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**President's memorandum**  
**Proposed additional financing to**  
**Federal Republic of Somalia**  
**Rural Livelihoods Resilience Programme**

Project ID: 2000004325

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**FOR: APPROVAL**

**Action:** The Executive Board is invited to approve the recommendation for the proposed additional financing contained in paragraph 44.

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*For more information on the Rural Livelihoods Resilience Programme, please visit*  
<https://www.ifad.org/en/w/projects/2000004325>.

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## Appendices

- I. Updated logical framework incorporating the additional financing
- II. Updated summary of the economic and financial analysis

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## Financing summary

<b>Initiating institution:</b>	IFAD
<b>Borrower/recipient:</b>	Ministry of Finance
<b>Executing agency:</b>	Ministry of Agriculture and Irrigation
<b>Total programme cost:</b>	US\$33.234 million
<b>Amount of original IFAD Debt Sustainability Framework grant:</b>	US\$11.6 million
<b>Terms of original IFAD financing:</b>	Debt Sustainability Framework grant
<b>Amount of additional IFAD Debt Sustainability Framework grant:</b>	US\$15.934 million
<b>Terms of additional IFAD financing:</b>	Debt Sustainability Framework grant
<b>Contribution of borrower/recipient:</b>	US\$2.7 million
<b>Contribution of beneficiaries:</b>	US\$3.0 million
<b>Amount of original IFAD climate finance:</b>	US\$6.412 million
<b>Amount of additional IFAD climate finance:</b>	US\$7.91 million (of which US\$0.8 million is a climate top-up)
<b>Cooperating institution:</b>	IFAD

# I. Background and programme description

## A. Background

1. The Rural Livelihoods Resilience Programme (RLRP) was approved by the Executive Board in December 2023 (EB 2023/140/R.6) and entered into force on 28 March 2024 upon countersigning of the financing agreement. The programme is scheduled for completion on 31 March 2032, and the financing closing date is scheduled for 30 September 2032.
2. The programme was approved by the Executive Board with an initial total cost of US\$31.22 million. The total cost consisted of: (i) an IFAD Debt Sustainability Framework (DSF) grant of US\$11.6 million under the 2022–2024 Twelfth Replenishment of IFAD's Resources (IFAD12) cycle of the performance-based allocation system (PBAS) for the Somalia portfolio; (ii) a Government contribution of US\$2.7 million, consisting primarily of the cost of offices, taxes and customs duties; (iii) an estimated beneficiary contribution of US\$3.0 million; and (iv) a financing gap of US\$13.92 million, to be bridged using the IFAD13 PBAS allocation for the Somalia portfolio, subject to internal procedures and subsequent approval by the Executive Board.
3. The Federal Government of Somalia requested IFAD to allocate the IFAD13 PBAS allocation of US\$15.934 million to RLRP. This allocation will bridge the original financing gap identified at design and will cover cost overruns across the three components of the programme. The cost overrun is 6 per cent compared to the original total programme cost.
4. RLRP complies with all the criteria for the additional financing to fill a financing gap. This additional financing does not entail an extension of RLRP's completion and closing dates. The first IFAD supervision mission in November 2024 rated the programme not at risk.

## B. Original programme description

5. The goal of RLRP is to achieve improved and resilient livelihoods of rural smallholders in Somalia. The programme development objective is to sustainably increase productivity, incomes and nutrition security, and enhance the resilience of rural smallholder families in Somalia. The key outcome indicators for assessing the programme development objective are: (i) percentage increase in resilience capacity (target 15 per cent); and (ii) persons with new jobs/employment opportunities (target 3,600).
6. 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 Federal Government of Somalia and IFAD jointly selected two federal member states (FMS) with five regions to launch RLRP in: South West State (Bay, Bakool and Lower Shabelle regions) and Jubaland (Gedo and Lower Juba regions).
7. RLRP comprises three components described below.
8. **Component 1: Support to community resilience** consists of two subcomponents. The core activities of **subcomponent 1.1 (strengthening community governance and services)** cover a range of institution-building and skills development activities to enable the programme communities to own and be accountable for development initiatives by organizing themselves into community-based organizations and formulating community development plans (CDPs) around priority investments. **Subcomponent 1.2 (community investment support)** finances 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; and (v) rehabilitation

and construction of post-harvest management and processing facilities, community-owned grain reserves, grain drying technology, cold chain facilities in major rural markets and livestock market sheds.

9. **Component 2: Support to smallholder livelihoods enhancement** consists of two subcomponents. **Subcomponent 2.1 (strengthening resilience in crop and livestock value chains)** supports: (i) a pluralistic approach to crop and livestock extension services; (ii) improved animal health by training and equipping community animal health workers; (iii) promotion of improved inputs and climate-smart agriculture technologies through training and demonstrations; (iv) access to productive inputs; (v) capacity-building for farmers on post-harvest management, market linkages and diversified production for nutrition-sensitive cooking techniques; and (vi) targeted support to disadvantaged households in crop and livestock production. **Subcomponent 2.2 (entrepreneurship for value chain development)** supports the development of the entrepreneurial skills of youth and women in agricultural and related services, with a focus on increased incomes and job creation. The activities under this subcomponent include: (i) studies to inform agribusiness development in programme districts; (ii) support for entrepreneurship development through capacity development; and (iii) support for access by youth and women to financial services for business development along the priority value chains. Finally, **subcomponent 2.3** is an emergency subcomponent that can be activated in case of a natural disaster or social emergency. Emergency activities include: (i) productivity enhancement; and (ii) emergency small-scale infrastructure rehabilitation.
10. **Component 3: Programme coordination and capacity-building** supports: (i) programme coordination; (ii) capacity needs assessment and capacity-building; (iii) financial management; (iv) monitoring and evaluation (M&E); and (v) evidence-based policy development.
11. **Changes between programme design and implementation.** Some changes have been made since programme design. The programme has selected four districts for its interventions: (i) in Jubaland state, Kismayo and Bardhere districts in Lower Juba and Gedo regions respectively; and (ii) in South West State, Afgooye district in Lower Shabelle region and El Barde district in Bakool region. The district in Bay region is yet to be identified. As per the policy of the Ministry of Agriculture and Irrigation (MoAI) – the lead agency of RLRP – the community-based organizations established under component 1 of the programme are registered as agricultural cooperatives. For the implementation of subcomponent 2.2, the implementation approach was adapted to take into consideration the establishment of the Centre for Innovation and Agripreneurship Development (CIAD) in MoAI to work with RLRP on building entrepreneurship capacity of youth and women, using the open innovation challenge initiative developed by IFAD.
12. **RLRP achievements to date.** RLRP is still at an early implementation stage. As at 31 May 2025, the programme is fully staffed at federal and state levels; it has signed memorandums of understanding (MoUs) with the MoAIs in Jubaland and South West State for public extension services. It has also signed MoUs with the Somali Development and Reconstruction Bank (SDRB) and with the apex microfinance entity Gargaara Financial Limited for coordination of efforts to promote financial inclusion for smallholders. The programme is negotiating agreements with: (i) the Food and Agriculture Organization of the United Nations (FAO) for technical assistance in designing and supervising the rehabilitation of irrigation canals; (ii) the World Food Programme (WFP) for carrying out rapid market assessments, strengthening cooperatives and training cooperative members on post-harvest management and access to markets, and connecting the cooperatives with WFP's vendor network; and (iii) a qualified NGO, for building the capacity of the state MoAIs on community mobilization and formulation of CDPs. The programme has selected 29 communities that meet the poverty and food

