

THE MULTI-PARTNER FUND

# MPF Lean Report

July–December 2023



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## Portfolio Overview

The Multi-Partner Fund (MPF) portfolio financed six lending projects and 24 analytical/advisory activities. The MPF provided financing worth US\$427.40 million in the reporting period. The portfolio is co-financed with US\$2.14 billion in International Development Association (IDA) resources for 23 national and regional projects. With IDA complementing MPF financing, the portfolio continues to demonstrate the advantages of blending multiple sources of financing to leverage a coordinated and pooled financing approach using country systems. The total active Bank portfolio at the end of the reporting period amounted to US\$2.30 billion combined IDA and Trust Fund financing. As of December 31, 2023, [donors had committed](#) a total of US\$641.8 million to the MPF, of which US\$586.8 million had already been paid in. In this reporting period, US\$22.5 million in additional contributions were received from partners.

The Somalia Multi-Partner Fund (MPF) was recently extended to end of June 2028 with all donors signing Amended Agreements. The risk exposure is increasing in Somalia, with significant implications for current operations and upcoming projects. The MPF continues to be a resource for teams to go above and beyond standard Bank procedures on risk management. With MPF support, the Bank can implement a more ambitious, strategic, and coordinated approach to risk management. The enhanced approach has three thematic areas: (a) environmental, social and security risk management (ESSRM); (b) fiduciary risk and project management; and (c) enhanced fragility, conflict, and violence (FCV) support. This also includes the deployment of a third-party Monitoring Agent across the portfolio, as well as other enabling measures to improve supervision and implementation support for task teams.

A new [Country Partnership Framework for the Period FY24–28 \(CPF\)](#) was recently approved for Somalia. The FY24–28 CPF will assist Somalia in building a more stable, visible, and legitimate state able to provide basic services, foster inclusive private sector-led growth, and build resilience, with a long-term view to restoring the social contract and enabling Somalia's emergence from FCV. The CPF will feature Macroeconomic Stability and Governance Foundations as a cross-cutting, foundational High-Level Outcome (HLO), which responds to FCV drivers in the Risk and Resilience Assessment and reflects elements of the 2023 Systematic Country Diagnostic Update foundational HLOs related to economic governance as well as security, participation, and access to justice. The CPF will support three core HLOs: (1) Inclusive, Private Sector-Led Job Creation and Economic Growth; (2) Enhanced Human Capital; and (3) Greater Resilience to Climatic and Other Shocks. Selectivity filters include capacity to enhance state visibility and legitimacy—government priorities per Somalia's Vision 2060 and the Ninth National Development Plan (NDP9). The January–June 2024 MPF Report will be aligned to these HLOs.

The MPF projects remain organized under three focus areas that target specific pillars of Somalia's National Development Plan: (a) [Effective, Accountable Government](#) strengthens institutions and financing for human capital delivery; (b) [Enabling Economic Growth](#) supports economic resilience and opportunities, through which the World Bank Group (WBG) aims to increase economic resilience as a basis for long-run poverty reduction and inclusive growth; and (c) [Urban Infrastructure](#), which strengthens institutions to deliver services, specifically, building the capacity of Somali municipalities for urban resilience. The activities have been reorganized into three categories to better understand the impact of the Bank's work: (a) Investments projects; (b) Policy dialogue and analytical activities; and (c) Risk management activities. Bank reports or publications prepared during the reporting period are given in the Knowledge Products subsection. This chapter provides an update of progress across these portfolios.

## Effective, Accountable Government: Strengthening Institutions/Financing for Human Capital Delivery

The Effective, Accountable Government portfolio of the MPF financed 20 projects. Of these, 10 are recipient-executed investment projects (three of which are MPF co-funded) and 17 are analytical/advisory activities. The MPF provides financing worth US\$73.44 million. This portfolio is co-financed with US\$961.45 million in IDA resources. It represents the largest portfolio within the MPF; many of the projects are closely interlinked and initial project results are positive across the board. The Somalia Enhancing Public Resource Management Project, which aims to strengthen accountability, transparency, and institutional capacity in public resource management was the last of the projects to be approved. A second Additional Financing (AF) of US\$4 million was processed during the reporting period for the Somalia Recurrent Cost and Reform Financing Project—Phase III. This portfolio aligns with the [CPF](#) Focus Area 1: Strengthening Institutions to Deliver Services. (See [Table 1](#) for the split between the MPF and IDA funding.)

### Investment Projects

The **Recurrent Cost and Reform Financing (RCRF) Project—Phase III** continues to demonstrate good progress across all components with only minor delays.

- **Recurrent cost finance to reform resource management systems:** The share of civil servants' salaries financed by the government in 2023 stood at 85 percent, meeting the 2023 target of the RCRF III Project Development Objective (PDO) indicator.
- **Intergovernmental fiscal relations:** Following adoption of the intergovernmental fiscal transfer formula for budget support, all Federal Member States (FMSs) (except Puntland) and the Benadir Regional Authority (BRA) have completed self-assessments on the performance parameters of the grant formula; all have been verified except for the BRA because it lacks reliable data to review the performance against. The FGS and FMS Offices of the Auditor Generals have signed a framework of cooperation that provides a mechanism to audit and report intergovernmental transfers.
- **Health component:** Female health workers (FHWs) and female health supervisors (FHSs) are progressively delivering healthcare. An additional 500 FHWs/FHSs recruited through 2023 will be onboarded and trained by 2024. The FHWs' curriculum and compendium have been reviewed to align with the Human Rights–Based Approach, with master trainers trained and government officials receiving training in February 2024.
- **Education component:** An Inter-Governmental Education Coordination Forum meeting was held and a functional assignment was agreed and signed. The Concept Note and budget for the pilot school self-assessment was approved, with the study expected to be conducted and results submitted to the World Bank (WB) by April 2024. As part of Participation Eligibility Criteria, action plans to increase women's participation in the teacher cadre were developed and approved. Where possible, their implementation and financing will be supported in close coordination with other Bank projects, including Education for Human Capital Project and the Somalia Empowering Women through Education and Skills (Rajo Kaaba) Project.
- **Citizen engagement:** The ICT-based Citizen Engagement Center (Talo Wadaaq) has reached out to 19,581 unique beneficiaries, including FHWs (852), FHSs (60), household heads (14,227), pregnant women (1,042), teachers (1,708), community education committee members (136), and community health committee members (392). These beneficiaries have been targeted with behavior change and implementation support campaigns for improved service delivery and social contract.

The **Capacity Injection Project (CIP)** closed on December 31, 2022. The Implementation Completion and Results Report (ICR) can be found [here](#). The Independent Evaluation Group's (IEG) review report on the project can be found [here](#). The ICR rated the overall project outcome as 'moderately satisfactory' and the IEG report confirmed this rating. The project amount for this closed project has not been included in this lean report.

The **Somaliland Civil Service Strengthening Project (CSSP)** closed on December 31, 2022, and the ICR can be found [here](#). The IEG's review of the ICR can be found [here](#). The ICR rated the overall project outcome as 'moderately satisfactory' and IEG report confirmed this rating. The project amount for this closed project has not been included in this lean report.

In the **CSSP II**, good progress is being made in strengthening basic functions for payroll, human resources (HR), and policy management. The Phase II HR audit and biometric registration of the remaining civil servants is complete; implementation of the Human Resource Management Information System is being piloted. The new Pay and Grading Policy was approved by the government on August 7, 2023, and support to implementation is ongoing in readiness for piloting. The Cabinet approved the Pension Policy and the Bill on September 21, 2023, and the draft Bill has been submitted to the Parliament. Due to the planned elections, discussion of the Bill in Parliament will most likely be delayed. The project closing date has been extended from December 31, 2023, to June 30, 2024.

The **Somalia Enhancing Public Resource Management Project (SERP)** was officially launched on November 1 and 2, 2023, in Mogadishu and Hargeisa, respectively. Following the project launch, two workshops for technical discussions were held in Nairobi (Kenya) on November 6–8, and November 10–12



for the Federal Government of Somalia (FGS), FMSs, and Somaliland (SL). Both workshops worked out the detailed implementation plans with a focus on the initial 12 to 18 months of project activities. Project activities for public financial management, domestic resource mobilization, and public sector management will be implemented independently by the Ministries, Departments, and Agencies (MDAs) of the FGS, FMS, and SL, in line with their institutional mandates. The Project Coordination Unit (PCU) at the FGS is now fully established. Each FMS will have a project manager to independently coordinate project activities at FMS level and share information with the PCU as per preagreed arrangements. In SL, establishment of a Joint Steering Committee is underway; the PCU is also not fully established. With Bank support, the counterpart is fast-tracking project implementation, and a prolonged implementation support mission is scheduled partly in March, with the main mission in April 2024.

