited NPCU team will implement the two technical components, procurement and financial management. It will report to the MoAI. a **Programme Steering Committee (PSC)** under the Ministry of Agriculture and Irrigation (MoAI) will approve the AWPB and review the report and audit of the RLRP. The composition of the PSC will be agreed with the FGS during design. The MoAI as the **Lead Agency** will work closely with the key sectors for RLRP such as the Ministry of Livestock, Forestry and Range (MoLFR) and the Ministry of Environment and Climate Change (MoECC). IFAD will be responsible for supervision of procurement activities through the reviews required for no-objection requests. IFAD will also undertake post procurement supervision for prior review thresholds. Procurement supervision will also be done during scheduled project supervision missions.

2. IFAD's Project Supervision Role for the RLRP

The review of project procurement processes during project implementation is an essential part of IFAD's fiduciary responsibility. In supervising projects and providing implementation support, IFAD aims to ensure that project procurement processes conform with national procurement laws and regulations and are consistent with the IFAD Project Procurement Guidelines and Procurement Handbook, any ancillary IFAD Procurement Documents/Templates, and other applicable policies, guidelines and procedures.

3. Scope of Supervision

The Procurement Risk Assessment undertaken during the RLRP design mission returned a rating of High Risk and therefore the extent and intensity will be based on a standard supervision scope as provided in the IFAD procurement Manual and will include the following:

- i. PRM Reviews
- ii. Prior review
- iii. Post review
- iv. Project Supervision
- v. Review of the Procurement Plan
- vi. Internal Supervision

3.1 PRM Reviews

The PRM is a tool that underpins IFAD's risk-based approach to project procurement oversight. Its principal aim is to ensure adequate mitigation of key risks of a project implementing agency failing to perform the procurement processes it will be responsible for in a sound and efficient manner. During the design of the Rural Livelihoods Resilience Programme (RLRP), a Procurement Risk Assessment was undertaken which entailed updating the previous PRM assessment country level dimensions and conducting an institutional level dimension assessment of the Ministry of Agriculture and Irrigation (MoAI) which is the project the implementing agency.

Determination of the scope and intensity of procurement reviews will follow a risk-based approach informed by PRM assessments, issues identified in previous procurement reviews, and taking into account the project's stage of implementation. For every ongoing project, the PRM assessment will have to be updated once a year during project supervision.

3.2 Prior review

Conducted when a CD is required to provide a NO to a procurement document and process undertaken by the designated borrower. Prior review is an additional risk mitigation measure during the various stages of a procurement process. For the RLRP prior review will include a review of the following documents: the Procurement Plan, bid documents, evaluation reports and award recommendations, draft contracts and its amendments.

CD and NPCU are required to use NOTUS to manage NOs; through NOTUS, NPCU submits documentation to IFAD for prior review and issuance of NOs.

Prior review will address the following:

1. Compliance with Financing Agreement and Letter the Borrower, or any subsequent changes reflected in mission reports (e.g. Supervision, Mid-Term Review, Back-to-Office Reports, Aide-Memoires, correspondence, etc.) and consistency with the approved AWPB and PP
2. Adequacy and Quality of the Bidding Documents
3. Review of compliance with relevant provisions in the IFAD General Conditions for Agricultural Development Financing, Project Procurement Guidelines, Procurement Handbook, any ancillary IFAD Procurement Documents/Templates, IFAD Policy on Preventing Fraud and Corruption, the Financing Agreement and Letter to the Borrower
4. The evaluation was done in compliance with IFAD guidelines and in compliance with applicable laws of the country.
5. Draft Contract consistency between the draft contract and the contract form provided as part of the bidding document, and between the price contained in the contract and that in the evaluation report (to which IFAD provides its NO) (*Refer to checklist appendix: No-Objection Checklists for Prior Review of the IFAD Procurement Manual*)

3.3 Post Review

This is the assessment by IFAD in the context of supervision and implementation support or desk-based reviews of procurement conducted by the Borrower/Recipient for a sample of contracts or ongoing procurement activities. The assessment will ensure procurement principles, provisions and procedures as stipulated in the IFAD Project Procurement Guidelines and Procurement Handbook, Financing Agreement and Letter to the Borrower, PIM, standard

templates (e.g. bidding documents for goods, works and services) and related systems are available and fully explained to procurement and project management staff. A minimum of ten percent of ongoing contracts should be reviewed. The sampling should be risk-based and take into consideration: (i) the PRM assessment, with the riskier projects having a larger sample, and (ii) the contract risk rating, to ensure that riskier contracts constitute a higher proportion of the sample. The following will be assessed:

1. Bidding Process (for each procurement)
2. Evaluation Process (for each procurement)
3. Award and Negotiations (for each procurement)
4. Contract, Contract Administration and Management Process (for each procurement)
5. Identify issues and weaknesses (and the relevant underlying causes of these issues and weaknesses) in contract administration and management and recommend improvements.
6. Review of issues identified in the previous review and aide-mémoire and procurement related issues identified in project audit reports.
7. Review of project's procurement filing system and the ease of document retrieval.
8. Periodic review of any significant changes in the Borrower/Recipient's procurement system and practices, and ensure project procurement procedures and systems are updated accordingly.
9. Ascertain procurement capacity within the NPCU, availability of dedicated staff, and the adequacy of their experience and qualifications.
10. Assessment of further procurement staff training needs and ensure relevant training is planned and provided to project management and procurement staff in a timely manner.
11. Field visits as necessary to complete the above tasks, especially when an issue is identified in contract management (*Refer to checklist appendix: No-Objection Checklists for Prior Review of the IFAD Procurement Manual*)

3.4 Project Supervision

As part of a procurement review undertaken during supervision, a project's PRM will need to be reviewed and updated in light of evolving conditions or circumstances, for example, with respect to the national procurement system, improvement/deterioration of project procurement performance, overall implementation progress and results delivery. As a result, procurement and prior review thresholds may be revised, and other existing risk mitigation measures may be adjusted or new ones implemented. The procurement plan will also be reviewed during supervision and any updates that may be agreed will be done and the revised PP sent for No-objection. Supervision missions will spot check the procurement documentation associated with prior reviews as well as assess procurement processes conducted by the Borrower/Recipient for a sample of contracts not subject to prior review as shown below:

1. Review Procurement Plan (PP)
2. Review of the procurement process
3. Review of final contract
4. Review of contract implementation
5. Review of project's procurement filing system and the ease of document retrieval (*Refer to checklist appendix No-Objection Checklists for Prior Review of the IFAD Procurement Manual*)

3.5 Procurement Plan reviews

Procurement Plans should be reviewed on a periodic basis (preferably quarterly), such as when a PP Update is submitted, prior to giving a NO for a PP Upgrade, and at any other point in time as determined by the CD e.g. when supervision and/or implementation support activities take place. Review of a PP will assess the following: Consistency with the latest approved AWPB:

1. Nature and quantity of goods/works/services is consistent with the activities in the AWPB
2. Procurement schedule is consistent with the implementation schedules in the AWPB (the delivery of goods, works and services correspond to targets in the AWPB)
3. Procurement budget is adequate
4. Selection of procurement methods are in compliance with the provisions of the Letter to the Borrower
5. The estimates indicated seem realistic
6. Adequacy of procurement packaging:
7. Procurement activities are systematically and logically grouped according to the categories of the procurement (goods/works/services)
8. Packaging has been done in a way that generally facilitates the use of the most competitive and efficient procurement method, that ensures the best value for money and that avoids pseudo-packaging
9. Progress in implementing and updating and upgrading the PP, including identifying significant delays and causes, proposing adjustments to the PP and recommending improvements relating to planned/ongoing procurement processes (e.g. in the preparation of the bidding documents).

3.6 Internal Supervision

The National Programme Coordination Unit (NPCU) under the MoAI will be responsible for the supervision of all day to day procurement activities of the RLRP by undertaking the following activities:

1. Review the Procurement Plan
2. Monitor the day to day implementation of the PP
3. Review the following documents before they are submitted for no-objection:
 - TORs/Specifications
 - Requests for expressions of interests
 - Request for proposals
 - Bidding documents
 - Evaluation reports
 - Draft contracts

(Refer to Procurement Performance Indicator for Supervision Reporting)

Appendix 1. Supervision Plan

S/N	Type of supervision	Purpose of the supervision	Responsibility	Outputs	Frequency
1	PRM Reviews	PRM assessments, issues identified in previous procurement reviews, and taking into account the project's stage of implementation For every ongoing project, the PRM assessment will have to be updated once a year during project supervision.	Senior Procurement Officer (SPO) or Consultant	- A summary of the project's main procurement risks and corresponding mitigating actions to address and minimize their impact/likelihood - Assigned Ratings - Write up for the Aide Memoire	Once every year
2	Prior review	Review procurement documentation associated with prior reviews as well as assess procurement processes conducted by the Borrower/Recipient for a sample of contracts not subject to prior review.	Senior Procurement Officer (SPO) or Consultant	No-objection by concerned CD/CPM	Based on Requests
			CD will issue the no objection based on the recommendation from SPO		