insecurity criteria in the four selected districts, with a total population of 54,430 households. The programme completed the assessment of the four districts and the nutrition assessment, and the baseline survey is under way. Additionally, the programme has formulated the M&E plan. The procurement and financial management performance of RLRP is rated as moderately satisfactory. RLRP is fully integrated in the Government's budget and in the Somalia Financial Management Information System. The programme submits quarterly interim financial reports and, to date, has submitted four withdrawal applications. As at 31 May 2025, the programme disbursement on the IFAD original grant stood at 13.61 per cent and is projected to reach 26 per cent by December 2025.

## **II. Rationale for additional financing**

### **A. Rationale**

13. The IFAD Executive Board approved RLRP with a financing gap of US\$13.92 million. The programme design report, in paragraph G(a), indicates that this financing gap may be sourced through subsequent PBAS cycles (under financing terms to be determined and subject to internal procedures and subsequent Executive Board approval) or by cofinancing identified during implementation. Although IFAD actively explored cofinancing opportunities, none have materialized so far. The Federal Government of Somalia requested that the IFAD13 allocation, amounting to US\$15.934 million, be allocated to RLRP to bridge its financing gap. In addition, since the IFAD13 allocation exceeded the financing gap, the Federal Government requested institutional strengthening for the CIAD and the Somali Agricultural Regulatory and Inspection Service (SARIS), capacity-building for the agricultural cooperatives and support for youth innovation and entrepreneurship. The Federal Government's requests can be accommodated within programme outputs in subcomponents 2.1 and 2.2.
14. The original cost tables projected that the disbursement from the additional financing would start from the second year of programme implementation, with 93 per cent of the initial IFAD DSF grant disbursed by end of the third year of programme implementation. It is for this reason that the additional financing proposal is submitted in 2025.

#### **Special aspects relating to IFAD's corporate mainstreaming priorities**

15. In line with IFAD's mainstreaming commitments, the programme has been validated as:
  - ☒ Including climate finance
  - ☒ Nutrition-sensitive
  - ☒ Youth-sensitive
16. At design, RLRP was validated as including climate finance, and classified as nutrition-sensitive and youth-sensitive. There is therefore no change in the mainstreaming priorities, as the additional financing does not modify programme objectives and outcomes.

### **B. Description of geographical area and target groups**

17. The programme area and target group remain unchanged. RLRP is still discussing the selection of the district in Bay region with South West State. The total outreach of 30,000 impoverished small-scale agropastoral households remains unchanged. To achieve the targeted outreach and considering the average size of the communities in the various districts, the programme will be mobilizing 50 communities; this is down from the 100 communities projected at design in the cost tables. This change avoids dispersion and allows to cover more people within a given community and achieve the targeted outreach of 30,000 households.

## C. Components, outcomes and activities

18. The programme components are unchanged. The changes are introduced at the activity level and detailed as follows for each subcomponent. These activities led to changes from the original allocation of the financing gap across subcomponents.
19. **Subcomponent 1.1 (strengthening community governance and services)** covers a range of institution-building and skills development activities to enable the programme communities to own and be accountable for development initiatives. Key activities include: (i) development of district profiles; (ii) mobilization of communities; (iii) development of the CDP; and (iv) establishment of community-based organizations that will be registered as agricultural cooperatives, for which capacity-building in production and marketing aspects will be provided under subcomponents 2.1 and 2.2. The costs of the subcomponent were reduced by taking into consideration the fact that the community mobilization work would be undertaken by the state programme coordination unit in collaboration with the district agricultural staff and support from a qualified NGO, and that it would cover 50 rather than 100 communities. This brought down the cost of this subcomponent on the additional financing from US\$2.154 million at design to US\$0.654 million in the current proposal.
20. **Subcomponent 1.2 (community investment support)** will finance investments prioritized in the CDP as described in paragraph 8 above. The overall budget of this subcomponent increased to cover the costs of the design and supervision of water infrastructure works and of their environmental screening, which were missing from the original cost tables. This increased the cost of this subcomponent on the additional financing from US\$2.93 million at design to US\$3.83 million in the current proposal.
21. **Subcomponent 2.1 (strengthening resilience in crop and livestock value chains)** is described in paragraph 9 above. Under the pluralistic approach to crop and livestock extension service, activities were added for SARIS to reach out to cooperatives and agrodealers and orient them towards the SARIS mandate, train them on safe use of pesticides and fertilizers, and develop the pest management plan of RLRP. Under promotion of improved inputs and climate-smart agriculture technologies through training and demonstrations, the activities will target the agricultural cooperatives and their members, and will be delivered by the district extension staff with support from research entities and NGOs. The number of cooperatives trained will increase from 15 to 50. This increased the cost of the subcomponent on the additional financing from US\$4.38 million at design to US\$5.1 million in the current proposal.
22. **Subcomponent 2.2 (entrepreneurship for value chain development)** will support the development of the entrepreneurial skills of youth and women in agricultural and related services, with a focus on increased incomes and job creation. The initial activities described in paragraph 9 above were regrouped into four main ones: (i) support to youth entrepreneurship through collaboration with CIAD to implement the open innovation challenge; (ii) access to finance by training village savings and loan associations and cooperatives on financial literacy, and linking them to microfinance institutions (this work will be conducted with qualified NGOs present in the districts); (iii) adaptation of financial services to the needs of the target group, which will be conducted with SDRB and Gargaara Financial Limited; and (iv) access to markets, which now include greater support to cooperatives on training to access markets, management of market facilities, the agribusiness business-to-business district events and linking with WFP vendors. RLRP will benefit from WFP technical assistance in this regard, and trained cooperative operators will increase from 15 to 50. Thanks to the convergence with SDRB and Gargaara Financial Limited, the number of rural women and men accessing financial services is re-estimated at 10,800 persons. These changes