The **Somali Integrated Statistics and Economic Planning Capacity Building project** aims to strengthen the national statistical system in the collection, processing, and dissemination of poverty and selected macroeconomic data, strengthening of national monitoring and evaluation (M&E), public finance, and macroeconomic statistical activity to inform development policy and poverty reduction activities. Recent accomplishments of the project include the publication of the ‘Somalia Poverty Report’ by the National Bureau of Statistics; the provision of training courses to improve data analysis skills within the FGS, in collaboration with East Africa Statistical Training Center; the launch of a National Integrated M&E Framework by the Ministry of Planning, Investment, and Economic Development; and the organization of the [6<sup>th</sup> National Economic Policy Forum](#).

The **Domestic Revenue Mobilization and Public Financial Management (DRM/PFM) Capacity Strengthening project** closed on June 30, 2023, and the ICR was delivered in December 2023. Achievements and outcomes include the following:

- **Domestic revenue mobilization:** The project supported the establishment of reforms tax instruments and strengthened tax systems, yielding positive results, including increase in government revenues, process simplification, move to self-assessment on taxes, and progressive increase in government’s own revenues. By end of 2022, the federal government had collected US\$225 million in domestic revenue, up from US\$114 in 2015. The federal government also made some important changes to its revenue administration systems with the support of the project. These include establishment of Large and Medium Tax Office, tax policy unit revenue academy; institution of tax audits and verification; and establishment of unique tax identification numbers.
- **Expenditure management:** The project supported development and deployment of government-integrated PFM systems—linked Treasury Single Accounts in central banks at federal level, Puntland, and SL. The federal government processed 93.5 percent of transactions through the system, Puntland processed 75 percent, and SL processed 100 percent—all exceeding the target of 60 percent. The reform helped reduce expenditure arrears, reconcile bank accounts in a timely manner, improve financial reporting, and pay civil servants directly into their individual accounts via the electronic system. The PFM systems brought consistent budget discipline to government spending and control of government domestic expenditure arrears effectively eliminated through well-functioning commitment controls. The IMF debt relief HIPC process relief on fiscal summary reports generated from the federal government integrated financial management system.
- **Accountability and oversight of public finances:** At the closing of the project, the public audits had been completed and published for 98 percent of federal MDAs, 87 percent of Puntland MDAs,

and 55 percent of SL MDAs against the target of 75 percent, with frameworks established for communication between the OAG, the media, and nonstate actors.

- **PFM education and training:** On capacity building, the project supported PFM education and training in collaboration with CIPFA UK. The program trained a critical mass of government officers posted across key PFM institutions in FGS, Puntland, and SL, with over 100 government officers qualifying for CIPFA diploma certification.

This **Somalia Shock Responsive Safety Net** programmatic update consolidates the IDA-funded **Somalia Shock Responsive Safety Net for Human Capital Project (SNHCP)** and **Somalia Shock Responsive Safety Net for Locust Response Project (SNLRP)**.<sup>1</sup> The **SNHCP**-supported 'Baxnaano' has evolved as a national social protection platform, facilitating coordination and collaboration with humanitarian programs, and empowering the poor and vulnerable through socioeconomic inclusion and human capital accumulation. As of November 2023, proceeds from the parent project and the first and second AF have been utilized at 78 percent disbursement (US\$239.31 million). The remaining funds (US\$68.92 million) are committed to meet requirements under the regular cash transfer program up to June 30, 2024, as well as for Unified Social Registry (USR) surveys and their management. Ratings for both 'Progress Towards Achievement of PDO' and 'Overall Implementation Progress' were 'satisfactory' since the beginning of the project. The emergency component of the second AF has been completed with 193,000 drought-affected households receiving or having received emergency cash transfers (ECTs).

The complementary **SNLRP** used the Baxnaano platform to deliver ECTs to households affected by locust infestation. The SNLRP has supported 261,993 households (exceeding the program target of 260,000 households in addition to the 193,000 households supported with ECTs by the SNHCP) with ECTs as of November 30, 2023. In December 2023, an AF has made support for 70,000 flood affected households available to the government. Nearly 685,000 shock-affected households will be supported under Bank-financed projects. The SNLRP made good progress in contributing to the strengthening of the wider social protection system by supporting the ongoing registration of 330,000 families in the USR. It has achieved 92 percent disbursement and is expected to close on March 31, 2024.

Additional results under Baxnaano include (a) regular cash transfers to 200,000 households (project target achieved) enrolled through the Baxnaano regular window; (b) ECT top-up support to 264,000 households (project target achieved) impacted by the locust crisis, and 321,746 households (90 percent of targeted households supported as of December 2023); (c) support to women—100 percent of the direct recipients of the cash transfers under the Baxnaano-regular window, and around 70 percent of the direct recipients of the emergency cash assistance under the Baxnaano-shock response window, are beneficiaries; (d) effectiveness in protecting food security and improving food consumption of the beneficiary households against shocks, as shown in reports from an independent third-party monitoring entity; (e) support to a targeting evaluation of the current community-based targeting approach of the SNHCP; and (f) the development of a Discussion Paper on the experience of Baxnaano as a national safety net program operating in the context of fragility and prolonged humanitarian aid.

<sup>1</sup> Information about the MPF-funded ASA component, **Somalia Social Protection Support: Building Blocks towards a National Social Protection System**, is given on page 8.

Overall, the **Somalia: Empowering Women through Education and Skills Project ('Rajo Kaaba')** continues to demonstrate moderately satisfactory progress towards implementation. Moderate progress has been made towards disbursements and the hiring of core Project Management Unit staff, especially with the Project Manager now onboard. The closing date for the US\$25-million MPF supporting the project has been extended to June 30, 2026, through a project restructuring processed on December 30, 2023. The signing of the subsidiary agreement with SL (financed by the MPF: US\$5 million) has been initiated with the relevant Ministry of Finance.

- **Component 1: Skills for Life and Labor Market:** All technical work pertaining to the launch of foundational learning and life skills activities for adolescent girls and young women was completed during the last mission (February 12–27, 2024). A small-scale pilot led by the Department of Non-Formal Education (under the Ministry of Education) will be initiated to implement training activities under one select public technical and vocational education training center in each FMS other than SL. The first cohort of beneficiaries under this project will include a minimum of 20,000 girls and women aged 15–35 years. Training activities are expected to begin in August 2024.
- **Component 2: Higher Skills Development for Women's Leadership:** The first cohort of 2,000 college scholarships—targeting young women applicants in the field of school-teaching, nursing, and midwifery—will be announced in March 2024. Consultations with eligible higher education institutions have been initiated by the Department of Higher Education under the Ministry to finalize the student selection criteria and processes. All criteria and norms for college and student selection are scheduled to be in place by the end of March 2024. A clear roadmap of activities and milestones has been prepared to ensure that students' with scholarships start their academic year in September 2024.

## Policy Dialogue and Analytics

The **Somalia Financial System Initiative (FSI)** team, during the reporting period (a) continued knowledge sharing activities (Middle East North Africa Financial Action Task Force [MENAFATF] mutual evaluation preparation training provided as part of an FSI stakeholder meeting on August 14, 2023); and (b) the Secretariat launched an expression of interest for all Somali banks for customized technical support under the FSI. Four banks expressed interest in the support and were approved following a review by the Central Bank of Somalia (CBS). As a next step, the FSI would support in-depth assessments of the selected participating financial institutions to identify Anti-Money Laundering/Combating the Financing of Terrorism and shortcomings related to operational risks as well as develop customized training packages. The assessments will be conducted by a service provider to be selected in 2024.

To avoid duplication and reduce burden on the banks, the WB FSI team and the International Finance Corporation have been coordinating the conducting of the bank assessments; common terms of reference have been prepared; and procurement is also being coordinated to ensure standardized assessments. Additional knowledge exchange events have been planned for the next reporting period, starting with a workshop on correspondent banking in Nairobi in January 2024 and another planned for May/June 2024.



The MPF-funded **Somalia Social Protection Support: Building Blocks towards a National Social Protection System**<sup>2</sup> was completed in September 2023. It has been critical in ensuring that the FGS receives just-in-time advisory support in the formulation of broader strategy and policy, as well as on operational matters that affect project performance and outcomes. All planned deliverables under the current ASA have been successfully completed and delivered. Additional support for a second phase of the programmatic ASA is being explored.

The **Financial Governance Committee (FGC)** is a hybrid Somali-international body that provides advice on strategic financial governance policy issues and FGS concessions/contracts. During this reporting period, the FGC facilitated dialogue and provided expert advice and technical assistance on air navigation fees, management of contracts in Mogadishu port, oil and gas resources, revenue sharing agreements, tuna licensing, issues arising from the 2022 compliance audits, and efforts to increase domestic revenue.

