



FEDERAL GOVERNMENT OF SOMALIA

**Adaptive Agriculture and Range Rehabilitation Project
(A2R2)**

**Somalia Integrated and Resilient Agricultural Productivity
Project
(SIRAP)**

Project Design Report

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1. Currency equivalents

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

2. Weights and measures

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

3. Abbreviations and acronyms

A2R2	Adaptive Agriculture and Rangeland Rehabilitation Project
ASAP+	Enhanced Adaptation for Smallholder Agriculture Programme
AWPB	Annual workplan and budget
CCA	Climate change adaptation
CDA	Community development association
CRI	Crisis Response Initiative
CSA	Climate smart agriculture
CSN	Country strategy note
ESMF	Environmental and Social Management Framework
FFS	Farmer field school
FGS	Federal Government of Somalia
FM	Financial management
FMS	Federal Member State
FRS	Federal Republic of Somalia
GAFSP	Global Agriculture and Food Security Program
GEF	Global Environment Fund
GEWE	Gender Equality and Women's Empowerment
GHG	Greenhouse gas
HH	household
IDP	Internally-displaced person
IFAD	International Fund for Agricultural Development
IGA	income generating activity
LDCF	Least Developed Countries Fund
M&E	Monitoring and evaluation
MoAI	Ministry of Agriculture and Irrigation
MoECC	Ministry of Environment and Climate Change
MoLFR	Ministry of Livestock, Forestry and Range
MTR	midterm review
NDC	Nationally Determined Contribution
NDP-9	9 th National Development Plan
NGO	Non-governmental organization
NRM	Natural resource management
O&M	Operation and maintenance
PMU	Project management unit
PSC	Project steering committee
RDMT	Resilience Design Monitoring Tool
RLRP	Rural Livelihoods Resilience Programme
SADAR	Sadar Development and Resilience Institute
SDG	Sustainable Development Goal
SECAP	Social Environmental and Climate Assessment Procedures
SEP	Stakeholder Engagement Plan
SIRAP	Somalia Integrated and Resilient Agricultural Productivity Project
SO	Strategic objective
SWC	Soil and water conservation
ToR	terms of reference
UNFCCC	United Nations Framework Convention on Climate Change
US\$	United States dollar

Map of the Project Area



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.
Map compiled by IFAD | 12-12-2023

Executive Summary

1. **The goal** of the project is to improve incomes, food and nutrition security for the households of small-scale producers in the project area.
2. **The Project development objective** is to reduce small-scale producers' vulnerability and enhance their resilience to shocks on their livelihoods in the project areas.
3. **Geographic area of intervention.** Subject to security and access constraints, the project will intervene in the seven selected districts of Belet Weyne (Hirshabelle State), Baydhaba, (South West State), Gaalkacyo, Dhuusamarreeb and Cabudwaaq (Galmudug State) Kismayo and Bardere (Jubaland state), where natural resources are seriously degraded. The four states have an estimated total population of 14.8 million, of which about 23% is sedentary rural agro-pastoralists, 33% nomadic and the rest urban and peri-urban dwellers. The nomadic HHs reside temporarily in areas known as Temporary Nomadic Settlements for as long as they can access pasture and water in these locations. During the long rains, the nomads would be stationed in one location, between 60 to 90 days, and for the short rains about 45 days. In the dry seasons, nomads move long distances, including across regions, and into neighbouring countries in search of water and pasture. Nomadic settlements usually affiliate themselves with local settlements along their paths of movement, creating an entry point for the interventions of the Adaptive Agriculture and Rangeland Rehabilitation Project (A2R2), in particular the GEF/ASAP+ financed activities.
4. The population in the project area is characterized by: (i) low productivity of smallholder livelihoods, exacerbated by the impact of climate change; (ii) poor access to water sources, 8% of rural dwellers and 53% of nomadic people requiring more than 30 minutes to access a potable water source; (iii) low levels of educational attainment, with about 60% having never attended school; and (iv) weak anthropometric indices for nutrition. For under-five children, about 28% are stunted, 10% wasted, and 16% underweight.
5. **Co-financing:** The Somalia Integrated and Resilient Agricultural Productivity Project (SIRAP) was submitted to the Global Agricultural and Food Security Program (GAFSP) under its 6th call for proposals. The concept note was approved, but only received GAFSP's confirmation of funding in December 2022. SIRAP is co-financed by the Global Environment Fund (GEF7)/Least Developed Countries Fund (LDCF)¹ (combined called "GEF" in this report) and IFAD's Enhanced Adaptation for Smallholder Agriculture Programme (ASAP+)². The three funding sources together from GEF, IFAD's ASAP+ and GAFSP are financing one project; the Adaptive Agriculture and Rangeland Rehabilitation Project (A2R2). The Project Design Report (PDR) for the GEF and ASAP+ was submitted and received the GEF CEO Endorsement on 25 January 2023. Therefore, this PDR is being presented in relation to the SIRAP activities that are financed by GAFSP for the A2R2 Project.
6. From a technical perspective, SIRAP takes community mobilisation as a starting point to address: (i) food insecurity and nutrition through improved productivity and training and (ii) increase incomes by improving resilience and market access. With Somalis being one of the most climate-vulnerable countries in the Horn of Africa, the GEF and ASAP+ funds will enhance small scale farmers' vulnerability to climate change. The community development plans developed under component 1 of SIRAP shall also include a community vision on adapting to and mitigation of climate change which will be finance by GEF and ASAP+. For example, SIRAP's community development plan can include a chapter on rangeland development³ and thus also implement the GEF/ASAP+ financed rangeland development activities. Furthermore, SIRAP will also deepen activities already financed by GEF-ASAP+ activities. For example, it will execute field trails to further inform Farmer Field School (FFS) curricula.

¹ The design for the GEF7/LDCF and ASAP+ financing was approved internally in IFAD, submitted to the GEF and received GEF CEO endorsement on 25th January 2025.

² <https://www.ifad.org/en/asap-enhanced>

³ In the case the community has disposition over rangeland.

7. The overall A2R2 Project will target 72,000 HHs in the four FMS. The GEF/ASAP+ component will target 11,000 HHs in Baydhaba District of South West State, as part of the overall target of 72,000 HHs for A2R2. The SIRAP financing will target 36,000 HHs (40% of these 36,000 will be located in Jubaland) out of the overall target of 72,000 HHs. The rapid assessment survey undertaken for the design of A2R2 proposed Baydhaba District for ASAP+, as representational of the typical IFAD target groups: vulnerable agro-pastoralists, pastoralists and internally displaced persons (IDPs) who have the potential to take advantage of improved access to assets and opportunities for agricultural production, IGAs and climate change adaptation to increase their resilience against the uncertainty caused by climate change on food security and nutrition. The targeted IDPs are mainly urban and peri-urban dwellers who dropped out from pastoralism due to climate-related shocks and conflicts, but still have access to land for farming or pasture.
8. **Target groups.** The SIRAP project will target women (50%) and youth (30%) that represent more than half of all citizens in the country and their mobilization on the labour market is of great concern, particularly in the rural areas. Other vulnerable groups such as (hosts and internally displaced IDPs and returnees) will be targeted. IDPs and returnees are resettled in existing villages or new settlements without or limited access to land, livestock or off-farm employment opportunities. The SIRAP financing will seek to improve their livelihoods by providing income generating activities.
9. **SIRAP's targeting Strategy** is based on the GEF and ASAP+ targeting strategy. It is a mix of geographic and direct targeting. The participating federal member states were selected from the most climate-change vulnerable areas of Somalia; and the project beneficiaries will be selected on the basis of eligibility criteria, including gender. A major finding of the gender analysis for the design of GEF and ASAP+ was that in Somalia, women tend to be excluded from conservation and management of land, including user rights to plant trees. Accordingly, the design of the GEF co-financing of A2R2 targets women's participation and voice in decision-making regarding sustainable NRM. This position, reinforced by the experience of previous IFAD and ASAP projects, lead to an A2R2 targeting strategy driven by the following principles: (i) *climate change scenario projections*, recognizing that climate vulnerability contributes to the tension among sedentary agro-pastoralists and nomadic pastoralists, through competition for scarce land and water resources; (ii) *mainstreaming environmental and climate issues, gender, and nutrition* into project operations with outcomes for youth; (iii) *empowering and building the capacity of those who have less voice* and fewer assets, mainly women and youth; and (iv) *ensuring complementarity between the different funds under A2R2* as well as other related projects.
10. The selection of participating communities will be made on the basis of three main criteria: (i) opportunity, including security access, to intervene in project activities at the community level; (ii) complementarity of SIRAP activities with the rest of the A2R2 project activities, and (iii) access of potential producers to land in the community. The Project will aim at participation in relevant project activities and committees of 50% women overall and 30% of total youth women. Digital maps with geo-coordinates will be used to identify project activity sites for implementation monitoring. The Resilience Design and Monitoring Tool (RDMT) surveys and impact assessment studies will be conducted to document improvement of resilience of vulnerable communities.
11. **Component 1: Community resilience, climate and conflict risk management.**
12. The objective of Component 1 is to facilitate communities to understand their environment, nature-based solutions for ecosystems services and natural resources, management and food security and nutrition needs; identify the constraints to sustainably enhancing climate change resilience, adaptation, improving production and increasing their market linkages; and develop and implement costed Community Resilience Plans (CRPs) to address the above challenges as well as other emerging shocks such as COVID-19 and desert locust invasions. The main outcome of this component would be to increase the community resilience capacity to react to shocks such as climate change and food insecurity.
13. **Output 1.1: Community-based institutions and services strengthened.** This sub-component entails developing inclusive (women, youth, and vulnerable households) community-based institutions with capacity to promote and manage socio-economic