S/N	Type of supervision	Purpose of the supervision	Responsibility	Outputs	Frequency
3	Post review	The purpose is the assessment by IFAD of the procurement processes conducted by the Borrower/Recipient for a sample of contracts that are not subject to prior preview.	Senior Procurement Officer (SPO) or Consultant	Procurement Review Working Paper	As scheduled

4	Project Supervision	Spot check the procurement documentation associated with prior reviews as well as assess procurement processes conducted by the Borrower/Recipient for a sample of contracts not subject to prior review Update the PRM (see 1 above)	Senior Procurement Officer (SPO) or Consultant	Supervision Aide Memoire and the Management Letter	As scheduled
5	Review of Procurement Plan	Procurement Plans should be reviewed on a periodic basis (preferably quarterly), such as when a PP Update is submitted, prior to giving a NO for a PP Upgrade, and at any other point in time as determined by the CD/CPM, e.g. when supervision and/or implementation support activities take place.	Senior Procurement Officer (SPO) or Consultant	Updated procurement plan	Quarterly

SECTION 7: ASSESSMENT OF THE QUALITY OF PROJECTS' PROCUREMENT DESIGN "AT ENTRY" FOR IFAD-FUNDED INVESTMENT PROJECTS

4.1.4 Quality Assessment Matrix/Checklist

Pillars/Areas of Quality assessment	Parameter/issue requiring QA scrutiny	Rating of this Parameter (Six-Points Rating Scale or Assessment Scale)
1. National Legal and Institutional frameworks of Public Procurement in the Borrower’s country	<i>The assessment of the Acceptability of the National Procurement system is based upon analysis of the below- mentioned parameters and, in case of deficiency, assessment of Quality will scrutinize the expected effectiveness of foreseen mitigation measures:</i>	<i>The rating of each parameter by QAG is made after assessing the quality and sufficiency of the respective mitigation measure prescribed in the PDR</i>
	1. The national public procurement legal framework achieves the established IFAD procurement principles and complies with applicable obligations and the hierarchy of national legal instruments is clearly established (law, Regulations and procedures).	1
	2. National Procurement Methods are sufficient to meet the full range of project’s needs with clear conditions for use of less competitive methods and ensure value for money, fairness, transparency, proportionality and integrity.	1
	3. National Advertisement rules are compatible with IFAD requirements	1
	4. Rules for participation do not exclude foreign bidders based on nationality or unnecessary national requirements	1
	5. Bidders’ qualifications criteria are pass/fail and related to deliver the specific contract. (Exclusions can be justified	1
	in case of convictions related to criminal or corrupt activities, non-payment of taxes and social security contributions and for administrative debarment under the national law)	1
	6. National domestic preferences rules are in line with IFAD’s requirements	1
	7. National Law/Regulations require that Bid evaluation process is confidential and bid evaluation criteria are objective, relevant to the subject matter of the contract, and precisely specified in advance in the procurement documents.	1

Pillars/Areas of Quality assessment	Parameter/issue requiring QA scrutiny	Rating of this Parameter <i>(Six-Points Rating Scale or Assessment Scale)</i>
	8. National Law/Regulations require that Quality is the basis for selection in consultancy services	1
	9. National Law/Regulations require “public” bid opening and disclosure of record of bid opening session	1
	10. National Law/Regulations require neutral specifications based on international norms while admitting equivalent national standards, and provide for the use of functional /performance specifications where appropriate.	1
	11. National SBDs are available and the contents of the such documents is sufficient for suppliers/contractors/service providers to respond to the procurement requirement on fair and non-discriminatory basis. National SBDs include provisions on Fraud and Corruption, IFAD’s right to audit, SECAP standards and SH/SEA provisions equivalent to those in IFAD’s SBDs.	1
	12. National SBDs include standard contract conditions which are consistent with internationally accepted practice and which prescribe arbitration as an ultimate forum for dispute settlement in case of contracts with foreign vendors.	1
	13. The national legal framework grants bidders the right to challenge Procuring Entity decisions through a two-tier bidders’ complaint procedure, the second being independent of the procurement operations and is empowered to grant remedies that are necessary to enforce compliance with the law by Procuring Entities	1
	11. The national legal framework prescribes record- keeping rules (should cover the entire procurement process, including contract management phase), and the PDR addresses these rules in an effective and adequate manner ensuring they are respected in practice efficiently.	1
	15. National Law/Regulations prescribe the need for a Procurement Manual detailing all procedures for the correct implementation of procurement regulations and laws and which is to be periodically updated.	1