During this period, significant progress has been made along the four pillars of **Enhancing Governance Dialogue on Somalia** analytical work: (a) State affordability; (b) Domestic revenue mobilization: Tax compliance analytical work; (c) Intergovernmental transfers to local government; and (d) Strengthening social contract. These outputs are complete, and the team is working towards publishing a book and a webpage hosting all outputs. The team has continued to provide just-in-time technical support in the Somalia dialogue platform and the dissemination of intergovernmental papers as well as support on pension reforms.

## Risk Management

The portfolio is still considered young and has expanded rapidly in the last three years. Being an FCV country, risks are high; this translates to high supervision costs for projects. The fiduciary, social and environment, and security risks are high and require an enhanced risk management framework to allow Bank teams to supervise projects.

## Knowledge Products

*Gendered Impact of the COVID-19 Pandemic in Somalia:*

*Results from a High-Frequency Phone Survey of Households*

This Technical Note on the gendered impact of the COVID-19 pandemic in Somalia used the High-frequency Phone Survey of Households' data to understand how people are impacted by, and have adapted to, shocks.

*Somalia Geospatial Dashboard*

The Bank also maintains the [Somalia Geospatial Dashboard](#) to help guide the geographic prioritization of Bank interventions through a composite, geographic targeting index. This online geospatial portal offers a user-friendly tool and contains a wide range of indicators related to poverty, access to infrastructure, conflict and natural disaster risks, and so on.

<sup>2</sup> This ASA is part of the **Somalia Shock Responsive Safety Net** programmatic update. Information about the other two projects—the IDA-funded **SNHCP** and **SNLRP**—is given on page 6.

**Table 1. Overview of Projects: Effective, Accountable Government***As of December 31, 2023 (in US\$ million)*

Projects	Total Project Cost	MPF	IDA
<b>Investment projects</b>			
1. Somaliland Civil Service Strengthening Project (CSSP) II	4.85	4.85	–
2. Recurrent Cost and Reform Financing (RCRF) Program III	135.00	5.00	130.00
3. Somali Integrated Statistics and Economic Planning Capacity Building Project	25.00	–	25.00
4. Improving Healthcare Services in Somalia Project ('Damal Caafimaad')	100.00	–	100.00 <sup>3</sup>
5. Social Protection Engagement <sup>4</sup>	418.00	–	318.00
	115.00	–	115.00
6. Somalia: Empowering Women through Education and Skills Project ('Rajo Kaaba') <sup>5</sup>	52.00	27.00 <sup>6</sup>	25.00
7. Somalia Education for Human Capital Development Project	40.00	–	40.00
8. Somalia Enhancing Public Resource Management Project (SERP)	65.00	5.00	60.00
9. Eastern Africa Regional Digital Integration Project	80.00	0.00	80.00
10. Somalia COVID-19 Emergency Vaccination Project	68.00	–	68.00
<b>Policy Dialogue and Analytics</b>			
11. Somalia Financial System Initiative	2.50	2.50	–
12. Support to Financial Governance Policy Dialogue (FGC)	5.60	5.60	0.05
13. Trade Policy and Facilitation	0.75	0.50	–
14. Enhancing Governance Dialogue on Somalia	3.40	3.40	–
15. Health in Somalia <sup>7</sup>	4.42	4.42	0.05
16. Social Protection Engagement: Somalia Social Protection Support (ASA)	2.00	2.00	–
17. Supporting Financial Inclusion and Private Sector–Led Recovery in Somalia (PASA)	0.40	0.40	–
18. Macroeconomics and Fiscal Programmatic Approach	0.30	0.30	0.10
19. Building an Education System in Somalia	3.00	3.00	0.05
20. Somalia Socio-Economic Monitoring II	1.77	1.77	0.05
21. Somalia Poverty and Equity Assessment	0.20	0.20	0.05
22. Social Protection PASA: Building an Adaptive National Social Protection System	1.65	1.65	–

<sup>3</sup> US\$25 million of this amount is from the Global Financing Facility.

<sup>4</sup> The financials for Social Protection Engagement have been split into two rows. The first row is for the Safety Net for Human Capital Project. The second row is for the Safety Net for Locust Response Project.

<sup>5</sup> This includes Early Learning Partnership MDTF resources of US\$2 million.

<sup>6</sup> US\$2 million is from the Early Learning Partnership, and US\$25 million is from the MPF.

<sup>7</sup> Investment Case to strengthen health service delivery and newly processed Programmatic ASA, Health Systems Strengthening for Recovery and Resilience

Projects	Total Project Cost	MPF	IDA
<b>Risk Management</b>			
23. Somalia: Capacity-Building for Environmental, Social, and Security Risk Management in Development Interventions	0.55	0.55	–
24. Somalia Financial Management Capacity Building and Risk Management	3.60	3.60	0.05
25. Enhanced Procurement Risk Management	1.20	1.20	0.05
26. Somalia FCV Risk Platform	0.50	0.50	–
<b>TOTAL</b>	<b>1134.69</b>	<b>73.44</b>	<b>961.45</b>

## Enabling Economic Growth: Supporting Inclusive Private Sector–Led Growth

The Enabling Economic Growth portfolio financed 10 active projects. Six of these are recipient-executed investment projects (with only the Somalia Capacity Advancement, Livelihoods and Entrepreneurship through Digital Uplift Program being MPF co-funded), and four are Bank-executed analytical/advisory activities. The MPF provides financing worth US\$45.25 million to this focus area. The portfolio is co-financed with US\$633.55 million in IDA resources and US\$5 million from the Horn of Africa Initiative Umbrella Trust Fund. This portfolio aligns with the [CPF](#) under Focus Area 2: Restoring Economic Resilience and Opportunities, through which the WBG aims to increase economic resilience as a basis for long-run poverty reduction and inclusive growth.<sup>8</sup> (See [Table 2](#) for the split between the MPF and IDA funding.)

### Investment Projects

The **Somalia Crisis Recovery Project (SCR)**, now four years into implementation, has made impressive progress both in disbursement and utilization since its Mid-Term Review in January 2023, with disbursement at US\$125 million (68 percent) out of US\$187.5 million (as of December 2023). Despite a complex project design and operating environment, the project is successfully being implemented across multiple sectors at the federal and state levels, covering the entire country. The project locust and coronavirus responses were successfully concluded. The medium-term flood response—including rehabilitated health facilities, flood embankments, canals, and roads—is underway. The project is also supporting seven MDAs with investments in emergency preparedness and response, as well as supporting the development of a Food Security Crisis Preparedness Plan. (An '[Emergency Preparedness and Response Capacity Assessment Report](#)' was also prepared.) The project provided (a) 1,584,196 people (984,019 female beneficiaries) with improved livelihood support, reaching 86 percent of the target; and (b) 2,026,794 people (925,201 female) with improved access to infrastructure and basic services, reaching 82 percent of the target.

Despite the challenging environment, the **Water for Agro-Pastoral Productivity and Resilience, or 'Biyoole'**, closed on February 28, 2023. It funded the development of water harvesting and storage

<sup>8</sup> More specifically, this portfolio targets the first three objectives of Focus Area 2: (2.1) Improve the business environment and lower barriers to entry; (2.2) Increase access to finance for inclusion and digital development; and (2.3): Increase access to renewable energy. A project on water and resilience is being financed through a PAC Grant under IDA targeting the fourth objective: (2.4) Increase access to water for rural resilience and productivity. Under the CPF, the WBG's aim is to support activities that increase access to finance and energy, such as new lending for small and medium-sized enterprises, particularly for women and youth; expanded access to electricity from renewable sources in targeted rural and peri-urban communities; and greater licensing and supervision capacity of the Central Bank, resulting in more secure financial services.

infrastructures, with the aim of enhancing water access. Investments were made in the advancement of agricultural and livestock production technologies, as well as the provision of livestock extension services. These activities directly contributed to the improvement of sustainable livelihoods and the mitigation of vulnerability to extreme climate events for agro-pastoralist communities residing in the dryland areas of Galmudug, Puntland, and South West. At closing, 34 new water sources, including haffir dams, sand dams, and subsurface dams, were constructed against a target of 45. Out of the targeted 22 rehabilitation works, 15 rehabilitation works were completed. Under the project, 362,731 people were provided with access to improved water sources, out of which 48 percent were women; 85,015 farmers/clients adopted improved technology, out of which 41 percent were women. The most notable institution-building outcomes of the project were the increased capacity and confidence of a nascent cadre of local FMS staff to plan, implement, and maintain infrastructure investments and facilitate a community-driven development approach. The project has disbursed 100 percent at completion.