change, and plan, finance, implement and operate community driven resilience investments.

14. **Output 1.2. Community Resilience Investment Fund (CRIF) established.** This sub-component entails financing for priority community resilience investments in the Community Resilient Plan, and to address key existential challenges facing the subregion, with the community contributing in-kind and/or cash to the cost.
15. **Output 1.3. Contingency, disaster and risk mitigation.** This sub-component aims to enable the SIRAP to address the key immediate challenges faced by small-scale farmers and cushion the impact on livelihoods and resilience of targeted communities and target groups, of potential regional and national emergency situations, including COVID-19 or other pandemic, desert locust attack, drought, floods, or a relapse in the security situation in the country. It currently does not have an allocation; however, funds can be rapidly allocated from other sub-components to this sub-component in case of a declared emergency.
16. **Component 2: Support for sustainable agricultural productivity and livelihoods.**
17. The expected outcome of this component is increased and sustainable production and productivity of crop and livestock, leading to positive impacts on livelihoods, food and nutrition security, and household asset ownership.
18. **Output 2.1 Climate resilient agricultural practices and inputs introduced, and promoted among farmers.** The major outputs provided under this sub-component are production support to targeted farmers.
19. **Output 2.2. Climate resilient animal husbandry practices, inputs and breeding stock introduced.** This sub-component will provide support to strengthen the livestock sector (e.g. productivity support, vet services support and improved breeds) of the Project and will primarily address binding constraints underlying the poor performance of the sector that are needed to increase productivity and profitability of livestock production systems, through a range of integrated and complementary interventions.
20. **Output 2.3. Provision of post-harvest technologies and market linkages .** This sub-component will provide post-harvest and small storage developed technologies to be established at community level in the targeted districts as well as entrepreneurship support.
21. **Component 3. Monitoring, evaluation and accountability.**
22. This component focuses on the monitoring, evaluation and knowledge management approaches of the project and how the results will be used for reporting, decision making and project improvement. The main outcome of this component is to increase the institutional capacity for better planning and management.
23. **Output 3.1: Project progress and results systematized to improve management, promote learning, and support up-scaling of best practices.** This output aims at setting up and operating the project's M&E and knowledge management systems.
24. **Output 3.2. Institutional capacity building.** This sub-component will strengthen the capacities of government staff at national, state and district levels and other non-state actors to facilitate participatory planning and development processes.
25. **Costs and financing of the project. Economic analysis.** The expected quantifiable benefits of the project will result in: (a) improved access to potable and irrigation water; (b) improved livelihoods and income from livestock among pastoralist populations as well as improved land productivity and food production of riverine farmers and agro-pastoralist communities; (c) improved productivity of livestock due to rangeland rehabilitation and management actions through over-sowing, reseeding and controlling bush encroachment; (d) improved access to financial products for purchase of agricultural inputs, including seeds, fertilizers, and small equipment to improve crop and fodder production; and (e) community-based seed production and production of quality declared seeds by FFS.

26. Most of the project activities and interventions will be demand-driven. The ex-ante financial cost-benefit analysis of project investments is, therefore, only illustrative. In order to quantify the benefits deriving from the improved access to better inputs, production techniques and equipment supported by the project, six illustrative business/farm activities were developed for the analysis. The six identified models are: rainfed maize production, rainfed cowpea production, rainfed sorghum production for fodder, communal pasture improvement, small ruminants rearing, and introduction of an energy-efficient stoves for household cooking.

1. Context

A. National context and rationale for IFAD involvement

National context

1. Somalia is situated on the Horn of Africa and covers an area of 637,660 km². It has the longest coastline in Africa, with shores on the Gulf of Aden to the north and the Indian Ocean to the east. The country is bordered by Kenya to the south, Ethiopia to the west and by Djibouti to the north-west. The population of Somalia is 18 million, of which 60% live in rural areas as nomadic or semi-nomadic pastoralists. The population growth is 2.9% per year. The life expectancy is 55.3 years.
2. **Political context.** Since 2012, Somalia has been witnessing the first signs of institutional stability, with the gradual establishment of a Federal State structure, and the formation of Federal Member State (FMS) administrations. As of 2016, Somalia is officially divided into six (6) federal member states, Galmudug (78,000 km²), Hirshabelle (120,000 km²), Jubaland (110,000 km²), Puntland (212,000 km²), South West (98,000 km²), and Somaliland (284,899 km²).
3. Somalia is officially divided into 18 administrative regions (*gobollo*) which are in turn subdivided into seventy-two districts (*degmooyin*). The Federal Government of Somalia (FGS) officially comprises the executive branch of Government, with the Parliament serving as the legislative branch. It is headed by the President of Somalia, to whom the Council of Ministers reports through the Prime Minister. However, the legal and constitutional framework codifying relations between the federal and federal member state levels is still unclear.
4. The recent election of the President of Somalia, in May 2022, gives hope of greater stability at a time when Somalia is facing one of its most serious humanitarian crises, due in particular to drought and the effects of climate change.
5. **Economic context.** Somalia's economy is based largely on its natural resource endowments of agricultural and range land, livestock and fisheries. The Gross Domestic Product (GDP) growth averaged just 2% between 2013 and 2020. GDP contracted by 0.2% in 2020 due to multiple crises, including the pandemic. GDP growth recovered to 2.9% in 2021, driven by private consumption and livestock exports. Private consumption was boosted by remittances, which increased to an estimated 31.3% of GDP in 2021 from 30.8% in 2020.
6. Somalia ranks 194 out of 196 countries studied, just ahead of Afghanistan and Burundi⁴. The GDP per capita of Somalia in 2021 was US\$447, US\$31 higher than in 2020, it was US\$416. According to this parameter, its population is among the poorest of the 196 countries whose GDP is published. However, the GDP growth was expected to fall to 1.7% in 2022 due to the regional drought and the deteriorating global economic situation. GDP growth is expected to rebound to 2.8% in 2023 and 3.7% in 2024, thanks to private consumption and a recovery in livestock exports. Another source of economic development is the large remittances from the Somali diaspora. Urbanization is rapid and unregulated.
7. With regard to the Somalia debt, reaching the Completion Point of the Heavily Indebted Poor Countries Initiative in by the end of 2023⁵. As a result, its external debt has fallen from 64% of GDP in 2018 to less than 6% by end 2023. Consequently, Somalia's access to regular concessional financing is restored, presenting the prospect of a significant

⁴ https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=SO&most_recent_value_desc=false

⁵ "IMF and World Bank Announce US\$4.5 billion in Debt Relief for Somalia" (<https://www.imf.org/en/News/Articles/2023/12/13/pr23438-imf-and-world-bank-announce-us-4-5-billion-in-debt-relief-for-somalia#:~:text=Following%20HIPC%20Completion%20Point%2C%20Somalia's,pove%2C%20and%20promote%20job%20creation>)

increase in financing for key development priorities. Progress in concluding national elections will catalyse development aid and foreign direct investment.