increased the cost of the subcomponent on the additional financing from US\$2.8 million at design to US\$3.37 million in the current proposal.

23. Finally, **subcomponent 2.3** is an emergency subcomponent that can be activated in case of a natural disaster or social emergency. There is no change to this subcomponent.
24. **Component 3: Programme coordination and capacity-building** includes the following activities that had not been calculated at design: (i) construction of office space in the Federal Ministry's compound for the programme; (ii) charging the cost of the national- and state-level finance teams, the procurement officer and the gender officer on the additional financing, as no budget was allocated to these positions after the programme midterm; and (iii) charging staff insurance on the additional financing as this expenditure was not initially planned but represents an obligation for the employer. This increased the cost of the component on the additional financing from US\$1.67 million at design to US\$2.98 million in the current proposal.

## D. Costs, benefits and financing

### Programme costs

25. The total programme cost increased to US\$33.234 million. This cost is broken down as follows: (i) a government contribution of US\$2.7 million; (ii) the original IFAD DSF grant of US\$11.6 million; (iii) an additional IFAD DSF grant of US\$15.934 million; and (iv) the beneficiaries' contribution of US\$3.0 million.
26. Programme components 1, 2 and 3 are partially counted as climate finance. As per the multilateral development banks' methodologies for tracking climate change adaptation and mitigation finance, the total amount of IFAD climate adaptation finance for RLRP is estimated at US\$14.322 million. Climate finance for the original RLRP design stands at US\$6.412 million. The climate finance in the additional financing was calculated as US\$7.910 million, of which US\$800,000 is a climate top-up (additional climate contributions). The total climate finance percentage is 49.6 per cent, while the programme of loans and grants climate finance percentage (without additional climate contributions) is 47 per cent.
27. The summary cost tables of the additional financing are presented in the tables below.

Table 1

### Original and additional financing summary

(Thousands of United States dollars)

	<i>Original financing*</i>	<i>Additional financing</i>	<i>Total</i>
IFAD DSF grant	11 600	-	11 600
IFAD DSF grant	-	15 934	15 934
Beneficiaries	3 000	-	3 000
Borrower/recipient	2 700	-	2 700
Financing gap	13 920	(13 920)	-
<b>Total</b>	<b>31 220</b>	<b>15 934</b>	<b>33 234</b>

\* See tables of annex 3 in the project design report (no. 6602-SO) for detailed breakdown.



Table 2

**Programme costs by component, subcomponent and financier**

(Thousands of United States dollars)

Component/subcomponent	Federal Government of Somalia		IFAD DSF grant		Additional IFAD DSF grant		FMS		Beneficiaries		Total
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount
<b>Component 1: Support to community resilience</b>											
1.1 Strengthening community governance and services	-	-	467	41.6	654	58.4	-	-	-	-	1 121
1.2 Community investment support	-	-	4 795	42.6	3 828	34.0	1 261	11.2	1 364	12.1	11 248
<b>Subtotal</b>	-	-	<b>5 262</b>	<b>42.5</b>	<b>4 482</b>	<b>36.2</b>	<b>1 261</b>	<b>10.2</b>	<b>1 364</b>	<b>11</b>	<b>12 369</b>
<b>Component 2: Support to smallholder livelihoods enhancement</b>											
2.1 Strengthening resilience in crop and livestock value chains	-	-	2 202	27.3	5 099	63.2	-	-	773	9.6	8 073
2.2 Entrepreneurship for value chain development	-	-	1 344	21.3	3 370	53.3	739	11.7	864	13.7	6 317
2.3 Contingency, disaster and risk mitigation	-	-	-	100	-	-	-	-	-	-	-
<b>Subtotal</b>	-	-	<b>3 546</b>	<b>24.6</b>	<b>8 469</b>	<b>58.9</b>	<b>739</b>	<b>5.1</b>	<b>1 636</b>	<b>11.4</b>	<b>14 390</b>
<b>Component 3: Programme coordination and capacity-building</b>											
3.1 Programme coordination and capacity-building	700	10.8	2 792	43.1	2 983	46.1	-	-	-	-	6 476
<b>Total</b>	<b>700</b>	<b>2.1</b>	<b>11 600</b>	<b>34.9</b>	<b>15 934</b>	<b>47.9</b>	<b>2 000</b>	<b>6.0</b>	<b>3 000</b>	<b>9.0</b>	<b>33 234</b>

Table 3

**Programme costs by expenditure category and financier**

(Thousands of United States dollars)