The follow-on **'Barwaaqo' Somalia Water for Rural Resilience** became effective on January 20, 2023, and has since made significant progress. The national PCU has successfully recruited all core staff and has finalized the centralized procurement for crucial components, including the backstopping engineering firm, security risk management firm, and a third-party monitoring firm. The newly added Project Implementation Units in Hirshabelle and Jubbaland have been set up. These have been equipped with furniture, vehicles, and necessary equipment. The site selection process to construct the new waterpoints has started according to the Project Operation Manual, with the technical assistance of the backstopping engineering firm. Accordingly, the first 14 batches of waterpoints have been selected and in the procurement and/or construction phase.

In the **Somalia Capacity Advancement, Livelihoods and Entrepreneurship, through Digital Uplift Program (SCALED-UP)** during the reporting period, the WB conducted a mid-term review mission (October–December 2023) to assess progress and outline recommendations for the last two years of the project (closing date: December 31, 2025). The mission determined the ratings towards achieving the PDO and implementation progress as 'moderately satisfactory' given the strong momentum under all project components, despite some remaining challenges. About 36.6 percent of the project funds (US\$37 million) have been disbursed at the time of this report. Significant milestones include:

- The Gargaara Micro, Small, and Medium Enterprise (MSME) Financing Facility onboarded its first microfinance institution (MFI), increasing its total number of participating financial institutions to eight. The onboarding of an MFI should help Gargaara accelerate its disbursements of micro/small loans and facilitate outreach to women-owned MSMEs. Financing under the Gargaara program reached US\$13.3 million as of December 2023.
- The FGS officially launched the Digital ID program in September 2023, following the enactment of the National Identification and Registration Law and the operationalization of the National Identification and Registration Authority (NIRA). By the time of the mid-term review, NIRA was able to register 6,700 people as of mid-December 2023. It intends to register and provide unique identity credentials to more than 3,000,000 beneficiaries by the end of the project.
- The CBS opened new branches in the Galmudug, Hirshabelle, and South West states as part of its performance-based conditions (PBCs). These will support the fiscal activities in the FMSs and provide services to commercial banks. Good progress has also been made by the CBS towards achieving other PBCs aimed at incentivizing critical financial sector reforms that safeguard financial

stability and integrity, and thus secure stable transmittal channels for international remittances, private capital, and official development assistance.

- Somali authorities reached the final stages of clearance of the National Payment System (NPS) and Takaful Insurance Laws, which have been submitted to the Parliament for review and are expected to be enacted by mid-2024. Additional laws<sup>9</sup> are also being prepared by the FGS and are expected to be submitted for Cabinet and Parliament review and approval by mid-2024. Adopting those statutes will build confidence in the financial sector and align it with international standards.
- Both the NPS and the Electronic Management Information System for the Office of the Accountant General continued to provide critical digital services to the Somali population and the Somali government, respectively, by enabling transfers/payments and by securing government information.
- The Business Registration and Licensing System (BRLS) continued to facilitate business registration of Somali firms—1,003 new businesses were officially incorporated through the BRLS in July-December 2023, representing a 39 percent increase compared with the previous reporting period. This increase brings the number of businesses incorporated to 3,549 as of December 2023.
- The Somalia Data Protection Authority (DPA), an independent regulatory institution responsible for ensuring compliance with data protection and security regulations to safeguard information privacy, was officially launched on February 24. This is a significant milestone for Somalia in its efforts to foster a secure digital environment conducive to increasing uptake of digital services, attracting investments and, in turn fostering economic growth. Specifically, the new agency will be responsible for crafting data protection regulations, ensuring the public sector and businesses' compliance with them, building capacity and establishing procedures for responsible data processing, and responding to data breaches and privacy incidents. SCALED-UP will continue to support it.

The **Somalia Urban Resilience Program** is implemented as part of three interrelated projects, two of which are now closed—the Somali Urban Investment Planning Project (SUIPP, P150374), and the Somalia Urban Resilience Project Phase I (SURP, P163857). The third one—the Somalia Urban Resilience Project Phase II (SURP II, P170922)— is active and details for it are given on page 15.

## Policy Dialogue and Analytics

The **Somalia Women's Empowerment Platform** ensured that all projects in FY22 and FY23 received the 'Gender Tag'.<sup>10</sup> Under **Pillar I**, upstream project preparation support was provided to five projects: two have been approved and gender tagged,<sup>11</sup> while three are in the pipeline and on track to get the tag.<sup>12</sup> Additional deep dive support was provided to (a) to the Sustainable Fisheries Development Project to develop a comprehensive gender strategy aligned with the government's overarching Women in Maritime Sectors National Action Plan, which outlines a broad set of actions designed to improve women's participation in fisheries governance and enhance productivity of female-owned enterprises across the fisheries value chain; and (b) RCRF III AF on the completion of disbursement-linked indicators and PBCs, unlocking US\$2 million in performance-based financing to the FGS. The Platform has also enhanced attention to gender throughout project implementation.

<sup>9</sup> For instance: the updated CBS Act, the Financial Institutions Law, the Cybersecurity Law, and the e-Transactions Law.

<sup>10</sup> Except the Somalia COVID-19 Vax Project, which was exempt.

<sup>11</sup> 2<sup>nd</sup> Inclusive Growth DPO; and SNHCP 3AF.

<sup>12</sup> Sustainable Fisheries; SURP II 3AF; and RCRF III 2AF.

Under **Pillar 2**, the Platform has supported *discrete analytic* activities, including (a) finalization of the Somalia Women's Empowerment Options Paper, which was presented to the country team in November 2023; a dissemination/validation with development partners is proposed for April 2024; (b) launch of a mixed method research on gender and climate change, in partnership with the Gender Innovation Lab, with specific focus on WB water investments and women's participation in community decision making around adaptation and mitigation; and (c) launch of a new Gender Portfolio Review and development of Gender Action Plan to provide a strategic roadmap for the new CPF period. *Cross-GP analytic support* has included (a) provision of gender inputs for sectoral analytics;<sup>13</sup> and (b) provision of financing and technical support for Bulsho research on social cohesion, inclusion, and resilience. *Policy dialogue* activities (a) supported a Legal Reforms Roundtable led by the FGS Ministry of Gender and Women, Business and the Law (WBL) team in November 2023; (b) facilitated dialogue with the Ministry of Women and Human Rights Development on reforms for the forthcoming Somalia Economic Resilience and Growth Development Policy Operation; (c) supported development of National Civil Service Commission (NCSC) Action Plan to promote women's leadership in Somali civil services; and (d) provided inputs to the Joint Staff Advisory Note for review of the Somalia NDP9.

Activities under **Pillar 3** included (a) preparation of State and Peacebuilding Fund proposal for a gender-based violence pilot, likely to be tied to health investments—a preliminary scoping mission was conducted in December 2023; proposal draft is anticipated for submission in March 2024; (b) provision of technical support to the NCSC for implementation of the Gender Action Plan, as developed under RCRF II, to increase women's leadership in civil service; (c) provision of deep dive technical trainings and support to PIUs on gender and sexual exploitation/abuse and sexual harassment risk management; and (d) an administrative review investigating the context of harassment and abuse across Bank-supported operations.

The **Supporting Financial Inclusion and Private Sector–Led Recovery in Somalia Project (PASA)** organized a workshop in September 2023, which supported authorities and financial institutions/private sector on their terrorist financing (TF) risk understanding and enhanced the capacity of the Financial Reporting Center (FRC) to produce financial intelligence, to be disseminated to competent authorities for money laundering or TF investigations. During November 2023, another workshop was conducted for the FRC-nominated Mutual Evaluation task force focusing on TF. The MENAFATF Mutual Evaluation for Somalia is planned for July/August 2024, and the project is providing substantive support for its preparation. The project continues to provide technical support to the CBS on how to conduct liquidity simulation and operational risk testing for the NPS, and to gain a deeper understanding of key financial market infrastructure principles. Technical assistance and advisory relating to the NPS Law (approved by the Cabinet in October 2023 and currently under review at Parliament) was also provided.

The project team convened a meeting of the Somalia Advisory and Remittances Council in October 2023 to enhance coordination between the FGS and development partners to safeguard, and work towards, increased access to remittances. The project team also completed data collection for (a) the first round of the Somali Business survey; and (b) the state of the financial sector from national authorities, development partners, and private sector consulting firms' reports. The insights from those research efforts informed the

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<sup>13</sup> Somalia Poverty Assessment, Country Private Sector Diagnostic, Climate Risk Review, and Somalia Socio-Economic Monitoring Report II on Displacement.

financial sector deep dive section of the Somalia Country Private Sector Diagnostic (CPSD) and a periodic Financial Sector Update Note (FSUN), which provides an overview of the latest trends and issues to watch in the sector. The CPSD and FSUN will be officially launched in 2024. The information and insights gathered will also support the drafting of other financial sector analyses, and private and financial sector development projects, in Somalia.