8. The outlook is clouded by insecurity, political uncertainty and climate change. Inflation is expected to reach 9.4% in 2022, due to higher food and oil prices caused by the Russian-Ukrainian conflict and drought. High oil prices will also affect energy supplies, given Somalia's dependence on fossil fuels for power generation⁶.
9. The Annual Transformation Index published by the Bertelsmann Foundation (Bertelsmann Stiftung) analyses transformation processes towards democracy and a market economy in international comparison, and identifies successful strategies for peaceful change.
10. The diagram below shows the scores of the Somali process in addressing the various social and political parameters, compared to other countries in its neighbourhood (represented by the red line).

Figure 1: Somalia compared with Southern and Eastern Africa (in red)



Source: BTI Transformation Atlas⁷

11. **Smallholder agriculture context.** Agriculture accounts for 65% of GDP as well as the workforce. Maize, sorghum, cowpea and sesame are the main staples. Somalia has about 3 million hectares of cultivable land, of which 2.3 million hectares could be used under rainfed conditions, and the remaining 700,000 hectares under irrigation. Only 110,800 hectares are currently irrigated. Crop productivity is very low (average yield of 0.6 MT/ha for maize) and crop production only meets 22% of the domestic cereals needs. The livestock subsector that used to contribute about 60% to GDP and over 50% to export earnings, has been declining due to the conflict situation and export restrictions. Other agricultural exports include fish, hides and skin and sesame. Fishing has a significant potential in the economy, however, the lack of regulation is leading to unsustainable over-fishing. The major risks for the agricultural sector include: (i) the impacts of climate change; (ii) unpredictable produce markets; (iii) insecurity⁸, as well as (iv) weak institutional capacity; and (v) land degradation. Investments would be needed to ramp up

⁶ AfDB. 2022. African Economic Outlook 2022

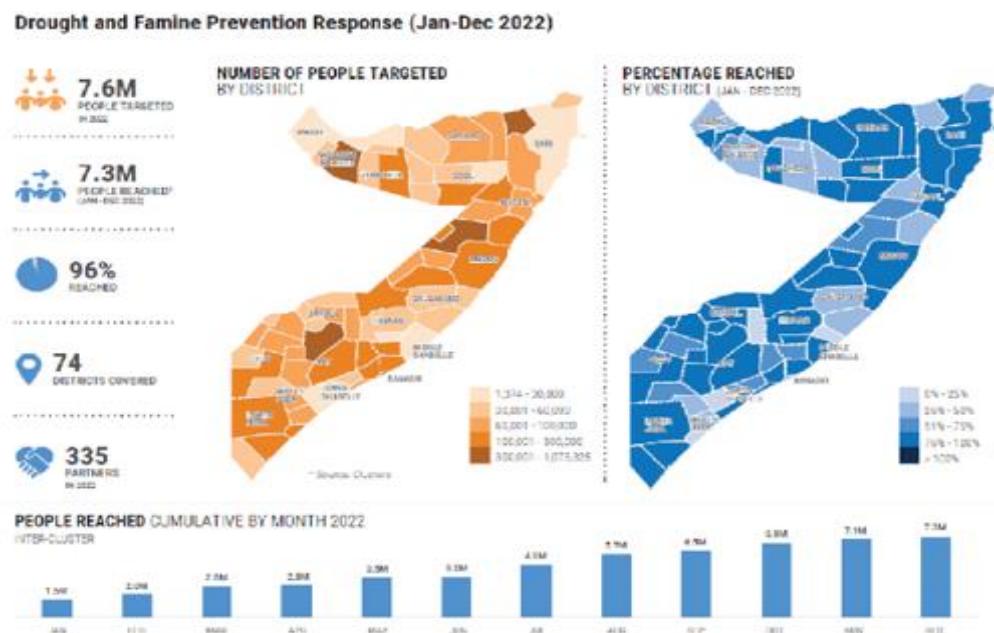
⁷ BTI Transformation Atlas 2022 (https://atlas.bti-project.org/1*2022*CV:CTC:SELSOM*CAT*SOM*REG:TAB)

⁸ IFAD (2021). Country Strategy Note (2022-2023).

productivity through better production methods and climate-resilient techniques, enhanced animal health and nutrition, and strengthened value chains.

12. **Food security and nutrition.** The Horn of Africa has experienced four consecutive years of crop failure due to severe drought. Prolonged conflict and a long neglect of the agricultural sector has compounded the effect of drought in southern Somalia.

Figure 2: Drought and famine Prevention Response (Jan-Dec 2022)



Source: OCHA. February 2023. Humanitarian Response Plan 2023

13. The intersectoral analysis of the 2023 Humanitarian Needs Overview (HNO) identified 8.25 million people in need of humanitarian assistance in Somalia⁹. The latest analysis shows that between January to March 2023, nearly 5 million people are still experiencing high levels of acute food insecurity, classified in Crisis or worse (IPC Phase 3 or above), including close to 1.4 million people in Emergency (IPC Phase 4) and 96,000 people in Catastrophe (IPC Phase 5). Critical (IPC AMN Phase 4) levels of acute malnutrition persist in most parts of the country. Between January and December 2023, it is estimated that approximately 1.8 million children are acutely malnourished, including nearly 478,000 children who are likely to be severely malnourished¹⁰.
14. **Social context.** Somalia's social development indicators are among the worst in the world. In addition to weak legal and state protection mechanisms, and physical and financial barriers limiting access to existing services, the impact of restrictive social and cultural norms concerning gender and social relations must be considered¹¹.
15. With Somalia's high fertility rate, the **youth** population is projected to reach 4 million by 2030, and the youth are at risk of being left behind with too few jobs. The definition of youth in the entire A2R2 project is 18-35 years¹². They constitute about 35% of the population in 2022. The challenge of creating more and better jobs for Somalia's women and men is urgent. Productivity is less than a quarter of the sub-Saharan African average and a youthful population means that each year, an estimated 161,000 new workers are

⁹OCHA. February 2023. Humanitarian Response Plan 2023

¹⁰<https://www.ipcinfo.org/ipc-country-analysis/details-map/en/c/1156238/>

¹¹ United Nations Sustainable Development Cooperation Framework 2021-2025

¹² World Bank: "Youth as Agents of Peace Somalia" <https://documents1.worldbank.org/curated/en/463921526414702925/pdf/126251-WP-P152600-PUBLIC-Youth-As-Agents-of-Peace-Somalia.pdf>

expected to enter the labour force through 2025¹³. Currently, 70% of the youth are unemployed¹⁴.

16. Addressing the lack of opportunities for female employment is critical as they have fewer opportunities and are more likely to be marginalised. Unemployment among female youths leads to early marriage, resulting in increased instances of gender-based violence. Somalia's Gender Inequality Index of 0.776 places the country in the fourth-worst position globally¹⁵. The UNDP report further indicates that Somalia remains a highly unequal society by income, gender and geographical location¹⁶. Culture and norms, reinforced by poor law enforcement, confer low social status to women. About 55% of women lack access to education, compared to 40% of men; and labour force participation rate is only 19% for women, versus 74% for men¹⁷.
17. **Women** in Somalia have nearly half the opportunities afforded to men; a gender gap index of 0.56. Women are disadvantaged in all of the four assessed domains: 1) economic participation, 2) economic opportunity, 3) political empowerment, and 4) educational attainment.¹⁸ Women are on the frontline of confronting the challenges posed by climate change to livelihoods and the health of their families, and yet they are often poorly equipped and resourced to respond to the challenge. Adding to the challenge, conflicts have eroded many of the gains made in education, health care and employment prior to the civil war, perpetuating and deepening gender inequality.
18. The **clan-based system**, regulated by the Somali customary law, "xeer", is a prominent social factor among the nomadic pastoralists. The clans control districts and businesses and are the arbiters of most aspects of Somali life. Decisions are made collectively within the clans and their complex sub-divisions. Elections at the Parliament are held in line with a clan-based electoral system, called the 4.5 system, which gives four major clans an equal share in parliament and half a share to minority groups.
19. **People with disabilities** are estimated at 15% of the population. Overall, women and girls, youth, internally displaced persons (IDPs), rural and nomadic communities, and persons with disabilities face impediments to full participation in Somalia's decision-making processes, and access to productive resources, jobs, and social services, putting them at risk of being left behind in the development process¹⁹.
20. **Fragility status.** According to the Fragile States Index (FSI), Somalia is considered the most fragile country in the world with an FSI score of 111.9 (maximum 120). Somalia and Yemen are the two lone countries included in the FSI 2022 score under the category "very high" alert. Drivers of fragility include persistent violence, extremist related attacks, political volatility, poverty, youth unemployment and radicalization and frequent extreme weather events such as droughts and floods caused by global warming. Under IFAD12, IFAD committed to allocate 25% of its resources to such fragile and conflict-affected countries (refer to Annex 14).
21. For the rural farmers and agro-pastoralists, the effects of climate change, dwindling water resources, and the recurring desert locust attacks on crops have eroded the resilience of the production base. The breakdown of governance structures, law and order, has weakened the community institutions that support rural livelihoods, and tensions are building around water points, land use, and access to farm inputs and financial services. Beyond agriculture, the impact of fragility is also felt in the infrastructure, national security,

