



RESTRUCTURING PAPER

ON A

PROPOSED PROJECT RESTRUCTURING

OF

SOMALIA EMPOWERING WOMEN THROUGH EDUCATION AND SKILLS PROJECT - "RAJO KAABA"

APPROVED ON JUNE 27, 2022

TO

FEDERAL REPUBLIC OF SOMALIA

EDUCATION GLOBAL PRACTICE

EASTERN AND SOUTHERN AFRICA REGION

Regional Vice President:	Victoria Kwakwa
Country Director:	Keith E. Hansen
Regional Director:	Daniel Dulitzky
Practice Manager:	Muna Salih Meko
Task Team Leaders:	Huma Kidwai, Pedro Cerdan-Infantes



BASIC DATA

Product Information

Project ID P176898	Financing Instrument Investment Project Financing
-----------------------	--

Environmental and Social Risk Classification (ESRC)

High

Approval Date 27-Jun-2022	Current Closing Date 30-Jun-2027
------------------------------	-------------------------------------

Organizations

Borrower Federal Republic of Somalia	Responsible Agency
---	--------------------

Project Development Objective (PDO)

Original PDO

To improve literacy and numeracy skills of women in selected areas and to prepare women for leadership roles.

Summary Status of Financing (US\$, Millions)

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net Commitment	Disbursed	Undisbursed
IDA-E0740	27-Jun-2022	05-Nov-2022	05-Mar-2023	30-Jun-2027	25.00	.77	24.09
TF-B8653	27-Jun-2022	05-Nov-2022	05-Mar-2023	30-Jun-2023	2.00	.23	1.77
TF-B8677	27-Jun-2022	05-Nov-2022	05-Mar-2023	30-Dec-2023	25.00	0	25.00

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No



I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

- 1. **Project Status.** The Project was signed on November 5, 2022 and declared effective on March 5, 2023. During this period the following tasks were completed to achieve compliance with social and environmental safeguards, and readiness for implementation, including (a) public disclosure of the Environmental and Social Management Framework, Stakeholder Engagement Plan, and Labor Management Procedures; (b) adoption of the Project Operations Manual; and (c) adoption of the Security Management Framework. The first Withdrawal Application (WA) for US\$1 million was processed in June 2023.
- 2. **The Project Development Objective is to improve literacy and numeracy skills of women in selected areas and to prepare women for leadership roles.** The project interventions are organized into three components in addition to a CERC component (Table 1):

Table 1: Project components and allocation

Components	Allocation (\$ million)
Component 1: Skills for life and labor market success	25
Component 2: Higher skills development for women’s leadership	20
Component 3: Technical assistance and project management	7

- 3. **The World Bank carried out an implementation support visit from May 29 to June 1, 2023 and recorded moderately satisfactory progress towards implementation.** Draft subsidiary agreements for the federal states are under review with the aim of finalization and signature in July 2023. While the project implementation unit (PIU) is in the process of being staffed, Rajo Kaaba project is supported by the Ministry of Education delegated staff and select members from the Somalia Education for Human Capital Development (SEHCD) PIU. Technical work is being undertaken jointly by the client and the World Bank towards the drafting of terms of reference (TORs) for project implementation partners (PIP) to be hired on component 1, to deliver foundational learning and life skills activities for adolescent girls and young women. A call for technical proposals is being drafted for a university grants program, aiming to establish women development centers (WDC) at universities that succeed in a grant selection competition. Simultaneously, the World Bank and the client have begun drafting TORs for a third-party monitoring agency, and a security firm, to be launched as part of the first tranche of disbursement received by the client. The first audit of project financial statements will be submitted to the World Bank by June 30, 2024.
- 4. **Rationale for restructuring.** The project has faced a set of delays related to timely signing and Declaration of Effectiveness. The client and World Bank are making deliberate efforts to catch up on the implementation timeline. However, to deliver the activities with desired technical and operational quality and compliance, the client (reference letter dated June 21, 2023) has requested to extend the closing date of the two trust funds (TF) financing this project until June 30, 2026.
- 5. **Additional considerations.** It is also proposed to modify two of the clauses for disbursement under this project, particularly those associated with (a) the conditional sequencing of the use of the three sources of financing, and (b) the WA ceiling of US\$1 million.

II. DESCRIPTION OF PROPOSED CHANGES

- 6. **Extension of closing date.** Specifically, the restructuring proposes to extend the closing date for Early Learning Partnership Multi Donor Trust Fund (ELP), TFOB8653, from June 30, 2023, to June 30, 2026. This extension is to allow for timely completion of activities committed under the project. There is no implication for an approved closing date



of the overall project supported by IDA financing and indicated in the IDA grant agreement (IDA-E074 SO) which is scheduled to close on June 30, 2027.