## Knowledge Products

### *Emergency Preparedness and Response Capacity Assessment Report*

The report assesses the emergency preparedness and response (EP&R) capacities of Somalia and identifies priority EP&R investments at the government and the federal state levels.<sup>14</sup> The Government of Somalia facilitated and stewarded the assessment through various ministries and departments. The report aims to support the WB to identify pathways for strengthening EP&R as part of overall disaster resilience (including health emergencies, floods, locusts, droughts, food shortages) in Somalia.

The EP&R assessment aligns with two other workstreams under the SCRP, namely (a) informing the institutional design of a National Emergency Operations Centre; and (b) formulating a Somalia Food Security Preparedness Plan.

**Table 2. Overview of Projects: Enabling Economic Growth**

*As of December 31, 2023 (in US\$ million)*

Projects	Total Project Cost	MPF	IDA
<b>Investment projects</b>			
1. Somalia Capacity Advancement, Livelihoods and Entrepreneurship through Digital Uplift Program (SCALED-UP)	101.00	33.00	68.00
2. Somali Electricity Sector Recovery Project	150.00	–	150.00
3. Crisis Recovery and Resilience: Somalia Crisis Recovery Project (SCRP)	187.50	–	187.50
4. Barwaaqo—Somalia Water for Rural Resilience Project	70.00	–	70.00
5. Somalia—Horn of Africa Infrastructure Integration Project	63.00	5.00 <sup>15</sup>	58.00
6. Accelerating Sustainable and Clean Energy Access Transformation in Somalia	100.00	--	100.00
<b>Policy Dialogue and Analytics</b>			
7. Crisis Recovery and Resilience: Crisis Recovery Platform	2.00	2.00	–
8. Women's Empowerment Platform	2.05	2.05	0.05
9. Somalia Sector Planning, Energy Access and Regulation Programmatic Advisory Services and Analytics	2.15	2.15	–
10. Understanding Urban Water Supply and Sanitation in Somalia	1.05	1.05	–
<b>TOTAL</b>	<b>678.75</b>	<b>45.25</b>	<b>633.55</b>

<sup>14</sup> The report assess the EP&R capacities of Somalia based on the Ready2Respond (R2R) diagnostic methodology, as designed by the World Bank. It was prepared by Prepared International (PPI). Data from a desk review and key informant interviews generated findings on the five components of the Diagnostic (legal and institutional frameworks; information, facilities, equipment, and personnel).

<sup>15</sup> From the Horn of Africa Initiative Umbrella Trust Fund.

## Urban Infrastructure: Strengthening Resilience

The Urban Infrastructure portfolio financed five active projects. One of these is a recipient-executed investment project, which is also MPF co-funded, and four are Bank-executed analytical/advisory activities. The MPF provides financing worth US\$89.4 million. The portfolio is co-financed with US\$150.4 million in IDA resources. This portfolio aligns with the [CPF](#) under Focus Area 1: Strengthening Institutions to Deliver Services, specifically, Objective 1.4: Build the capacity of Somali municipalities for urban resilience. (See [Table 3](#) for the split between the MPF and IDA funding.)

### Investment Projects

The MPF and IDA co-finance the US\$203.5-million<sup>16</sup> **Somali Urban Resilience Project Phase II (SURP II)—or ‘Nagaad’ Project** (meaning ‘peaceful settlement’)—which is strengthening public service delivery capacity of local governments, increasing access to climate-resilient urban infrastructure and services, and providing urgent support on urban forced displacement affected by climate-related drought to relieve pressure on limited urban services and mitigate social tension. As of December 31, 2023, the project had rehabilitated or upgraded 19.06 km of road, constructed 23.22 km of pedestrian walkways, and planted 500 trees.<sup>17</sup> This work has provided 367,923 people with improved access to climate-resilient urban infrastructure and services,<sup>18</sup> and created 137,259 days of employment.<sup>19</sup> The municipal drought response had reached 371,000 beneficiaries (66 percent female, 80 percent internally displaced persons).<sup>20</sup>

### Policy Dialogue and Analytics

The WBG’s **Enhancing Urban Resilience Platform** supports analytical works on the urban agenda, including the Informal Settlement Upgrading (ISU) study. Pegasys, in association with Triple Line, was contracted to conduct an ISU study in Baidoa, Garowe, and



<sup>16</sup> The original project amount was US\$112 million, of which US\$50 million is financed by IDA and US\$62 million from the Somalia MPF. The first additional financing (AF) of US\$41.5 million equivalent (US\$21.5 million from the Somalia MPF and US\$20 million from IDA) was declared effective on July 14, 2022. The second AF of US\$50 million from IDA, financed by the Crisis Response Window (CRW)-Early Response Financing (ERF) for Somalia, was declared effective on January 16, 2023.

<sup>17</sup> Breakdown by municipality for roads (7.2 km Garowe, 7.75 km Kismayo, 3.88 km Baidoa, 0.23 km BRA), pedestrian walkways (14.34 km Garowe, 2.36 km Kismayo, 7.55 km Baidoa), and trees (500 trees all in Garowe).

<sup>18</sup> Garowe: 64,906 (52% female, 23% IDPs); Kismayo: 149,941 (52% female, 13% IDPs); Baidoa: 153,076 (53% female, 24% IDPs).

<sup>19</sup> Garowe: 38,723 (21% female, 16% IDPs); Kismayo: 37,368 (9% female, 36% IDPs), Baidoa: 60,008 (15% female, 29% IDPs); BRA: 1,160 (38% female, 5% IDPs).

<sup>20</sup> Tailored to needs in specific municipalities (BRA, Baidoa and Garowe), municipal drought response activities include cash transfer, health, nutrition, and WASH interventions, as well as support on housing, land, and property (HLP).



Mogadishu. The study seeks to address the multivariate needs and challenges faced by the urban poor who have settled informally in the three cities. The draft report was presented to the clients and the Bank as part of the Bank’s Implementation Support Mission (ISM) in November 2023. The final report for the Bank’s review was received on March 20, 2024. The recommendations and tools developed during this project aim to inform interventions to improve tenure security, dwelling quality, access to services, and access to livelihood opportunities, informed by a robust and data-driven beneficiary selection methodology.

A rental market assessment started in November 2023, where Pegasys was contracted in October 2023 and has commenced the assessment with an outline presented to the clients in November 2023, as part of the Bank’s ISM for SURP II. A synthesis report of the three cities (Baidoa, Garowe, and Mogadishu) was submitted to the Bank in February 2024. It provides an in-depth understanding of the formal and informal rental market in these cities by providing extensive data and information. The findings are intended to inform the interventions to be piloted in the planned Somalia Informal Settlement Upgrading Project.

**Table 3. Overview of Projects: Urban Infrastructure**

*As of December 31, 2023 (in US\$ million)*

Projects	Total Project Cost	MPF	IDA
<b>Investment projects</b>			
1. Somalia Urban Resilience and Recovery Project Phase II (SURP II)—or Nagaad Project	203.50	83.50	150.00
<b>Policy Dialogue and Analytics</b>			
2. Enhancing Urban Resilience Platform	2.00	2.00	–
3. Strengthening Social Cohesion, Inclusion and Resilience through Community Institutions	0.70	0.60	0.10
4. Somalia Climate Change Program	2.10	2.10	–
5. Somalia Country Climate and Development Report	1.50	1.20	0.30
<b>TOTAL</b>	<b>209.80</b>	<b>89.40</b>	<b>150.40</b>

## MPF Financials

As of December 31, 2023, donors had committed a total of US\$641.8 million to the MPF, of which US\$586.8 million had been paid in. US\$568.8 million has been committed for (a) signed project grants (US\$469.7 million); (b) preparation, supervision, and monitoring of endorsed MPF pipeline and active projects (US\$47.7 million); and (c) trust fund management and administration (US\$27.3 million). From January to June 2023, a total of US\$156.35 million was disbursed from the MPF to projects.