¹³World Bank. 2021. Somalia Country Economic Memorandum: Towards an Inclusive Jobs Agenda

¹⁴ Ministry of Planning, Investment and Economic Development. Somalia National Development Plan 2020 to 2024. <https://andp.unescwa.org/sites/default/files/2020-10/Somalia%20National%20Development%20Plan%202020%20to%202024.pdf>

¹⁵ UNDP (2012). Gender in Somalia. <https://www.undp.org/sites/g/files/zskgke326/files/migration/so/Gender-in-Somalia-FINAL.pdf>

¹⁶Idem

¹⁷ UNDP (2019). Human Development Report 2019.

¹⁸ SSWC. Oxfam. Gender Gap Assessment. South Central Somalia and Puntland.

¹⁹ UN Somalia Common Country Analysis (CCA), October 2020. https://www.ecoi.net/en/file/local/2052858/UN+Somalia+Common+Country+Analysis+2020_3.pdf

foreign direct investment, and health sectors²⁰. The large displacement of people within Somalia and to neighbouring countries, notably Kenya and Ethiopia, disrupted economic activities and increased food insecurity. The infrastructure for basic services has been badly damaged by conflict.

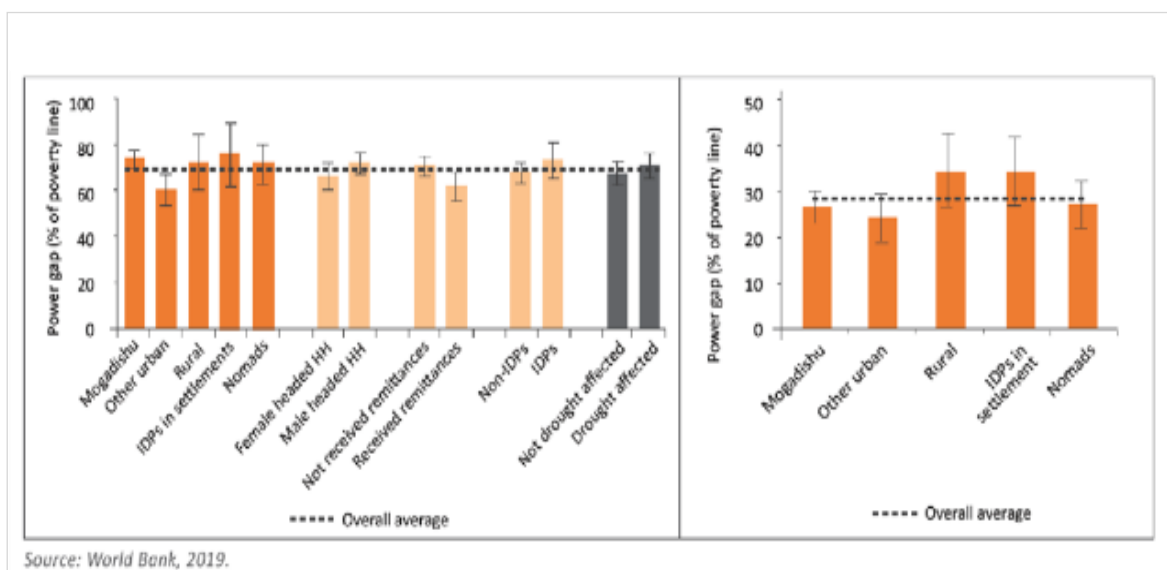
22. **COVID 19.** The COVID-19 pandemic exacerbated existing vulnerabilities and slowed down necessary reforms in Somalia. The Somali economy was just starting to recover from the severe drought of 2016, when the pandemic that occurred in 2020 disrupted global supply chains worldwide and forced the closure of borders and airports. The pandemic slowed economic recovery, adding to environmental shocks such as severe flooding, locust infestations and periods of intense drought. Somalia was particularly vulnerable to COVID-19 due to: (i) the weak baseline economic and health contexts; (ii) reliance on external markets for import of food, agricultural inputs, and health facilities; and (iii) reduced volume of remittances which had served as a social safety net. The rural populations were expected to be more affected by the resulting poverty, and food and nutrition insecurity, due to reduced production, higher prices, loss of incomes, and depletion of savings. The UN agencies and partners responded to the COVID-19 pandemic through the Country Preparedness and Response Plan, which supported key interventions within the FGS' Comprehensive Response Plan launched in March 2020. IFAD also intervened through funds from the Rural Poor Stimulus Facility (RPSF).
23. The recent **Ukrainian crisis** has further fuelled Somalia's fragility. The lower growth in 2022 is a result of the war in Ukraine, which led to high commodity prices, adding to supply disruptions, increasing food insecurity and poverty, exacerbating inflation, contributing to tighter financial conditions and magnifying financial vulnerability. About 90% of Somalia's wheat imports previously came from Russia and Ukraine. Since the crisis broke out, the grain supply line has been blocked resulting in exorbitant food prices. However, Somalia is top on the list of 22 priority countries that benefited with US\$10 million from the Crisis Response Initiative (CRI) launched by IFAD in May 2022. The CRI aims to protect livelihoods and build resilience in rural areas by addressing the urgent needs caused by the Ukrainian crisis while tapping into new market opportunities for small-scale producers. The tailored interventions will focus on preventing hunger and food insecurity, while supporting sustainable food systems.
24. **Poverty.** Poverty is widespread and deep in Somalia, particularly in rural households and IDP settlements. According to the 2023 UNDP Human Development Index (HDI) poverty affects 88.9% of the population. The Gini index is 36.8. About 69% of Somalis live under the international poverty line of US\$ 1.90 per day²¹. With an additional 10% living within 20% of the poverty line, almost 80% of the population is vulnerable to even very small external shocks and 90% live in multidimensional poverty (in addition to factoring in monetary deprivation, the multidimensional poverty index takes into account education of children and adults, access to improved water, improved sanitation and electricity). Somalia has the third-highest poverty rate in the region and almost three-fourths of the population among nomads, people in rural areas, IDP settlements, and Mogadishu are poor. The poverty rate is highest (above 80%) in the North and South-West regions.²²
25. In 2018, remittances, estimated at US\$ 1.4 billion, supported about 20% of Somali households (HHs). Inflows of remittances are, however, increasingly threatened by: (i) the tightening of international money laundering and counter-terrorism financing regulations on foreign banks holding Somali money transfer company accounts; and, especially in 2020 - 2021, the global movement restrictions due to COVID-19. The fragility and high conflict situations in Somalia have led to forced displacements, unemployment, and staggering poverty rates.

²⁰ Regional Centre for Small Arms, Nairobi (undated). An assessment of illicit small arms and light weapons proliferation and fragility situations – Somalia. <https://recsasec.org/wp-content/uploads/2018/08/SOMALIA-FRAGILITY-pdf.pdf>

²¹ Ministry of Planning, Investment and Economic Development. Somalia National Development Plan 2020 to 2024. <https://andp.unescwa.org/sites/default/files/2020-10/Somalia%20National%20Development%20Plan%202020%20to%202024.pdf>

²² World Bank. 2022. Somalia Economic Update, Seventh Edition: Investing in Social Protection to Boost Resilience for Economic Growth.