Pillars/Areas of Quality assessment	Parameter/issue requiring QA scrutiny	Rating of this Parameter <i>(Six-Points Rating Scale or Assessment Scale)</i>
	16. National Law/Regulations allow for sustainability and a national SPP (Sustainable Public Procurement) plan exists.	1
	17. National Guidance documents exist to enable Procuring Entities to introduce a well-balanced application of sustainability criteria to ensure value for money	1
	18. National Law recognizes precedence of international obligations like those reflected in IFI’s Financing Agreements	1
	19. Presence and effectiveness of a central Procurement Regulatory authority which is independent from transacting public procurement and assumes its role in disseminating professional guidance and rules concerning prevention of conflict of interest and integrity in the work of bid evaluation committees	1
	20. Definitions of fraud, corruption and other prohibited practices in procurement Law/Regulations are consistent with IFAD’s and evidence of enforcement is presented.	1
<p>2. Implementation Capacity of the parent Ministry (the Implementing Agency) and related management systems, the capacity of the Project’s State Programme Coordination Units (SPCUs) to undertake project procurement and contract management</p>	<p>The assessment of quality for this Pillar will be based on undermentioned parameters which are meant to measure the capacity of the parent ministry and SPCUs to undertake project procurement and contract management in a timely and effective manner as per the prescribed design of the project’s procurement arrangements and the adequacy of the parent ministry’s management systems and related interface with the NPCU:</p>	

Pillars/Areas of Quality assessment	Parameter/issue requiring QA scrutiny	Rating of this Parameter <i>(Six-Points Rating Scale or Assessment Scale)</i>
	<p>1. The parent Ministry (or the Implementing Agency) possesses the 3 P's necessary for project implementation:</p> <p>(i) People (full range of technical and managerial expertise),</p> <p>(ii) Processes (Management systems, delegation of authority, segregation of roles in budget allocation, procurement processing/approval and subsequent payments to vendors. (ii) and (iii) Product/Performance (as demonstrated by successful past experience and ability to deliver public services timely and at the right quality. Foreseen Mitigation measures in the PDR are to be assessed for sufficiency with respect to the 3P deficiencies. Examples of mitigation measures:</p> <ul style="list-style-type: none"> • Creation of SPCU • Hiring of Project Management and/or Technical consultants • Formulation of PIM with adequate interface between the project and parent ministry systems and with adequate internal control measures including avoidance of situations of conflict of interest. • Appointment of external auditors, as relevant. • Training of parent ministry staff connected with project activities. 	1
	<p>2. SPCU Coordinator is issued a charter with clear reporting lines and well-defined and appropriate delegation of authority to transact project business and command timely provision of needed inputs from the parent ministry's various departments.</p>	1

Pillars/Areas of Quality assessment	Parameter/issue requiring QA scrutiny	Rating of this Parameter <i>(Six-Points Rating Scale or Assessment Scale)</i>
	<p>3. SPCU staffing levels, in case SPCU is established:</p> <ul style="list-style-type: none"> • Number and range of expertise of SPCU staff is adequate to cover all activities of the project (minimum 1 full-time Procurement Officer and 1 Assistant) • Foreseen tasks of needed consultancy firms are clear and established in completed TORs • Training allocations for SPCU staff are foreseen especially when parent ministry staff are seconded to the SPCU • SPCU personnel for Procurement and Contract Management are at adequate levels of past experience in similar activities • The bulk of SPCU personnel are selected based on fair and open competition in accordance with precise job descriptions. 	1
	<p>4. Project budget includes adequate financial allocations (salaries, running expenses and per-diems etc.) and other resources (vehicles, decent office working area, equipment and tools etc.) needed by the SPCU to deliver its tasks.</p>	1
	<p>5. Payment, Quality Assurance and Change Management procedures are fully developed by the SPCU or mitigation measures are foreseen to deal with any deficiencies as early as possible at project commencement. Examples: Measures to ensure timely authorization and actual processing of due payments to vendors.</p>	1
	<p>6. Codes of Conduct and the consequences of breach of obligations are known to all parent ministry and SPCU staff engaged in project activities on part-time or full-time basis.</p>	1
	<p>7. The parent ministry's system for suspension/debarment of bidders ensures due process and is consistently applied.</p>	1
	<p>8. The project builds-in third party or civil society and stakeholders' access to procurement information as a transparency safeguard and a precondition for effective monitoring of project's procurement operations.</p>	1