7. The client’s request to extend the closing date for Somalia Multi Partner Trust Fund (SMPF) grant, TF-B8677 will be considered at a later stage, subject to the prior extension of the End Disbursement Date of the Somalia Multi Partner Fund itself.

8. Revision to disbursement arrangements

(a) The first proposed modification is to remove the conditional sequencing of the use of three sources of financing under section III(A) of the IDA and the SMPF grant agreements, as suggested in the following table. For the revised versions of the withdrawal tables, please refer to Annexures 1 and 2.

Table 2: Proposed changes to withdrawal tables

Grant/TF Number	Section and reference	Disbursement Category and Allocated Amount (US\$)	Percentage of Expenditures to be Financed (Inclusive of Taxes)	Percentage of Expenditures to be Financed (Inclusive of Taxes)
			Original Phrasing	Proposed Revision
SMPF GRANT NUMBER TFOB8677	Withdrawal of Grant Proceed (General) Section III(A)1, page 13	Category 1 20,000,000	“100% upon exhaustion and full disbursement of the funds allocated to Category 1 under the ELP’ grant TFOB8653”	“100%”
IDA GRANT NUMBER E074 SO	Withdrawal of Grant Proceed (General) Section III(A)1, page 11	Category 1 744,000	“100% upon exhaustion and full disbursement of the funds allocated to Categories 1 under the ELP’ grant TFOB8653 and SMPF’s grants TFOB8677, in that order of precedence”	“100%”

(b) The second proposed modification is to raise the withdrawal ceiling for the Designated Account for Federal Government of Somalia (i.e., DA-A) from US\$1 million to a minimum of US\$2 million. The current ceiling is estimated to be too low for project management needs by the second quarter of FY24. The proposed increase is expected to reduce the number of transactions and procedural tasks associated with WA and clearances during a Fiscal Year. The Disbursement and Financial Information Letters have been revised for the new ceiling of US\$2 million for DA-A. The same will be reflected in the Client Connections portal after the approval of this restructuring.

III. SUMMARY OF CHANGES

	Changed	Not Changed
Loan Closing Date(s)	✓	
Disbursements Arrangements	✓	
Implementing Agency		✓
DDO Status		✓
Project's Development Objectives		✓



Results Framework		✓
Components and Cost		✓
Cancellations Proposed		✓
Reallocation between Disbursement Categories		✓
Disbursement Estimates		✓
Overall Risk Rating		✓
Legal Covenants		✓
Institutional Arrangements		✓
Financial Management		✓
Procurement		✓
Implementation Schedule		✓
Other Change(s)		✓
Economic and Financial Analysis		✓
Technical Analysis		✓
Social Analysis		✓
Environmental Analysis		✓

IV. DETAILED CHANGE(S)

LOAN CLOSING DATE(S)

Ln/Cr/Tf	Status	Original Closing	Revised Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
IDA-E0740	Effective	30-Jun-2027			
TF-B8653	Effective	30-Jun-2023		30-Jun-2026	30-Oct-2026
TF-B8677	Effective	30-Dec-2023			



Financing Agreement:

Revised Withdrawal Table under Section III.A of Schedule 2

Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (Inclusive of Taxes)
(1) Goods, non-consulting services, consulting services, Training and Operating Costs under Component 1 of the Project, other than for activities in Somaliland	744,000	100%
(2) Goods, non-consulting services, consulting services, Training and Operating Costs under Component 2 of the Project, other than for	8,928,000	100%
(3) Works under Component 2 of the Project, other than for activities in Somaliland	4,464,000	100%
(4) Goods, non-consulting services, consulting services, Training and Operating Costs under Component 3 of the Project, other than for activities in Somaliland	4,464,000	100%
(5) Goods, works, non-consulting services, consulting services, Training and Operating Costs for activities in Somaliland	0	100%
TOTAL AMOUNT	18,600,000	



Annex 2

SMPF Grant Agreement:

Revised Withdrawal Table under Section III.A.1 of Schedule 2

Category	Amount of the SMPF Grant Allocated (expressed in US\$)	Percentage of Expenditures to be Financed (Inclusive of Taxes)
(1) Goods, non-consulting services, consulting services, Training and Operating Costs under Component 1 of the Project, other than for activities in Somaliland	20,000,000	100%
(2) Goods, non-consulting services, consulting services, Training and Operating Costs under Component 2 of the Project, other than for	0	100%
(3) Works under Component 2 of the Project, other than for activities in Somaliland	0	100%
(4) Goods, non-consulting services, consulting services, Training and Operating Costs under Component 3 of the Project, other than for activities in Somaliland	0	100%
(5) Goods, works, non-consulting services, consulting services, Training and Operating Costs for activities in Somaliland	5,000,000	100%
TOTAL AMOUNT	25,000,000	