Figure 3: Poverty is pervasive and deep in Somalia

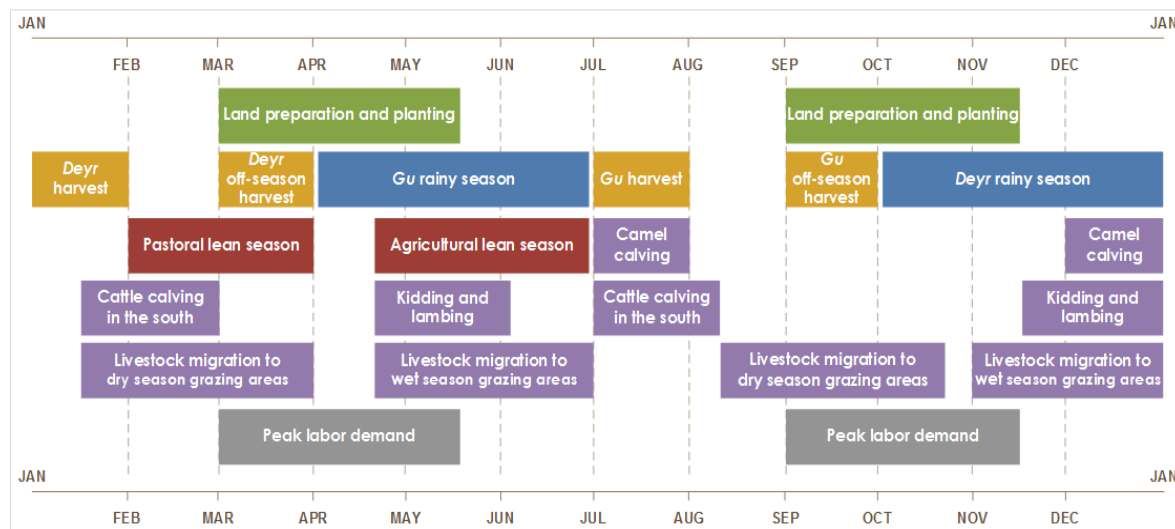


26. Drivers of poverty are largely attributed to a 30-year-long state collapse, conflict, political instability, climate change, environmental degradation, a lack of investment in critical basic social services, and weak economic performance. Beside monetary poverty, many Somalis also suffer deprivations in health, education and physical safety due to the conflicts and natural disasters, mainly droughts and floods²³.
27. **Environment.** Somalia's topography comprises highlands in the north, and plateaus, plains and coastal plains in the rest of the country. About 80% of Somalia is arid or semi-arid land, and approximately 50% of the land area can be considered permanent pasture. Southern Somalia, hosting the only two permanent rivers (Juba and Shabelle), is the major agricultural area, and the rivers supply water to over 40% of the nation's population. Historically water management was integrated with livestock management; however, crop irrigation now accounts for over 90% of agricultural water use. Although Somalia is considered a center of floral endemism with about 3,028 species of higher plants, overgrazing and charcoal production have impacted on species composition, and along with poor agricultural practices, resulted in considerable land degradation.
28. **Climate.** Somalia has four climatic zones: the desert zone in the northeast; the arid zone in the central area of the country; the semi-arid zone in the south; and the humid zone in parts of the northwest. Annual mean temperature is close to 30°C throughout the country. Somalia has two rainy seasons and two dry seasons in a year: (i) the "Gu" rainy season, regarded as the major rainy season, April to June; (ii) the "Hagaa" dry season, July to September; (iii) the "Gu-Off" light rainy season, October to November; and (iv) the "Jilaal" dry season, December to March, which is warm and dry due to the Inter-Tropical Convergence Zone emerging from the dry Arabian Peninsula. Total annual average rainfall is 280 mm with the highest annual rainfall about 500-600 mm in high rainfall years. The northern maritime plains are extremely hot and arid with average annual rainfall less than 200 mm. Rainfall in the south is higher at about 400 mm and highest in the southwest with an annual average of 700 mm²⁴.
29. Somalia's seasonal calendar shows the annual and cyclical patterns of key food and income sources throughout the typical year.

²³United Nations Sustainable Development Cooperation Framework 2021-2025

²⁴ Ministry of Natural Resources (2013) Somalia National Adaptation Programme of Action to Climate Change.
<https://unfccc.int/resource/docs/napa/som01.pdf>

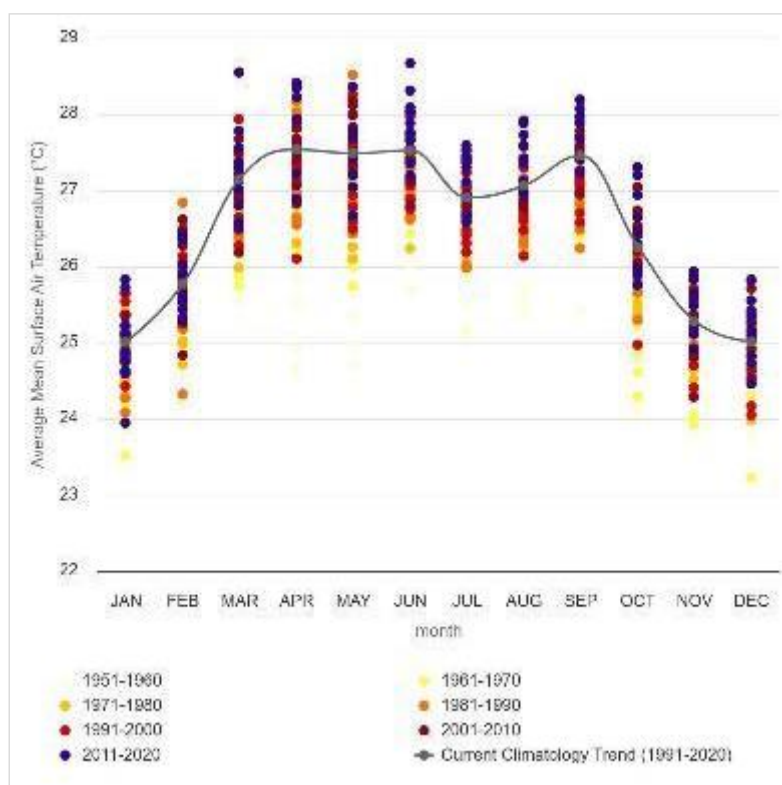
Figure 4: Key activities in Somalia's Seasonal Calendar



Source: Famine Early Working Systems Network (FEWS NET)²⁵

30. **Climate change.** Since the 1960's, a warming trend has been observed in Sub-Saharan Africa²⁶. In Somalia, monthly averages of surface air temperature have all increased by two degrees or more since 1950s, as shown in Figure 5 below.

Figure 5: Variability and Trends of Average Mean Surface Air Temperature across Seasonal Cycle, 1951-2020²⁷



31. Droughts used to occur every 2-3 years, often followed by devastating floods, particularly in the south where the Shabelle and Juba rivers are vulnerable to heavy rains in the Ethiopian highlands. The upward trend in recent years of extreme events such as floods and droughts, can be directly associated with the patterns of high rainfall variability over

²⁵Famine Early Working Systems Network (FEWS NET) - <https://fews.net/east-africa/somalia/seasonal-monitor/april-2015>

²⁶ World Bank (2021). Climate Change Knowledge Portal [Last Accessed = 03/03/2021]: <https://climateknowledgeportal.worldbank.org/country/somalia/>

²⁷ [World Bank Climate Change Knowledge Portal](https://climateknowledgeportal.worldbank.org/country/somalia/), accessed on 12/01/24,

Somalia. These extreme events occur when the Indian and Pacific oceans experience anomalous sea temperatures and circulation during El Niño/La Niña, together with Indian Ocean Dipole events. Examples are the recent droughts of 2000, 2004, 2008 and 2010-2011; and the floods of 1997/1998²⁸. Somalia's extreme vulnerability to climate change, poses risks to livestock, agriculture, forest ecosystems, land and water resources, energy resources, transport, public health and human settlement. It compounds the humanitarian situation in Somalia, impacting lives, livelihoods, and food security, as well as driving large-scale displacement and irregular migration.