**Table 4. MPF Financial Overview**

*As of December 31, 2023 (in US\$ million)*

<b>MPF Financials</b>		
<b>Contributions</b>		<b>641.8</b>
Paid in		<b>586.8</b>
Unpaid		<b>29.5</b>
Investment income		<b>25.5</b>
<b>Commitments</b>		<b>568.7</b>
<b>Management and Administration</b>		<b>27.3</b>
MPF administration	12.3	
HQ Central Fee	15.0	
<b>Preparation, Supervision, Monitoring</b>		<b>47.7</b>
Project preparation and supervision	22.9	
Monitoring Agent	24.8	
<b>Project Grants</b>		<b>469.7</b>
BE grants	41.8	
BE on behalf grants	22.5	
RE grants	405.4	
<b>Appraised but Not Signed</b>		<b>24.0</b>
<b>Disbursements</b>		<b>427.4</b>
<b>Management and Administration</b>		<b>25.9</b>
MPF administration	10.9	
HQ Central Fee	15.0	
<b>Preparation, Supervision, Monitoring</b>		<b>42.1</b>
Project preparation and supervision	22.2	
Monitoring Agent	19.9	
<b>Project Grants</b>		<b>359.4</b>
BE grants	32.5	
BE on behalf grants	22.5	
RE grants	304.4	
<b>Unallocated cash balance (Paid-in—Commitments)</b>		<b>18.0</b>

The MPF has disbursed a total of US\$427.4 million, representing 73 percent of paid-in contributions. A majority of the disbursements have been for project grants (US\$359.4 million, 84 percent). Of these grants, most have been recipient-executed (US\$304.4 million, 85 percent) and implemented by Somali authorities. In addition to grants, funds have been disbursed for management and administration (US\$25.9 million, 6 percent) and preparation, supervision, and monitoring by WBG teams (US\$42.1 million, 10 percent).

Figure 1. Total and Average Monthly Disbursements (MPF and IDA) (US\$ million)

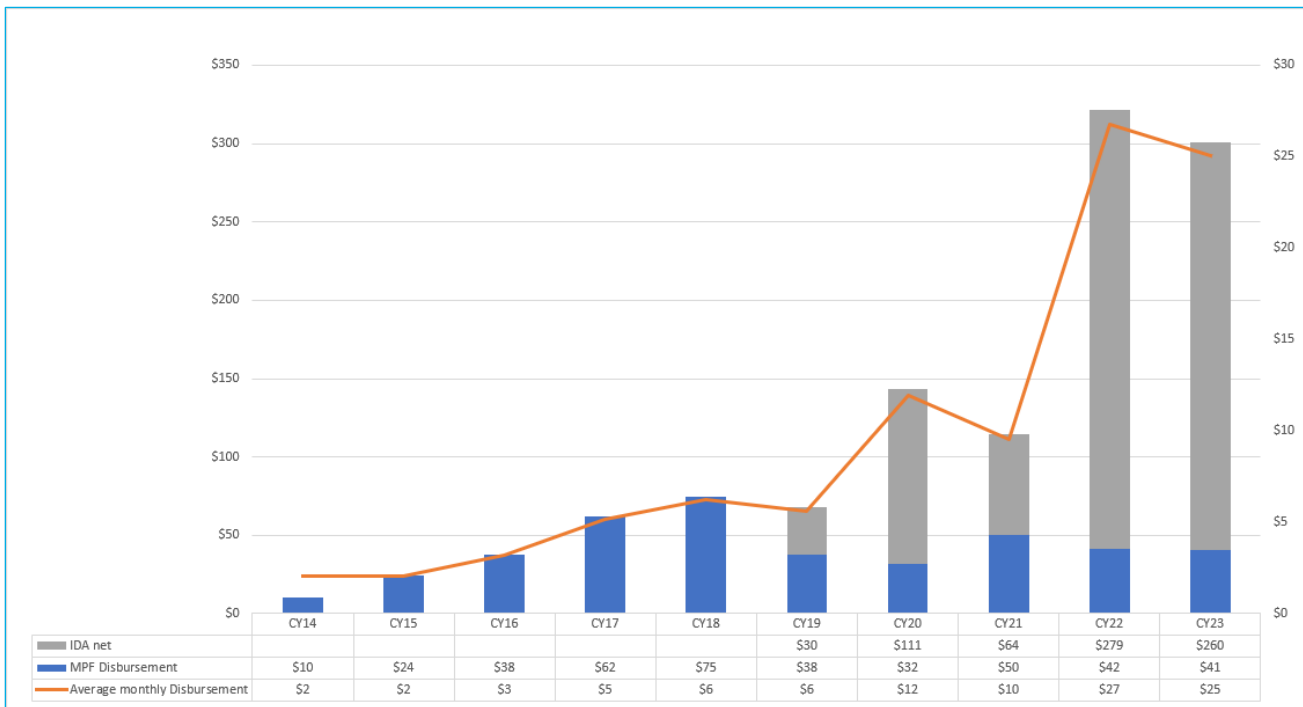
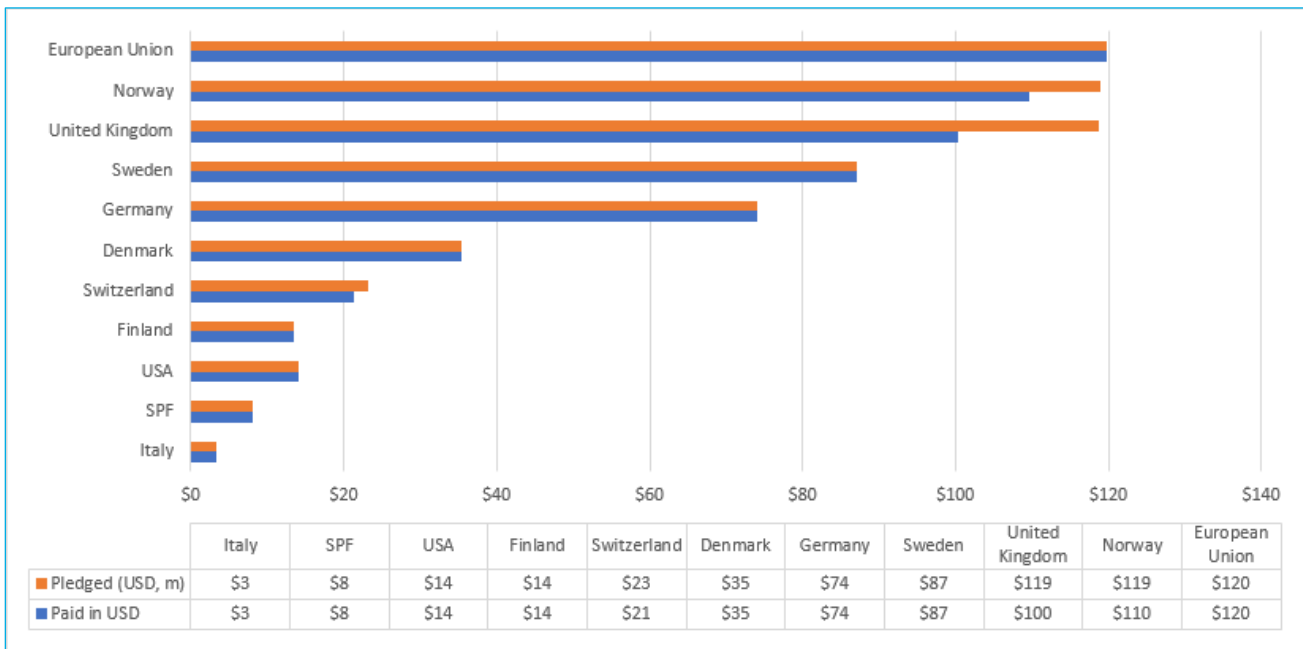


Figure 2. Pledged vs. Paid-In Contributions to the MPF (US\$ million)



## MPF Monitoring Framework: 2022–2024

### (A) MPF Operational Performance

(As of December 31, 2023)

Objective	Indicator	Annual Target	2022	2023	2024
<b>Portfolio quality</b>	% of active operations rated moderately satisfactory or higher	90%	95%	97%	
<b>Collaboration/consultation</b>	Total # of MPF Consultative Group meetings	6	9	8	5
	# of MPF Consultative Group meetings including agenda items on risk management	2	2	2	
	% of MPF projects consulted on with relevant Working Groups during design	100%	100%	100%	
<b>Transparency</b>	Bi-annual progress reports circulated within 60 days of end of reporting period	Yes	No	Yes	
	Substantive reporting on application of gender tag for all MPF projects	100%	100%	100%	

### (B) MPF Results Framework: 2022–2024

(As of December 31, 2023)

MPF Focus Area: Cross-Cutting <sup>21</sup>						
Objective 0.1: Policy Dialogue and Knowledge						
Indicator	Unit of Measure		2022	2023	2024	Data Source
0.1.1. Knowledge products developed and disseminated: Seeks to inform the evolution of the portfolio and broader policy dialogue on key issues related to MPF objectives.	Number	Target	5	5	5	Relevant ASA reports including: Enhancing Governance Dialogue; Capacity Building on Financial Management and Procurement; Gender Platform <i>Responsibility: Respective Task Team Leaders (TTLs)</i>
		Actual	5	4		
0.1.2. Policy dialogues facilitated on key issues of relevance to the MPF objectives (disaggregated by intergovernmental and international partners).	Number	Target	4	4	4	
		Actual	4	1		

<sup>21</sup> The indicators in this cross-cutting section do not include baselines as they are focused on outputs with targets that reset annually.