Expenditure category	Federal Government of Somalia		IFAD DSF grant		Additional IFAD DSF grant		FMS		Beneficiaries		Total
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount
<b>I. Investment costs</b>											
A. Works	-	-	4 054	49.5	2 144	26.2	976	11.9	1 021	12.5	8 194
B. Training and capacity-building	38	0.4	2 176	25.4	4 725	55.3	609	7.1	1 003	11.7	8 551
C. Consultancies, studies and technical assistance	662	12.9	1 206	23.5	2 560	49.9	249	4.8	452	8.8	5 128
D. Goods and inputs	-	-	884	24.3	2 442	67.3	81	2.2	223	6.1	3 631
E. Services	-	-	548	35.0	706	45.1	85	5.4	228	14.5	1 567
F. Equipment and materials	-	-	416	44.9	437	47.1	-	-	74	8.0	926
<b>Total investment costs</b>	<b>700</b>	<b>2.5</b>	<b>9 285</b>	<b>33.2</b>	<b>13 014</b>	<b>46.5</b>	<b>2 000</b>	<b>7.1</b>	<b>3 000</b>	<b>10.7</b>	<b>27 999</b>
<b>II. Recurrent costs</b>											
A. Salaries and allowances	-	-	2 069	43.2	2 723	56.8	-	-	-	-	4 791
B. Office operating costs	-	-	247	55.5	198	44.5	-	-	-	-	445
<b>Total recurrent costs</b>	-	-	<b>2 315</b>	<b>44.2</b>	<b>2 921</b>	<b>55.8</b>	-	-	-	-	<b>5 236</b>
<b>Total</b>	<b>700</b>	<b>2.1</b>	<b>11 600</b>	<b>34.9</b>	<b>15 934</b>	<b>47.9</b>	<b>2 000</b>	<b>6.0</b>	<b>3 000</b>	<b>9.0</b>	<b>33 234</b>

Table 4

**Programme costs by component and programme year**

(Thousands of United States dollars)

	2024	2025	2026	2027	2028	2029	2030	2031	Total
<b>Component 1: Support to community resilience</b>									
1.1 Strengthening community governance and services	-	356	186	35	313	154	38	39	1 121
1.2 Community investment support	133	3 045	2 193	2 443	1 635	921	468	410	11 248
<b>Subtotal</b>	<b>133</b>	<b>3 402</b>	<b>2 379</b>	<b>2 478</b>	<b>1 948</b>	<b>1 074</b>	<b>506</b>	<b>449</b>	<b>12 369</b>
<b>Component 2: Support to smallholder livelihoods enhancement</b>									
2.1 Strengthening resilience in crop and livestock value chains	106	1 665	2 124	948	1 455	728	598	449	8 073
2.2 Entrepreneurship for value chain development	-	559	1 137	980	1 164	777	931	769	6 317
2.3 Contingency, disaster and risk mitigation	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>106</b>	<b>2 224</b>	<b>3 261</b>	<b>1 928</b>	<b>2 619</b>	<b>1 505</b>	<b>1 529</b>	<b>1 219</b>	<b>14 390</b>
<b>Component 3: Programme coordination and capacity-building</b>									
3.1 Programme coordination and capacity-building	746	954	713	714	918	755	777	899	6 476
<b>Subtotal</b>	<b>746</b>	<b>954</b>	<b>713</b>	<b>714</b>	<b>918</b>	<b>755</b>	<b>777</b>	<b>899</b>	<b>6 476</b>
<b>Total</b>	<b>985</b>	<b>6 580</b>	<b>6 352</b>	<b>5 120</b>	<b>5 485</b>	<b>3 335</b>	<b>2 811</b>	<b>2 567</b>	<b>33 234</b>

### **Financing and cofinancing strategy and plan**

28. The amount of additional IFAD financing is US\$15.934 million from the IFAD13 PBAS allocation to the Somalia portfolio.

### **Disbursement**

29. The existing designated account for the original IFAD DSF grant will be used to receive funds from the additional IFAD DSF grant. To track income and expenditures and allow for accurate reconciliation of the designated account, separate ledgers will be created and maintained for each financing instrument. All other financial management arrangements put in place to manage the original financing remain valid and will apply to the additional financing. Disbursements of IFAD funds are made in accordance with the disbursement procedure based on interim financial reports. According to this procedure, the disbursement of IFAD funds will be conditional on the submission to IFAD of interim financial reports within 45 days of the end of each quarter. All payments at programme level are processed by the national programme coordination unit (NPCU) through the Somalia Financial Management Information System.

### **Summary of benefits and economic analysis**

30. RLRP will build the resilience of the directly targeted 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 natural resource management; and (vi) enhanced climate change adaptation and mitigation.
31. The economic rate of return (ERR) and net present value for the revised programme costs with the additional financing are estimated to be 26 per cent and US\$95.3 million, 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 per cent. The ERR of 26 per cent is higher than the ERR at design, which confirms the justification of the proposed investment.

### **Exit strategy and sustainability**

32. The implementation of the RLRP activities will enhance sustainability through the following achievements: (i) effective institutions at the community, district, FMS and national levels, and empowered value chain players; (ii) programme interventions mainstreamed into government systems at all levels; and (iii) a more enabling policy environment for smallholder value chain actors.

## **III. Risk management**

### **A. Risks and mitigation measures**

33. Given that the fragile, high-risk context is expected to persist during the implementation of RLRP, the overall inherent risk is rated substantial, while the residual risk is rated moderate. During the first supervision mission in November 2024, the integrated programme risk matrix was updated. While the overall inherent and residual risk classification is unchanged, the specific risk related to procurement has increased. Additionally, the inherent and residual risk were assessed as high – an increase from substantial – and the latter increased to this level despite the performance of the programme procurement being assessed as moderately satisfactory. The supervision mission pressed for continuous training of the programme staff on procurement, on adherence to IFAD procurement guidelines, and on proficiency in the use of the procurement platform of IFAD (the Online Project Procurement End-To-End System).

## **B. Environment and social category**

34. The environmental risk categorization of RLRP was rated substantial at design as the environmental and social impacts of the programme activities were expected to be substantial in nature but dispersed, largely site-specific and reversible. 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, 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. A new Social, Environmental and Climate Assessment Procedures analysis is not required for the additional financing as no new activity or intervention is expected.