32. **Key actors and institutional capacity.** For 30 years, IFAD and many other development partners disengaged from Somalia due to the conflict situation and the indebtedness of the country. The policy, capacity and service provision functions of government have been severely eroded, and institutional memory has decayed substantially at the federal and state technical ministries (for livestock, crops, forestry and rangeland management, and fisheries). Services are currently provided in a very limited, fragmented, and inefficient way, because of lack of skilled staff and funding and poor access to most rural areas. There is no defined national policy or strategy for agricultural development, although the key strategy elements have been reflected in the NDP-9, the vision for Somalia's socio-economic development.
33. One of the main objectives of SIRAP, under its 3 components, will be to strengthen the capacity of key actors, from the federal to the local levels, to assist in setting up/strengthening state structures and key stakeholders as well. SIRAP will strengthen the capacities of government staff at national, state and district levels and other non-state actors to facilitate participatory planning and development processes. It will also support relevant policy and regulatory analysis work that will help to strengthen the national policy and regulatory framework for climate change adaptation, resilience, livestock, agriculture and rural development

Special aspects relating to IFAD's corporate mainstreaming priorities

34. The high fragility and conflict situations in Somalia have led to the disruption of community social institutions, forced displacement of some people into IDP camps, and limited access to some of the proposed project sites. These factors will make it challenging to fully mainstream the four IFAD priorities during the first term of the implementation of A2R2. A2R2 will adopt a cautious strategy for mainstreaming. It will: (i) start with full climate and environment, nutrition and gender mainstreaming in the first year and continue throughout the duration of the project with potential for delivering on youth empowerment; (iii) assess the status of all the mainstreaming areas at the midterm review (MTR); and (iv) on the basis of the assessment, establish feasible targets for all the mainstreaming themes for the second term of the project. The proposed interventions of the mainstreaming agenda are summarized below.

Mainstreaming strategy

35. As part of the early implementation measures the project will be developing youth and gender strategies.
36. **Mainstreaming gender – context, challenges and opportunities.** For both women and men, the IFAD Policy on Gender Equality and Women's Empowerment (GEWE) aims at: equal opportunity to participate in, and benefit from, profitable economic activities; equal voice and influence in rural institutions; and, a more equitable workload balance. For IFAD, gender mainstreaming implies assessing the implications for women and men of any planned action at design, implementation and monitoring and evaluation (M&E)²⁹. In 2016, the FGS adopted the National Gender Policy to enhance gender mainstreaming, and committed to a 30% quota for women in the House of the People (83/275) and the Senate (16/54). The 2019 Somalia Women's Charter called for women's economic empowerment,

²⁸ Office of the Prime Minister (2018). Somalia's First National Communication of Somalia to the UNFCCC. https://www4.unfccc.int/sites/SubmissionsStaging/NationalReports/Documents/91826345_Somalia-NC1-1-Somalia%20Final%20%20FNC%20Final.pdf

²⁹ IFAD (2012). Policy on gender equality and women's empowerment.

and equal participation in governance processes as cornerstones for sustainable development. However, Somalia women have challenges while pursuing political leadership roles due to the pervasive patriarchal culture and social barriers in the clan-dominated system, the violence associated with the election process, and the weak enforcement of the law.

37. Rural women in Somalia participate actively in: (i) crop value chains that require less land and capital, have short production cycle (e.g., vegetables) and have low but recurring profits; (ii) milk value chains, fodder and grass selling; and (iii) meat and fish processing. The major livelihood challenges faced by women include:³⁰ (a) being considered legal minors in customary law; (b) limited participation in community decision-making (as village elders' committees mainly comprise of men); (c) low literacy levels; (d) limited access to training, agricultural extension services, inputs and capital; (e) high HH workload imbalance, as women combine the productive role as farmers with the reproductive role; (f) limited access to water for productive and domestic use; and (vii) with many men incapacitated by the long conflict, or migrated in order to escape political or economic hardships, women have to take on the burden of managing livelihoods in the harsh environment of persistent droughts, floods and desert locust crises. Women and children comprise 70-80% of the population in the IDP camps – many are widows or heads of HHs. Sexual violence and drug use (especially the chewing of khat, a natural stimulant) are common, while support services for women are limited in the camps.
38. Gender mainstreaming under Component 1 include: i) developing Community Resilience Plans that respond to the priorities identified by the communities with focus on gender equality (output 1.1.1); improving livelihoods of women, using community saving and lending methodologies (through dedicated groups) to grow their own financial intermediation systems (output 1.1.2); and integrate a gender lens in community assessments to inform the development of gender responsive resilience plans and challenge social cultural norms that impede women participation. Output 1.1.1).
39. Under component 2 the Project mainstreams gender by: i) Promoting profitable venture for rural women such as poultry farming (output 2.2.1); ii) supporting small-scale women farmers in the project target areas by testing the economic viability of commercially growing alternative fodder crops (output 2.2.3); iii) supporting income-generating activities for women groups owning enterprises specifically for value addition through provision of post-harvest technologies (e.g. pilot maize processing unit) to reduce post-harvest losses (output 2.3.25).
40. Under component 3 on M&E, all the indicators will be gender disaggregated.
41. **Youth Empowerment.** One of the core principles of engagement of the IFAD Strategic Framework 2016-2025³¹ is the creation of viable opportunities for rural youth. The Rural Youth Action Plan³², aims at improving youth access to productive assets, services and skills, in the context of a changing climate. The Somali National Youth Policy³³ aims to promote youth participation in all spheres of national development to ensure they attain their full potential. The major challenges³⁴ faced by Somali rural youth include: low levels of literacy; limited access to land and finance, inputs, and agricultural services; low crop and livestock yields; unemployment; radicalization; and insecurity. Young women face gender-specific disadvantages in the labour market and HHs, including early marriage and gender-based violence. Many young people are forced to be HH heads through the loss of their spouses and/or parents to conflicts.

³⁰FAO (2021). National gender profile of agriculture and rural livelihoods – Somalia. Mogadishu. <https://doi.org/10.4060/cb6316en>

³¹ IFAD. 2016. Strategic Framework 2016-2025.

³² IFAD (2019). Rural Youth Action Plan, 2019-2021.

³³ Ministry of Youth and Sports (2016). The National Youth Policy of the Federal Government of Somalia. <https://somalia.unfpa.org/sites/default/files/pub-pdf/UNFPA%20Somalia%20National%20Youth%20Policy%20Eng%20fa.pdf>

³⁴ UNFPA. Somali adolescent and youth – boom or gloom (Volume 7). <https://somalia.unfpa.org/sites/default/files/pub-pdf/Youth%20Report.pdf>.

42. SIRAP will promote youth empowerment and inclusion in development by expanding capacities of and opportunities for youth groups to initiate and participate in community and local resilience building development initiatives. To this end, the Project has set a youth target quota of 30% for beneficiaries and 25% of community resilience investment funds will be earmarked for youth. Additionally, employment opportunities will be focused on initiatives including labour-intensive public works, self-employment, and entrepreneurship through training for relevant marketable skills. Additional emphasis will be placed on the reintegration of youth in development decisions and communities as well as labour markets to improve community reconciliation and reduce the potential for conflict. Finally, youth empowerment through community-based projects with the potential and flexibility to involve youth in local decision making and to enhance their participation.
43. **Mainstreaming nutrition.** The goal of the Somalia Nutrition Strategy³⁵ is to end hunger and achieve food security and improved nutrition, with a focus on women, children, and other vulnerable groups. The targets of the strategy for 2025 are: (i) decrease in the proportion of stunted children aged under five by six percentage points from the 2019 baseline of 17.2%³⁶; (ii) more than half of the children aged under two years consume the minimum acceptable diet; and (iii) reduction in the proportion of children under five years who are wasted from 11% to less than 10%. The delivery of nutrition services, however, remains a key challenge in Somalia. Four consecutive years of crop failure due to severe drought, compounded by prolonged conflict, make Somalia one of the ten countries with the highest prevalence of malnutrition. The IFAD Nutrition Action Plan³⁷ defines a “nutrition-sensitive” project as one which has explicit nutrition objectives, activities and indicators.
44. SIRAP will facilitate communities to respond to their food security and nutrition needs as part of the participatory development of Community Resilience Plans (Output 1.1.1); and establishing a Community Resilience Investment Fund addressing food security and nutrition challenges (outcome 1.2). Both entry points will have a specific focus on actions for women empowerment.
45. Component 2 support mainstreaming nutrition by: i) improving crop production to contribute to food and nutrition security through the introduction of climate resilient agricultural practices and nutrition rich crops (output 2.1.1) and the promotion of quality inputs, including seed and planting materials and facilitating women's access to training on proper seed multiplication techniques at household level (Output 2.1.2); ii) improving livestock production combined with specific trainings on Nutrition. To this end, SIRAP will adopt an innovative approach of Market-led Farmer Business Schools (FBS) within the FBS’ developed by GEF and ASAP+ funds, and will use an integrated nutrition communication tool in its interventions;
46. In addition, the social inclusion and nutrition specialist in the Project Management Unit (PMU) will spearhead nutrition issues and advance partnerships in the fight against malnutrition, including in the distribution of micronutrients.
47. **Mainstreaming climate change and intersections with other themes**³⁸. SIRAP's design is in line with the climate change adaptation measures selected by A2R2 as part of its GEF and ASAP+ funding. The main causes of climate vulnerability identified in SIRAP detailed vulnerability, impact and adaptation assessment include: reliance on rain-fed agriculture, making farmers sensitive to drought and water scarcity, limited availability of alternative livelihoods, high population density which increases resource shortages, and limited infrastructure and services to manage climate risks. The adaptation assessment identify specific exposure and sensitivities of small-scale producers in each targeted district, and the adaptation options to alleviate them. These interventions have been