Pillars/Areas of Quality assessment	Parameter/issue requiring QA scrutiny	Rating of this Parameter <i>(Six-Points Rating Scale or Assessment Scale)</i>
3. National Market Competitiveness and Delivery Capacity	<i>The assessment of quality for this Pillar will be based upon undermentioned parameters which measure the extent to which the chosen optimal procurement strategies for the acquisition of the project’s procurement needs are established following adequate market research which has fed into the design of the project’s Procurement Plan:</i>	
	1. Market Research is the basis for formulation of the project’s procurement strategy for the acquisition of each substantial procurement contract and evidence of: • comparison with alternative strategies is evident in the analysis presented in the PPS, at least for major contracts market capacity to deliver at competitive rates is present.	1
	2.The identification of the project’s procurement needs is done in consultation with the stakeholders and is objective but not exaggeration or understatement of the procurement needs.	1
	3.National sustainable development goals of as well as relevant IFAD mainstreaming themes (in particular Youth, Gender, Environment & Climate as relevant) have been considered in procurement strategy preparation.	1
	4. Procurement strategy clearly demonstrates understanding of any constraints facing private firms in their participation in public procurement competitions (e.g. difficulties in obtaining bid securities, insurance policies etc.).	1
	5.Evidence of Market Engagement with respect to advance dissemination of SECAP requirements and encouragement of the private sector to comply. Evidence of assessment of the capacity of the national market to comply including any foreseen SECAP training plans for the private sector.	1

Pillars/Areas of Quality assessment	Parameter/issue requiring QA scrutiny	Rating of this Parameter <i>(Six-Points Rating Scale or Assessment Scale)</i>
	6.Evidence that cost estimation of procurement contracts are based on market research for Goods or alternatively scientific estimation methods (like bottom-up, analogous or parametric cost estimation methods) for Works and Services.	1
1. SECAP compliance	<i>The assessment of quality for this Pillar will be based upon undermentioned parameters which are needed to verify that SECAP standards have been implemented throughout all stages of the procurement process: definition of procurement needs/specifications, bidders' selection and qualification criteria, bid evaluation criteria and contract terms and conditions:</i>	
	1.SECAP standards are considered in identification of project's procurement requirements and evidence that alternatives were considered.	1
	2. SECAP and SH/SEA standards are incorporated in the bidding documents especially where national SBDs are used.	1
	3.SECAP standards are implemented at all stages of the procurement process: setting of bidders' selection and qualification criteria, bid evaluation criteria and contract terms and conditions including mandatory Self-Declarations by bidders.	1
5. Fitness for Purpose of the project's Procurement Plan, Supervision Arrangements and status of project design and its readiness for implementation	<i>The assessment of quality of this Pillar is based upon undermentioned parameters needed to verify that the project's procurement plan takes into consideration the findings of all above assessment pillars/parameters and that the IFAD Supervision Plan is commensurate with the complexity of the project's procurement and the assessed capacity of the implementing agency and the SPCU (i.e. both procurement and supervision plans are fit for purpose):</i>	

Pillars/Areas of Quality assessment	Parameter/issue requiring QA scrutiny	Rating of this Parameter <i>(Six-Points Rating Scale or Assessment Scale)</i>
	1.The Procurement Plan incorporates the findings of all above assessment parameters which have been arrived through the use of adequate management tools like SWOT and PESTLE analysis or equivalent methods, market research techniques and sound risk prioritization/mitigation measures.	1
	2. The Procurement Plan is conducive to facilitate the project’s timely completion and builds-in relevant time contingencies depending on the project’s readiness for implementation	1
	3. IFAD’s Procurement Supervision Plan is commensurate with the complexity of the project’s procurement and the assessed capacity of the implementing agency and the SPCU.	1
	4. The provisions of the Financing Agreement and the Letter to the Borrower support the findings of the design of the project’s procurement arrangements.	1

A Six-Points Rating Scale for each parameter is to be assessed and filled-in in the rightmost column:

- 6 Highly Satisfactory
- 1 Satisfactory
- 1 Moderately Satisfactory
- 3 Moderately Un-Satisfactory
- 2 Un-Satisfactory
- 1 Highly Un-Satisfactory