## **C. Climate risk classification**

35. The RLRP climate risk was rated substantial at design due to Somalia's vulnerability to frequent and intense hazards like droughts and floods, which worsen agricultural and livestock vulnerabilities and threaten programme outcomes. These climate impacts can reduce yields, complicate agricultural planning, promote pests and diseases, exacerbate water scarcity and disrupt market dynamics, affecting smallholder incomes. To address these risks, RLRP incorporates climate risk assessment and management strategies in its activities; it conducts targeted adaptation assessments to identify specific risks and provide tailored solutions. Key activities include building local capacity to adapt, promoting climate-smart agriculture practices, strengthening early warning systems and integrating climate change adaptation into community plans to enhance resilience.

# **IV. Implementation**

## **A. Compliance with IFAD policies**

36. No changes are made to the original design, and as such the programme remains compliant with all IFAD policies. Specifically, RLRP is fully aligned with: (i) the three strategic objectives of the country strategic opportunities programme 2025–2030; (ii) IFAD's policies on targeting and mainstreaming themes and private sector engagement; (iii) IFAD's policy on engaging with fragile states; and (iv) IFAD's action plan on youth engagement.

## **B. Organizational framework**

### **Management and coordination**

37. No changes are foreseen to programme management and coordination. The programme steering committee under the MoAI is in place, and oversees and guides the national implementation of RLRP, approves the annual workplan and budget, and reviews reports and audits. Each participating FMS has a state programme steering committee in place for state-level oversight and guidance. The NPCU, reporting to the MoAI, manages procurement, develops the annual workplan and budget, conducts M&E and knowledge management and communication (KMC), and reports progress to IFAD and the MoAI. The NPCU consists of competitively recruited staff. A lean state programme coordination unit handles day-to-day implementation at the FMS level, reporting administratively to the Minister for Agriculture and Irrigation, and technically to the NPCU. IFAD supervises RLRP directly, conducting field missions or using third-party implementation partners for monitoring and reporting, especially in areas with accessibility challenges. The IFAD country team based in the Cairo multi-country office and the field presence officer based in Mogadishu monitor implementation and support policy engagement, KMC and partnership-building.

### **Financial management, procurement and governance**

38. The official grant recipient is the Ministry of Finance, and the lead implementing agency for RLRP is the Ministry of Agriculture and Irrigation. The NPCU includes a finance team composed of competitively recruited personnel. Each participating FMS also has an accountant assistant. RLRP uses the Somalia Financial Management Information System, configured to process payments directly from the designated account and to ensure accounting of all expenditures by source of financing, component and category. This produces reports in line with the cash basis standard of the International Public Sector Accounting Standards. The annual budget is approved within the Government's budget system through the budget law, before being recorded in the programme accounting system. The supreme audit institution of Somalia holds the statutory responsibility to audit all government programmes, including RLRP. At their discretion, and in consultation with IFAD, the supreme audit institution may appoint private audit firms to conduct the audit. IFAD reviews the audit terms of reference and provides no objection prior to the commencement of the audit. The auditing standards applied are the International Standards on Auditing.

### **C. Monitoring and evaluation, learning, knowledge management and strategic communication**

39. Slight changes were needed in the logical framework, further to the additional financing, to revise certain values that were either underestimated or overestimated, specifically for subcomponent 2.2. The M&E system has been developed in alignment with the validated M&E plan, which focuses on monitoring the indicators of the logical framework. The baseline survey is under way. The knowledge management, learning and communication activities will adhere to the guidelines outlined in the KMC plan. This tool will play a critical role throughout the activity planning process as an integral component of the programme's M&E framework.

### **D. Proposed amendments to the financing agreement**

40. Subject to approval of the additional financing by the Executive Board, the RLRP financing agreement will be amended to reflect the additional financing of US\$15.934 million from IFAD funds provided on DSF financing terms. No new expenditure categories will be created. This funding fills the identified financing gap and covers some cost overruns. The additional financing will not involve any changes to the programme, its objectives, target area or target group. Revisions to the financing agreement will be limited to incorporating the new financing into the main body of the agreement and making corresponding updates to schedule 2.

### **V. Legal instruments and authority**

41. A financing agreement between the Federal Republic of Somalia and IFAD will constitute the legal instrument for extending the proposed financing to the borrower/recipient. The signed financing agreement will be amended following approval of the additional financing.
42. The Federal Republic of Somalia is empowered under its laws to receive financing from IFAD.
43. I am satisfied that the proposed additional financing will comply with the Agreement Establishing IFAD and the Policies and Criteria for IFAD Financing.

## **VI. Recommendation**

44. I recommend that the Executive Board approve additional financing in terms of the following resolution:

RESOLVED: that the Fund shall provide a Debt Sustainability Framework grant to the Federal Republic of Somalia in an amount of fifteen million nine hundred and thirty-four thousand United States dollars (US\$15,934,000) and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

Alvaro Lario  
President

## Updated logical framework incorporating the additional financing

Results Hierarchy	Indicators					Means of verification			Assumptions
	Name	Baseline	Mid-Term	Original target	End Target	Source	Frequency	Responsible	
Outreach	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
Project outreach in terms of beneficiaries receiving project services and corresponding households and HHs members	Males	0	27000	90000	90000				
	Females (50%)	0	27000	90000	90000				
	Young (40%)	0	21600	72000	72000				
	Total number of persons receiving services	0	54000	180000	180000				
	Internally Displace People - IDPs (15%)	0	8100	27000	27000				
	1.a Corresponding number of households reached					MIS/MES	semester/annual	NPCU	
	Women-headed households (50%)		4500	15000	15000				
	Non-women headed households (50%)		4500	15000	15000				
	Young headed households (40%)		3600	12000	12000				
	IDPs headed households (15%)		1350	4500	4500				
	Households	0	9000	30000	30000				
	1.b Estimated corresponding total number of households members					MIS/MES	semester/annual	NPCU	
	Household members	0	54000	180000	180000				
Project Goal	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.
Improved and resilient livelihoods of rural smallholders in Somalia	HHs	0	6%	20%	20%				
	Women	0	6%	20%	20%				
	IDPs	0	3%	10%	10%				
	Percentage increase in the Ability to Recover from Shocks (ATR) - Resilience Capacity					COI HH survey	BL, MT, End	NPCU	
	Increase ATR	0	5%	15%	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%	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
Sustainably increase productivity, incomes, and nutrition security of smallholders' families in Somalia	Women (%)		21%	70%	70%				
	Women (number)		18900	63 000	63 000				
	Households (%)		21%	70%	70%				