**Description of Key Results:**

**(0.1.1) Knowledge Products**

- (1) (Paper) The Role of the State in the Education Sector in Somalia
- (2) (Paper) Customs Revenue Sharing in Somalia
- (3) (Paper) Humility on a Journey of State Building: Lessons from FCV Experience
- (4) (Paper) Local Governments and Federalism in Somalia

**(0.1.2.) Policy Dialogue**

- (1) Financial Governance Committee (FGC): Secretariat supported by MPF, ongoing policy dialogue (three summaries completed for March, February, and June: <https://mof.gov.so/publications/financial-governance-reports#meeting-summaries>).
- (2) Climate Risk Assessment Paper
- (3) Somalia Mayors’ Forum

**Objective 0.2: Enhanced Risk Management**

Indicator	Unit of Measure		2022	2023	2024	Data Source
0.2.1 Quarterly Reports from Third Party Monitoring Agent: Reports indicate progress towards enhanced implementation and supervision for portfolio delivery.	Number	Target	4	4	4	Third Party Monitoring Agent <i>Responsibility: MPF Program Manager</i>
		Actual	4	2		

**Description of Key Results:**

Portfolio-level quarterly reports are not programmed in the current contract, reporting is on quarterly reports on recurrent costs.

Under the contract on-demand component, however, reports on Somalia Urban Resilience Phase II (SURP II) implementation were delivered in 2022. Support was provided to Somalia Enhancing Public Resource Management Project preparation, Gargaara implementation and supervision, and government-managed procurements for SURP II in 2023, and Somalia—Horn of Africa Infrastructure Integration Project.

One on-demand report on enhanced implementation and supervision for portfolio delivery was also delivered.

Objective 0.3: Inclusion of Women and Girls						
Indicator	Unit of Measure		2022	2023	2024	Data Source
0.3.1. Gender gaps reduced as evidenced by percentage of portfolio beneficiaries who are women and girls.	Percent	Target	45	45	45	Project ICRs <i>Responsibility: Gender Platform Team</i>
0.3.2. Gender considerations reflected in portfolio design as evidenced by percentage of gender-tagged projects that include gender-transformative interventions.		Actual	53	52.5		
	Percent	Target	50	60	60	Gender Tag Monitoring Dashboard <i>Responsibility: Gender Platform Team</i>
		Actual	56	56.5		
<b>Description of Key Results:</b>						
<p>The percentage of portfolio beneficiaries who are women and girls is 52.5 percent, an almost 2-point increase over the previous reporting period that keeps us well above target. This value excludes the Somalia Crisis Recovery Project (SCRCP, P173315), which has almost halved the number of gender-disaggregated beneficiary indicators in its results framework (from 13 indicators to seven indicators) after restructuring in April 2023.</p> <p>The share of tagged projects with gender-transformative interventions is 56.5 percent, around a half-point decrease over the previous reporting period, slightly below target. Performance on this indicator has declined despite the completion of Somalia Inclusive Growth DPO (P174889), a gender-tagged project that did not include transformative interventions.</p>						

MPF Contributions to Country Partnership Framework (CPF) Focus Area 1: Effective, Accountable Government							
Objective 1.1: Strengthen Institutions and Financing for Social Service Delivery							
Indicator	Unit of Measure	Baseline		2022	2023	2024	Data Source
1.1.1. Quarterly Debt Bulletins published by Federal Government of Somalia (FGS): Contains information on the outstanding stock of general government debt; monthly debt-service projections for 12 months ahead; annual principal payment projections (for at least the next five years); and key portfolio risk indicators.	Number	4 (2021); 1 (2020)	Target	4	4	4	Ministry of Finance: <a href="https://mof.gov.so/publications/debt-management-reports">https://mof.gov.so/publications/debt-management-reports</a> Done and publicly accessible: <a href="https://www.mof.gov.so/publications/debt-management-reports">https://www.mof.gov.so/publications/debt-management-reports</a> <i>Responsibility: Macroeconomics, Trade and Investment Global Practice</i>
Actual			4 (all published as expected)	3			

Indicator	Unit of Measure	Baseline		2022	2023	2024	Data Source
1.1.2. FGS demonstrates progress on key reforms and benchmarks on public financial management, intergovernmental fiscal relations, and public administration, as demonstrated by achievement of performance-based conditions (PBCs) verified through the RCRF project (cumulative).	Number	NA <sup>22</sup>	Target	4	8	12	Ministry of Finance reports, World Bank confirmation letters on the achievement of results <i>Responsibility: Governance Global Practice</i>
			Actual	RCRF II DLRs: 11; RCRF III PBCs: 0	8		

**Description of Key Results:**

As of December 2023, eight PBCs have been confirmed by the World Bank as met.

**Objective 1.2: Improve Service Delivery Systems and Financing for Human Capital**

Indicator	Unit of Measure	Baseline		2022	2023	2024	Data Source
1.2.1. Women empowerment as evidenced by: Number of women and adolescent girls in project-supported second chance education, skills training, and leadership development programs. <sup>23</sup>	Number	0	Target	0	10,000	25,000	Ministry of Education, Culture, and Higher Education <i>Responsibility: Education Team</i>
			Actual	0	0		
1.2.2. Federal Member States demonstrate progress on strengthening resource management systems for service delivery and service delivery systems themselves, as demonstrated by achievement of the performance-based conditions verified through the RCRF project (cumulative). <sup>24</sup>	Number	1 (2021)	Target	2	4	6	FGS Ministry of Health records, RCRF Implementation Status and Results Reports (ISRs) <i>Responsibility: Governance Global Practice</i>
			Actual	2	2 <sup>25</sup>		

<sup>22</sup> The FGS met 13 disbursement-linked results between 2019 and 2021. The cumulative targets for this indicator have been reset to focus on the three years covered in this framework (2022–2024).

<sup>23</sup> Dependent on project approval of Women Empowerment for Human Capital Project.

<sup>24</sup> Dependent on project approval of RCRF III AF.

<sup>25</sup> The previous MPF report indicates the achievement of five PBCs. As the result of the June 2022 restructuring, several health service delivery PBCs (6.1, 6.2, 6.3, 8.1, 8.2) were consolidated into two PBCs (7.1 and 7.2). Since at the time of the confirmation the AF and restructuring had not become effective, these PBCs were disbursed against the original Financing Agreement which included five PBCs (6.1, 6.2, 6.3, 8.1, 8.2). The number is now corrected to “two”.

Indicator	Unit of Measure	Baseline		2022	2023	2024	Data Source
1.2.3. Expanded access to health care in Somalia as evidenced by: (i) Number of female health care workers in place with MPF support. (ii) Number of women and children visited by female healthcare workers.	Number	886 (2021)	Target	1,000	1,500	2,000	
			Actual	882	859		
	Total number; Number of girls	5,517 unique pregnant women; 7,052 children under 5; 65,738 visits to pregnant women <sup>26</sup>	Target	60,000; 30,000	80,000; 40,000	100,000; 50,000	
			Actual	5,517 unique pregnant women; 7,052 children under 5; 65,738 (# of visits to pregnant women)	2,261 pregnant women; 22,999 children under 5 (between July and December 30, 2023.) Cumulatively: 9,881 pregnant women and 22,999 children under 5 have been reached		

**Description of Key Results:**

Under the RCRF project, 886 Female Health Workers (FHWs) and Female Health Supervisors (FHSs) have been selected and trained in all FMSs and BRA in 2021 (baseline). As of September 1, 2023, nearly 825 FHWs/FHSs have an active contract and 704 FHWs are reporting digital data on a daily basis; 61 FHWs/FHSs dropped out of the program. A new round of recruitment has been completed to onboard additional 550 FHWs/FHSs, who are to go through residential training and get deployed by December 2023.

Since the start of digital reporting in January 2022, nearly 7,851 pregnant women and 31,396 children under 5 were visited by FHWs. In the last reporting period, the team used the measure of the number of visits to pregnant women and children under 5. With the improvements in data analysis, it has now become possible to distinguish the

<sup>26</sup> The baseline is corrected to reflect the number of unique pregnant women and children under 5 visited by FHWs, instead of the number of visits. The data is reported by digital data collection tools, of which official reporting started from January 2022.



number of unique pregnant women and children under 5 visited. This measure will be used going forward. Therefore, the baseline data and data for 2022 has been corrected in the table. The target numbers may need to be revised.