³⁵ Ministry of Health and Human Services, Federal Republic of Somalia (2020). Somalia Nutrition Strategy. <https://www.unicef.org/somalia/media/1756/file/Somalia-nutrition-strategy-2020-2025.pdf>

³⁶ Ministry of Health FGS, FMS, Somaliland, UNICEF, Brandpro, GroundWork (2020). Somalia Micronutrient Survey 2019. <https://www.unicef.org/somalia/media/1681/file/Somalia-Micronutrient-Survey-2019.pdf>

³⁷ IFAD (2019). Action plan – nutrition (2019-2025).

³⁸ IFAD (2019). Framework for implementing transformational approaches to mainstreaming themes.

mainstreamed in SIRAP components, including support for community-level resource management and planning, increasing income opportunities, and climate-proofing the infrastructure that supports agricultural value chains, including water collection and irrigation, cattle health facilities, storage, etc. Through these interventions, the Project aims to reduce impact from climate shocks and increase communities' capacity to respond to and re-build after-shocks, thanks to improved income, livelihoods and social justice. The adaptation assessment also informed the project's safeguards, and will be a key document to inform the final Project Implementation Manual.

48. Through Component 1, SIRAP aims at strengthening local communities' resilience to climate change by reinforcing their capacity to develop local development plans integrating climate risk mitigation measures (Output 1.1). In the process of developing the plans, communities will be sensitised and trained on climate risks management and response. In Output 1.2, the establishment of the CRIF will be financially supporting the implementation of resilience building interventions identified in the community resilience plans, including water infrastructure, climate-proofing of animal health infrastructure (to prevent flooding), etc. Other market-related measures such as rehabilitation of roads and post-harvest handling and marketing facilities may also be supported, to enable income generation and diversification, which also reduces vulnerability (Output 1.2). In turn, Output 1.3 acknowledges that some climate disasters cannot be anticipated. SIRAP funds will then be reallocated rapidly to address the damages incurred and support communities to recover, including by supporting land clearing, drainage systems etc depending on needs.
49. The component 2 is dedicated to addressing climate change vulnerability by improving the management of the natural resource base, which is crucial to cushion agricultural productivity against climate impacts (Outcome 2.1 and 2.2). This includes acquiring better knowledge of water management and the use of agro-ecological practices, the diversification of agro-ecological food production systems, and the use of climate-resilient technologies.
50. For example, under output 2.1.1 the Project will support use of proven techniques and technologies for soil conservation such as the promotion of the Zai system, the selection of drought resilient species, and the rehabilitation of dryland research centres with focus on research and development, piloting and demonstration of cost-effective climate resilient technologies. With regard to water management the Project will support development of irrigation facilities including drip irrigation systems as well as rehabilitation of traditional canals. The outcome 2.2 will introduce and promote Climate resilient animal husbandry practices among farmers and herders, in complementarity with the Farmer Field Schools to be established by GEF activities.

B. Rationale for IFAD involvement

51. Somalia is considered one of the three most fragile countries in the world, the drivers of fragility including, persistent violence, extremist related attacks, political volatility, and frequent extreme weather events such as droughts and floods caused by global warming. Under IFAD12, IFAD committed to allocate 25% of its resources to such fragile and conflict-affected countries, and 40% for climate finance.
52. Somalia is particularly vulnerable due to: i) the weak baseline economic, social, health and agriculture development contexts, ii) significantly limited local production and reliance on external markets for food imports, and agriculture inputs, and iii) the significant dependency on remittances as a social safety net.
53. It is therefore critical for Somalia, with support from its development partners, to intensify efforts towards sustainable investment in the agriculture sector and building the resilience of vulnerable communities. Building the technical, financial and management capacity of the small-scale farmers and enterprises through climate smart production practices, access to agro-input and markets, and enhancing critical rural infrastructure, will be key pillars towards building the desired resilience of smallholders and sustainability of investments. The Project aims therefore at: (i) maintaining and improving agricultural productive capacity of small-scale producers in the targeted areas, and (ii) enabling safe and

sustainable food systems and market linkages supported through continued and improved supply chains and market access.

54. In alignment with the Somali National Development Plan (NDP 2020-2024) the proposed Project will be guided by IFAD's comparative advantage and track record in addressing fragility in Somalia – contributing to building and supporting transitioning to resilience in partnership with the government of Somalia, humanitarian actors and development partners. This Project's focus on the principles of responsible agricultural investment³⁹ will emphasize on enhancing food security and nutrition, sustainable livelihoods and incomes, fostering child social and gender rights and equality, and advancing inclusive economic growth through stimulation of ecosystem-based adaptation, commercialization of the smallholder sector and help small-scale farmers access to markets to achieve sustainable development. The Project will be re-establishing livelihoods of smallholder producers and communities, including returnee households, young people and women; supporting sustainable and climate-resilient ecosystem services management of water, watersheds, and rangelands; and building capacity for delivery systems and community beneficiaries.

³⁹ Principles of responsible agricultural investment developed by the Food and Agriculture Organization of the United Nations (FAO), International Fund for Agricultural Development (IFAD), United Nations Conference on Trade and Development (UNCTAD), and the World Bank. <http://www.fao.org/3/au866e/au866e.pdf>

C. Lessons Learned

55. Water scarcity is an underpinning issue hindering agricultural and rural development. The "Productivity Enhancing Technologies to Improve Pastoralists and Agro-pastoralists Livelihoods in Dry Lands (PET)" in Somaliland and Djibouti showed that climate resilient seedlings in combination with conservation agriculture are effective methods for crop production in water scarce areas. Furthermore, the "Food Security and Sustainability in Fragile Situations project (FSSFS)" in Puntland State developed water related community level infrastructure to increase water availability. In order to address issues around water scarcity, SIRAP will address both water availability at community level as well as water use at production level. Beyond lessons learned in Somalia, SIRAP will also connect with the RLDP project in Yemen and the Bahia project in Brazil to learn whether approaches on grey water handling and rooftop water harvesting can be included in the project.
56. The Somali society is clan-based and over the last decades, there have been occurrences of clan-based conflict and violence. Community-level mobilisation led by an (impartial) non-governmental party allows for inclusive development. Thus, community-based mobilization will be the starting point for activities under SIRAP. Specifically, it will use and adapt mobilization methods developed under SAPS concerning the conflict risk management.
57. Climate-smart agriculture (CSA) practices have a strong potential to increase production and resilience of smallholder farmers. PET recommended that future projects should build on the wide range of existing good CSA practices, improve them and promote them across the country. The successfully adopted and effective CSA practices during the implementation of PET include: (a) for crops - use of indigenous crop varieties that resist droughts and diseases, seed banks, crop rotation with leguminous crops to keep soils fertile, using weather forecasts on the radio (or digitally disseminated by telephone as in the case of the BBB-RLRI) to time field preparation and planting; and (b) for livestock - controlled grazing, growing fodder crops such as alfalfa and Sudan grass, collecting wild fodder plants to cope with dwindling grassland resources due to drought, herd and grazing management, and water storage were particularly effective. Interventions such as PET and FSSFS indicated that IFAD programming needs to set an appropriate level of ambition with a view to achieve gender equality and women's empowerment. GEWE was nurtured by mainstreaming gender in operations, whilst carving out some specific interventions that are fully dedicated to GEWE. Overall, it was of vital importance to take women's participation into account in the design of project activities (e.g. feasibility studies) and to promote women's representation, leadership and decision making in local structures.
58. Indigenous knowledge can be utilized to establish the relevance of climate interventions faster, e.g., linking extensive community discussion around observable natural changes and current practices with the application of more effective NRM techniques introduced by the project through the FFS.
59. Years of conflict eroded Somali institutions especially at district and village level. Interactions with beneficiaries on the ground indicate that very few benefit from agricultural and livestock related services. In order to improve the agricultural sector, it is important to boost the Somali institutional framework and nurture service delivery on the ground.
60. The use of national and international Third-Party Implementation Partners (TPIPs) kept IFAD engaged in Somalia during the 30-year suspension of lending to the FGS through grant-financed projects amounting to over US\$12 million. The TPIPs, such as the Cowater International Consortium for PET, Comitato Europeo per la Formazione e l'Agricoltura (CEFA) and Vétérinaires sans Frontières Germany (VSF-G) for FSSFS, the Sadar Development and Resilience Institute (SADAR) for "Resilient Livelihood Action to COVID 19 (RLAC-19)", and Seed Systems Group for "Building Back Better: Rural Livelihoods Recovery Initiative for the Greater Horn of Africa (BBB)", addressed fragility issues such as limited institutional capacity, and access to areas with high insecurity and few rural service providers. The World Bank projects in Somalia also use TPIPs in selected areas of implementation. Based on their experience implementing IFAD's projects with knowledge