Results Hierarchy	Indicators				End Target	Means of verification			Assumptions
	Name	Baseline	Mid-Term	Original target		Source	Frequency	Responsible	
	Households (number)		3150	10 500	10 500	COI HH survey	BL, MT, PCR	NPCU	
	Household members		37800	126 000	126 000				
	CI 2.2.1 Persons with new jobs/employment opportunities								
	Males	0	2700	9000	9000				
	Females	0	2700	9000	9000				
	Young	0	2160	7200	7200				
	Total number of persons with new jobs/employment opportunities (10%)	0	5400	18000	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					135000
	Households (%)	0	23%	75%					75%
	Households (number)	0	6750	22500	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		
	Household members	0	40500	135000					135000
	Households (%)	0	23%	75%					75%
	Households (number)	0	6750	22500	22500				
	CI 2.2.6 Households reporting improved physical access to markets, processing and storage facilities				COI HH survey	BL, MTR, End	NPCU		
	Household members	0	40500	135000					135000
	Households (%)	0	23%	75%					75%
	Households (number)	0	6750	22500	22500				
	CI 3.2.2 Households reporting adoption of environmentally sustainable and climate-resilience technologies and practices				COI HH survey	BL, MTR, End	NPCU		
	Total number of household members	0	48600	162000					126000
	Households (%)	0	27%	90%					70%
	Households (number)	0	8100	27000					21000
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					12000
	Groups supported	0	5	15					50
	Males	0	1800	6000					6000
	Females	0	1800	6000					6000
	Young	0	1440	4800					4800
	District Profiles	0	2	5					5
	Number of communities with CDPs developed				MIS/MES	semester/annual			

Results Hierarchy	Indicators					Means of verification			Assumptions
	Name	Baseline	Mid-Term	Original target	End Target	Source	Frequency	Responsible	
								Number of communities with CDPs developed	
	Communities	0	5	15	50				
Output						MES - GIS	semester/annual	NPCU	Political and social stability in community
1.2. Community investment support	CI 2.1.6 Number of market, processing or storage facilities constructed or rehabilitated								
	Total number of facilities	0	11	36	36				
	Market facilities constructed/rehabilitated (livestock market sheds)	0	2	6	6				
	Processing facilities constructed/rehabilitated (cold chain)	0	1	4	6				
	Storage facilities constructed/rehabilitated (Grain reserves)	0	7	24	24				
	Institutions	0	11	36	36				
	Individuals trained	0	1800	6000	6000				
Outcome						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	CI 1.2.1 Households reporting improved access to land, forests, water or water bodies for production purposes								
	Households reporting improved access to water (%)	0	9%	30%	30%				
	Size of households reporting improved access to water	0	16200	54000	54000				
	Total no. of households reporting improved access to water	0	2700	9000	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	90000				
	Households (%)	0	15%	50%	50%				
Households	0	4500	15000	15000					
Output						MES	semester/annual	NPCU	No significant changes affecting the agriculture and livestock sectors. Change in weather patterns not as drastic as predicted.
2.1: Resilient crop and livestock value chains	CI 1.1.3 Rural producers accessing production inputs and/or technological packages								
	Males	0	1620	5400	5400				
	Females	0	1080	3600	3600				
	Young	0	810	2700	2700				
	Total rural producers	0	2700	9000	9000				



Results Hierarchy	Indicators					Means of verification			Assumptions	
	Name	Baseline	Mid-Term	Original target	End Target	Source	Frequency	Responsible		
	CI 1.1.4 Persons trained in production practices and/or technologies					MES	semester/annual	NPCU	No significant changes affecting the agriculture and livestock sectors. Change in weather patterns not as drastic as predicted.	
	Men trained in livestock	0	2700	9000	9000					
	Women trained in livestock	0	2700	9000	9000					
	Young people trained in livestock	0	1350	4500	4500					
	Total persons trained in livestock	0	4500	18000	18000					
	CI 1.1.8 Households provided with targeted support to improve their nutrition					MES	semester/annual	NPCU		
	Total persons participating	0	8100	27000	27000					
	Males	0	4050	13500	13500					
	Females	0	4050	13500	13500					
	Households	0	8100	27000	27000					
	Household members benefitted	0	48600	162000	162000					
	Young	0	3240	10800	10800					
	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	11250					
Females		0	3375	11250	11250					
Young		0	2160	7200	7200					
Persons trained in IGAs or BM (Total)			6750	22500	22500					
CI Number of feed and fodder production system implemented					M&E system	semester/annual	NPCU			
Hectares of land			120	400				400		
CI 2.1.1 Rural enterprises accessing business development services					M&E system	semester/annual	NPCU			
Size of enterprises		0	5400	18000				18000		
Rural enterprises		0	900	3000				3000		
Women in leadership position		0	1620	5400				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				5400		
Women in rural areas accessing financial services - credit			11	38				5400		
Young people in rural areas accessing financial services - credit		9	30	4320						

Results Hierarchy	Indicators				End Target	Means of verification			Assumptions
	Name	Baseline	Mid-Term	Original target		Source	Frequency	Responsible	
	Total persons accessing financial services - credit		23	75	10800				
	Men in rural areas accessing financial services - insurance		11	38	500				
	Women in rural areas accessing financial services - insurance		11	38	500				
	Young people in rural areas accessing financial services - insurance		9	30	400				
	Total persons accessing financial services - insurance		23	75	1000				
<b>Outcome</b>	Policy 3: Existing/new laws, regulations, policies or strategies proposed to policy makers for approval, ratification or amendment					Qualitative assessment	BL, MT, End	NPCU	Government leadership consultation platform set-up
Outcome 3: Strengthened policy and institutional environment for sustainable development of the Somali agricultural and livestock sector	Number	0	1	2	2				
Strengthened institutional capacity - Local policies are developed through support by KMC programme activities	Males	0	20	100	100				
	Females	0	5	40	40				
	Number	0	1	2	2				