MPF Contributions to Country Partnership Framework (CPF) Focus Area 2: Enabling Inclusive Private Sector-Led Growth							
Objective 2.1: Improve the Business Environment and Economic Foundations							
Indicator	Unit of Measure	Baseline		2022	2023	2024	Data Source
2.1.2. Trade practices improved, evidenced by: (i) Adoption of Trade Policy Strategy and Roadmap. (ii) Number of trade diagnostics provided in support of policy formulation or implementation.	Yes/No	No (2021)	Target	Yes	–	–	Ministry of Commerce and Industry, FGS <i>Responsibility: Macroeconomics, Trade and Investment Global Practice</i>
			Actual	No	No		
	Number	0	Target	5	5	5	
			Actual	3	5		
2.1.3. Firms that benefit from reformed business registration requirements (number, gender-disaggregated)	Number, gender-disaggregated	774 (2021)	Target	1,000 (30% women-led)	2,000 (30% women-led)	3,500 (30% women-led)	Ministry of Commerce and Industry SCALED-UP—ISRs FCI: Data from latest quarterly report, December 2023—ISR <i>Responsibility: SCALED-UP Team</i>
			Actual	1,156 (of which 7% women)	3,549 (of which 7% women)		
2.1.4. Number of households that benefit from new standalone solar systems. <sup>27</sup>	Number	6,430 (2021)	Target	21,500	21,500		FGS: Ministry of Energy and Water Resources Somaliland: Ministry of Energy and Minerals; Somali Electricity Access Project <i>Responsibility: Energy Global Practice</i>
			Actual	28,818	34,667		
2.1.5. Access to renewable energy enabled, as demonstrated by renewable energy generation capacity deployed (MW).	Megawatts	0	Target	0.2	0.2		
			Actual	0.07	0.23		

<sup>27</sup> Forward looking targets beyond 2023 for electricity access will be added once the next investment project on electricity is finalized and approved.

**Description of Key Results:****2.1.2:**

- (1) Strengthening trade institutions.
- (2) Trade-related statistical gap analysis.
- (3) Policy Note on Somalia's Road to WTO Accession.

*Note:* In 2.1.4 and 2.1.5: Figures used are for the FGS.

**Objective 2.2: Increase Access to Finance and Digital Inclusion**

Indicator	Unit of Measure	Baseline		2022	2023	2024	Data Source
2.2.1. The Central Bank of Somalia and the Federal Ministry of Finance demonstrates: (i) strengthened governance and financial reporting to enable capitalization; (ii) activation of critical institutional systems to enable corresponding banking arrangements, and (iii) improved supervisory oversight and capacity to tackle financial integrity and de-risking as evidenced by the achievement of performance-based conditions (PBCs) verified through the SCALED-UP project (cumulative).	Number	0	<i>Target</i>	6	12	10	Central Bank of Somalia SCALED-UP ISRs and independent verification agent reports <i>Responsibility:</i> SCALED-UP Team
			<i>Actual</i>	0	8		
2.2.2. Value of MSME loans from MSME financing facility advanced by participating financial institutions in key economic sectors, disaggregated to show % to women-owned MSMEs (US\$ millions, %).	US\$ million, %	3.1 million (2021)	<i>Target</i>	10 million (15%)	15 million (20%)	20 million (30%)	Gargaara <i>Responsibility:</i> SCALED-UP Team
			<i>Actual</i>	4.1 million as of June 2022 (of which 18% women-led)	13.3 million as of December 2023 (of which 3% women-led)		

Indicator	Unit of Measure	Baseline		2022	2023	2024	Data Source
2.2.3. Banks strengthen capacity to integrate with global financial system: <sup>28</sup> (i) Private banks participate in FSI program to identify gaps and address the gaps through technical assistance. (ii) Connection of Somali financial institutions with development finance institutions/international banks (CBR-related intensive dialogue between parties).	Number	0	Target	2	2	2	CBS, Banks, FSI Secretariat <i>Responsibility: FSI Team</i>
			Actual	0	0		
	Number	0	Target	1	2	2	
			Actual	0	0		

**Description of Key Results:**

Indicator 2.2.1: The Independent Verification Agent (IVA) was onboarded in Q1 FY23 and submitted the results of its first review in Q2 FY23. The IVA found that the CBS achieved the following PBCs: 1.1(a), 1.1(b), 1.2(a), 1.2(b), 1.3(c), 3.1, 3.2(a), and 3.3(a). Since then, the CBS claimed having completed the following PBCs: 2.1, 2.2, 3.3(c), 3.4(a), and 3.4(c). Those PBCs are pending verification from the IVA.

Indicator 2.2.3: (i) The FSI launched an expression of interest for TA in 2023 to which four banks responded. The customized TA package will be developed in 2024; (ii) This indicator remains at 0 for 2023, though several DFIs were connected to the Somali banks through stakeholders events in 2023, and the IFC is currently exploring transactions with two banks which are also part of the FSI.

**MPF Contributions to Country Partnership Framework (CPF) Focus Area 3: Strengthen Resilience**

**Objective 3.1: Build the urban resilience of Somali municipalities<sup>29</sup>**

Indicator	Unit of Measure	Baseline		2022	2023	2024	Data Source
3.1.1. Number of people with access to all season roads within a 500 m range in supported towns (number, disaggregated by municipality).	Number, disaggregated by municipality	148,800 (2021)	Target	153,000	163,800	178,800	SURP PCU at the Federal Ministry of Public Works <i>Responsibility: Urban Global Practice</i>
			Actual	148,800 <sup>30</sup>	516,723 <sup>31</sup>		

<sup>28</sup> Dependent on approval of BEoB project on FSI.

<sup>29</sup> Urban resilience indicators will be added as the portfolio expands beyond road infrastructure.

<sup>30</sup> The next batch of civil works projects have begun under SURP II. Total beneficiaries will not be updated until the projects are completed and handed over.

<sup>31</sup> Beneficiaries were estimated using satellite imagery to identify residences (including those in IDP camps) within a 500-meter range of the renovated infrastructure. The latest available statistics on average household size for each municipality were used to calculate total beneficiaries as well as the gender breakdown of households (hence the differences across municipalities). Breakdown by municipality for SURP I: 140,800 in Mogadishu (50% female, 19% IDPs, 81% host communities), and 8,000 in Garowe (50% female, 25% IDPs, 75% host communities). Breakdown by municipality for SURP II: Garowe: 64,906 (52% female, 23% IDPs) Kismayo: 149,941 (52% female, 13% IDPs) Baidoa: 153,076 (53% female, 24% IDPs).

Indicator	Unit of Measure	Baseline		2022	2023	2024	Data Source
3.1.2. Urban roads rehabilitated or upgraded (kilometers, cumulative).	Kilometers, cumulative	12.1 km (2021)	Target	15	25	45	
			Actual	12.1 <sup>32</sup>	31.39 <sup>33</sup>		
3.1.3. Beneficiaries satisfied that infrastructure met their needs (number, % female, % IDPs).	Percent	NA	Target	NA	60%	70%	
			Actual	NA	91.5% <sup>34</sup>		

#### Description of Key Results:

Under SURP I, the estimated number of beneficiaries satisfied that that infrastructure met their needs in Mogadishu and Garowe was 136,152 by project-end in September 2021. Of these satisfied beneficiaries, 26,277 (19.3 percent) were IDPs and the remaining 109,875 (80.7 percent) were from host communities. Beneficiaries were estimated using satellite imagery to identify residences (including those in IDP camps) within a 500-meter range of the renovated infrastructure. The latest statistics on average household size for each municipality were used to calculate total beneficiaries as well as the gender breakdown of households (hence the differences across municipalities).

Breakdown by municipality: 140,800 in Mogadishu (50 percent female, 19 percent IDPs, 81 percent host communities), and 8,000 in Garowe (50 percent female, 25 percent IDPs, 75 percent host communities). Under SURP II, an additional 367,923 people are benefiting from improved access to climate-resilient urban infrastructure and services in Garowe, Kismayo, and Baidoa. Of these people, 87 percent of IDPs and 90.1 percent of non-IDPs indicated they were very or somewhat satisfied with project selection. In addition, 92.5 percent of women and 87.9 percent of men were very or somewhat satisfied with project selection. A future endline survey will measure the extent of satisfaction with rehabilitated infrastructure.

KEY:	
	Achieved.
	Partially achieved.
	Not achieved.

<sup>32</sup> Several roads are under construction, but the total kilometers (km) of rehabilitated/upgraded roads will not be updated until the projects are completed and handed over.

<sup>33</sup> SURP I: 7.4 km Mogadishu and 4.93 km Garowe; SURP II: 7.2 km Garowe, 7.75 km Kismayo, 3.88 km Baidoa, 0.23 km BRA).

<sup>34</sup> Breakdown by municipality under SURP I: 94.3% in Garowe (93% female, 93% IDPs); 89.4% in Mogadishu (89% female, 91% IDPs). [Sample sizes for endline survey: Mogadishu: 536; Garowe: 386.]