## Updated summary of the economic and financial analysis

Table A

### Financial cash flow models

Summary of Financial Cashflow (USD)

Project Years	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11	Y12	Y13	Y14	Y15	Y16	Y17	Y18	Y19	Y20
<b>Crop/Enterprise Model</b>																				
Sorghum	(70,9)	(50,3)	30	67	67	67	67	67	67	67	67	67	67	67	67	67	67	67	67	67
Maize	(187)	(106)	(26)	135	135	135	135	135	135	135	135	135	135	135	135	135	135	135	135	135
Rice	(171)	(121)	39	167	167	167	167	167	167	167	167	167	167	167	167	167	167	167	167	167
Sesame	(102)	(56)	(13)	66	66	66	66	66	66	66	66	66	66	66	66	66	66	66	66	66
Common Beans	(59)	(40)	18	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63	63
Small ruminants - Goats	(213)	31	38	139	139	139	139	139	139	139	139	139	139	139	139	139	139	139	139	139
Fodder	(160)	(164)	(150)	158	158	158	158	158	158	158	158	158	158	158	158	158	158	158	158	158
Cucumber	(667)	161	70	288	288	288	288	288	288	288	288	288	288	288	288	288	288	288	288	288
Tomatoes	(679)	162	33	215	215	215	215	215	215	215	215	215	215	215	215	215	215	215	215	215
<b>Average Incremental Financial Cashflow</b>	-	256	-	20	4	144	144	144	144	144	144	144	144	144	144	144	144	144	144	144

Internal Rate of Return (IRR)	31%
Net Present Value (NPV) USD	895
Discount rate for Financial Analysis (%)	7%

Table B

### Project/programme costs and logframe targets

PROGRAMME COSTS AND INDICATORS FOR LOGFRAME				
<b>TOTAL PROGRAMME COSTS (in million USD )</b>			<b>33</b>	
<b>Beneficiaries</b>	<b>180 000</b>	people	<b>30 000</b>	Households
<b>Cost per beneficiary</b>	<b>184</b>	USD x person	USD	1 107
<b>Components and Cost (USD million)</b>				
<b>A. Support to Community Resilience Capacity</b>	<b>12,4</b>	Average increase in income per HH per year		
<b>B. Support to Smallholder Livelihoods Enhancement</b>	<b>14,4</b>			
<b>C. Programme Coordination and Capacity Building</b>	<b>6,4</b>			
<b>Total</b>	<b>33,2</b>			

Table C

### Main assumptions and shadow prices

c) MAIN ASSUMPTIONS & SHADOW PRICES						
FINANCIAL	Output	land Size	Yields (Annually)			Unit
			WOP	WP	Price-USD	
	Sorghum	1 Ha	2 400	3 000	0,35	Kg
	Maize	1 Ha	3 750	4 200	0,90	Kg
	Rice	1 Ha	7 000	8 000	0,88	Kg
	Sesame	1 Ha	530	650	1,75	Kg
	Beans	1 Ha	1 550	1 700	1,2	Kg
	Goat	-	3	9	80	Head
	Fodder	1 Ha	8 000	15 000	0,50	Kg
	Cucumber	8*30			0,70	Kg
	Tomatoes	8*30			1,00	Kg
Economic	Standard Conversion Factor	0,92	Discount rate for Financial Analysis			
	Labour Conversion Factor	0,80	Discount rate for Economic Analysis			

Table D

### Beneficiary adoption rates and phasing

## Economic Benefits Aggregation and Household Phasing

Aggregated Economic Benefits										
Total Project Beneficiaries	30 000									
	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8		Total
Phasing of Households	890	5 942	5 736	4 622	4 952	3 008	2 535	2 314		30 000
Cumulative	890	6 832	12 568	17 191	22 143	25 151	27 686	30 000		30 000
Adoption Rate	70%									
Aggregation	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
Beneficiaries in their Y1	623	4 160	4 015	3 236	3 466	2 106	1 774	1 620		
Beneficiaries in their Y2		623	4 160	4 015	3 236	3 466	2 106	1 774	1 620	
Beneficiaries in their Y3			623	4 160	4 015	3 236	3 466	2 106	1 774	1 620
Beneficiaries in their Y4				623	4 160	4 015	3 236	3 466	2 106	1 774
Beneficiaries in their Y5					623	4 160	4 015	3 236	3 466	2 106
Beneficiaries in their Y6						623	4 160	4 015	3 236	3 466
Beneficiaries in their Y7							623	4 160	4 015	3 466
Beneficiaries in their Y8								623	4 160	4 015
Beneficiaries in their Y9									623	4 015
Beneficiaries in their Y10										623
Beneficiaries in their Y11										623
Total Incremental Beneficiaries	623	4 783	8 798	12 034	15 500	17 606	19 380	21 000	21 000	21 000

Table E

## Economic cash flow

Summary of Economic Cashflow (USD)																				
Annual Incremental Benefits	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11	Y12	Y13	Y14	Y15	Y16	Y17	Y18	Y19	Y20
Crop/Enterprise Model																				
Sorghum	(64)	(44)	30	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64	64
Maize	(168)	(93)	(19)	130	130	130	130	130	130	130	130	130	130	130	130	130	130	130	130	130
Rice	(111)	(50)	109	242	242	242	242	242	242	242	242	242	242	242	242	242	242	242	242	242
Sesame	(83)	(39)	1	74	74	74	74	74	74	74	74	74	74	74	74	74	74	74	74	74
Beans	(45)	(25)	30	73	73	73	73	73	73	73	73	73	73	73	73	73	73	73	73	73
Goat	(184)	37	44	138	138	138	138	138	138	138	138	138	138	138	138	138	138	138	138	138
Fodder	(64)	(69)	(54)	254	254	254	254	254	254	254	254	254	254	254	254	254	254	254	254	254
Cucumber	(598)	168	227	185	185	185	185	185	185	185	185	185	185	185	185	185	185	185	185	185
Tomatoes	(584)	199	82	252	252	252	252	252	252	252	252	252	252	252	252	252	252	252	252	252
Net Incremental Benefits	(1 900)	83	450	1 512	1 312	1 412	1 412	1 412	1 412	1 412	1 412	1 412	1 412	1 412	1 412	1 412	1 412	1 412	1 412	1 412

Table F

## Sensitivity analysis

**Rural Livelihoods Resilience Programme (RLRP)**  
 Economic and Financial Analyst (EFA)  
**Sensitivity Analysis**

Year	1	2	3	4	5	6	7	8	9	10	11-20	12	13	14	15	16	17	18	19	20	
<b>Incremental Benefits</b>	(1 184)	(7 850)	(7 004)	(3 001)	2 596	10 089	14 799	19 048	24 453	26 512	27 877	27 877	27 877	27 877	27 877	27 877	27 877	27 877	27 877	27 877	27 877
benefits +10%	(1 302)	(8 635)	(7 704)	(3 301)	2 856	11 097	16 279	20 952	26 899	29 183	30 665	30 665	30 665	30 665	30 665	30 665	30 665	30 665	30 665	30 665	30 665
benefits +20%	(1 420)	(9 420)	(8 404)	(3 601)	3 115	12 106	17 759	22 857	29 344	31 814	33 452	33 452	33 452	33 452	33 452	33 452	33 452	33 452	33 452	33 452	33 452
Mild scenario	(1 065)	(7 065)	(6 303)	(2 701)	2 337	9 080	13 319	17 143	22 008	23 861	25 089	25 089	25 089	25 089	25 089	25 089	25 089	25 089	25 089	25 089	25 089
Medium scenario	(947)	(6 280)	(5 603)	(2 401)	2 077	8 071	11 639	15 238	19 563	21 209	22 302	22 302	22 302	22 302	22 302	22 302	22 302	22 302	22 302	22 302	22 302
High scenario	(828)	(5 495)	(4 902)	(2 101)	1 817	7 062	10 359	13 333	17 117	18 558	19 514	19 514	19 514	19 514	19 514	19 514	19 514	19 514	19 514	19 514	19 514
<b>Project Costs</b>	985	6 574	6 346	5 114	5 478	3 328	2 804	2 560	768	768	768	768	768	768	768	768	768	768	768	768	768
costs +10%	1 083	7 231	6 981	5 625	6 026	3 661	3 085	2 816	845	845	845	845	845	845	845	845	845	845	845	845	845
costs +20%	1 182	7 889	7 615	6 137	6 574	3 994	3 365	3 072	922	922	922	922	922	922	922	922	922	922	922	922	922
costs +30%	1 477	9 861	9 519	7 671	8 218	4 326	3 646	3 328	998	998	998	998	998	998	998	998	998	998	998	998	998
<b>Net cash flow</b>																					US\$
base scenario	(2 168)	(14 424)	(13 350)	(8 115)	(2 882)	6 761	11 994	16 488	23 685	25 744	27 109	27 109	27 109	27 109	27 109	27 109	27 109	27 109	27 109	27 109	25.9%
costs +10%	(2 267)	(15 081)	(13 984)	(8 626)	(3 430)	6 428	11 714	16 232	23 609	25 667	27 032	27 032	27 032	27 032	27 032	27 032	27 032	27 032	27 032	27 032	24.9%
costs +20%	(2 365)	(15 739)	(14 619)	(9 138)	(3 978)	6 095	11 433	15 976	23 532	25 590	26 956	26 956	26 956	26 956	26 956	26 956	26 956	26 956	26 956	26 956	24.0%
costs +30%	(2 661)	(17 711)	(16 523)	(10 672)	(5 622)	5 762	11 153	15 720	23 455	25 513	26 879	26 879	26 879	26 879	26 879	26 879	26 879	26 879	26 879	26 879	21.8%
benefits +10%	(2 287)	(15 209)	(14 050)	(8 415)	(2 623)	7 769	13 474	18 393	26 131	28 395	29 897	29 897	29 897	29 897	29 897	29 897	29 897	29 897	29 897	29 897	26.9%
benefits +20%	(2 405)	(15 994)	(14 750)	(8 715)	(2 363)	8 778	14 954	20 297	28 576	31 046	32 685	32 685	32 685	32 685	32 685	32 685	32 685	32 685	32 685	32 685	27.7%
benefits +10%	(2 050)	(13 639)	(12 649)	(7 815)	(3 142)	5 752	10 514	14 583	21 240	23 093	24 321	24 321	24 321	24 321	24 321	24 321	24 321	24 321	24 321	24 321	24.8%
benefits +20%	(1 931)	(12 854)	(11 949)	(7 515)	(3 402)	4 743	9 035	12 678	18 795	20 441	21 534	21 534	21 534	21 534	21 534	21 534	21 534	21 534	21 534	21 534	23.5%
benefits +30%	(1 813)	(12 069)	(11 248)	(7 215)	(3 661)	3 734	7 555	10 774	16 349	17 790	18 746	18 746	18 746	18 746	18 746	18 746	18 746	18 746	18 746	18 746	22.0%
benefits delayed 1 year	(985)	(7 757)	(14 196)	(12 117)	(8 480)	(732)	7 284	12 239	18 280	23 685	25 744	27 109	27 109	27 109	27 109	27 109	27 109	27 109	27 109	27 109	23.4%
benefits delayed 2 years	(985)	(6 574)	(7 530)	(12 964)	(12 482)	(6 329)	(208)	7 529	14 031	18 280	23 685	25 744	27 109	27 109	27 109	27 109	27 109	27 109	27 109	27 109	21.1%
Discount rate	8%																				
<b>Sensitivity Analysis</b>	Base case	Costs Increase			Increase of		Decrease of Benefits			Delay of Benefits											
		+10%	+20%	+50%	+10%	+20%	-10%	-20%	-30%	1 year	2 years										
IRR	26%	25%	24%	22%	27%	28%	25%	24%	22%	23%	21%										
NPV (USD) '000	95 299	92 568	89 836	83 290	107 561	119 822	83 038	70 776	58 515	80 679	67 141										
Discount rate	8%																				