of the local Somali context, MoAI designated SADAR both in the GAFSP and GEF proposals as the executing agency for the entire A2R2 project.

2. Project Description

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

61. **The goal** of the project is to improve incomes, food and nutrition security for the households of small-scale producers in the project area.
62. **The Project development objective** is to reduce small-scale producers' vulnerability and enhance their resilience to shocks on their livelihoods in the project areas.
63. SIRAP refers to the financing from GAFSP as approved under the 6th call for proposals. It is co-financed by the GEF and ASAP+⁴⁰. SIRAP takes community mobilisation as a starting point to address: (i) food insecurity and nutrition through improved productivity and training, and (ii) increase incomes by improving resilience and market access. With Somalia being one of the most climate vulnerable countries in the horn of Africa, GEF and ASAP+ funds will address small scale farmer's vulnerability to climate change. The community development plans developed under component 1 of SIRAP shall include a community vision on adapting to and mitigation of climate change which will be financed by GEF and ASAP+. For example, SIRAP's community development plan will include a chapter on rangeland development⁴¹ to inform GEF and ASAP+ financed rangeland development activities and will inform investments in hydraulic infrastructure in GEF. Furthermore, SIRAP will also deepen activities already financed by GEF and ASAP+ funds. These will include the use of FFS to promote technologies, adaptive trials to inform FFS curricula.
64. Geographic area of intervention: A2R2 (all financiers) will be implemented in Belet Weyne (Hirshabelle State), Baydhaba, (South West State), Gaalkacyo, Dhuusamarreeb and Cabudwaaq (Galmudug State). The SIRAP activities will also be implemented in target districts in Jubaland (Kismayo and Bardere).
65. The SIRAP financing will follow a similar targeting strategy to A2R2, which is, a mix of geographic and direct targeting. The participating FMS were selected from the most climate-change vulnerable areas of Somalia; The rapid assessment survey undertaken for the design of A2R2 proposed Baydhaba District for ASAP+, as representational of the typical IFAD target groups --vulnerable agro-pastoralists, pastoralists and IDPs that have the potential to take advantage of improved access to assets and opportunities for agricultural production, IGAs and CCA to increase their resilience against the uncertainty caused by climate change on food and nutrition insecurity. The selection of participating communities will be made on the basis of three main criteria: (i) opportunity to address vulnerability of targeted beneficiaries, including sufficient security for the project to intervene at the community level; (ii) complementarity of SIRAP activities with the GEF and ASAP+ funds for the A2R2 project activities; and (iii) access of potential producers to land in the community. The project will aim at participation in relevant project activities and committees of 50% cent women overall and 30% young people women. Digital maps with geo-coordinates will be used to identify project activity sites for implementation monitoring. The Resilience Design and Monitoring Tool (RDMT) household surveys and impact assessment studies will be conducted to document improvement of resilience of vulnerable communities.
66. The A2R2 Project will target 72,000 HHs in the four FMS. The ASAP+ co-financing will target 11,000 HHs in Baydhaba District of South West State, as part of the overall target of 72,000 HHs for A2R2. The SIRAP co-financing will target 36,000 HHs (40% of these will be in Jubaland) out of the overall target of 72,000 HHs.

⁴⁰<https://www.ifad.org/en/asap-enhanced>

⁴¹In the case the community has disposition over rangeland.

67. Other Vulnerable groups such as hosts and IDPs, returnees, will be targeted. IDPs and returnees are resettled in existing villages or new settlements without or limited access to land, livestock or off-farm employment opportunities. The SIRAP Project will seek to improve their livelihoods through income generating activities. The project will be implemented for a period of 7 years.

E. Components/outcomes and activities

68. The SIRAP project will be delivered through the implementation of three components, as follows.

Component 1: Building Community resilience to conflict and climate change

69. The component activities are designed to facilitate communities to understand their environment, identify nature-based solutions for ecosystems services, natural resources, management and food security and nutrition needs; identify the constraints to sustainably enhancing climate change resilience, adaptation, improving production and increasing their market linkages; and develop and implement costed Community Resilience Plans (CRPs) to address the above challenges as well as other emerging shocks such as pandemics, food and agricultural input price hikes, and desert locust invasions. The expected outcome is increased resilience of supported communities to manage fragility factors in their environment. The component has three sub-components. Component 1 complements the foundational efforts of household mobilization and training initiated through the GEF and ASAP+ financing in component 2.1 particularly as it relates to community land-use management and conflict resolution and management.
70. The component aims at developing inclusive (women, youth, and vulnerable households) community with capacity to promote and manage socio-economic change, and plan, finance, implement and operate community driven resilience investments. It includes three main outputs.
71. ***Output 1.1: Developing Community Resilience Plans***
72. The sub-component aims at building the capacity of the communities to foresee, plan, adapt, withstand and recover quickly from various shocks that Somalia has suffered like long droughts, conflict, floods, and foster peace and social cohesion. Inclusive (women, youth, and vulnerable households) community-based organizations (CBOs), also known as Community Resilience Groups (CRGs) will be strengthened or new ones will be developed with capacity to promote and manage socio-economic change, and plan, finance, implement and operate community driven resilience investments. Community Resilience Plans (CRPs) will be developed as new or based on existing plans eventually using the RDMT resilience matrix for participatory identification of risks, vulnerabilities and responding resilience enhancing interventions. The CRPs will focus on improving access to clean water for production as well as household use including efficient use and conservation, rehabilitation of market access roads, waste management, as well as on improvement of infrastructure for post-harvest handling and marketing and watershed and rangeland management. Communities will be trained on environment and climate change considerations, which will also be mainstreamed into the CRPs. The plans will inform hydraulic infrastructure priority investments and rangeland management priorities for the GEF funded outputs 1.1.1 and 2.2.3, and identify emergency response measures relevant to sustain livelihood and agricultural activities.
73. ***Output 1.2: Functional community resilience groups for women, youth, agro-pastoral field schools, village savings and loans (Self-Help Groups), infrastructure maintenance, community governance in line with outputs 1.12 and 1.22 of GEF activities***
74. SIRAP will support the development and strengthening of CBOs also be known as Community Resilience Groups, while collaborating with Government, financial Institutions and other development partners for grass-roots- led resilience. SIRAP will complement the GEF and ASAP+ outputs 1.1.2 and 1.2.2 in equipping CBOs with the right tools, skills and knowledge of how to yield greater returns from their livelihoods, support formation of Self-

help groups, community/group governance and infrastructure maintenance and income generation. If no CBOs exist, new ones will be formed at community level with the assistance of community workers under the guidance of a Financial Inclusion Specialist. At least 80% of the community needs to be present and provide their consent for a CBO to be formed.

75. Based on needs assessments, new and existing CBOs will select a governance structure from within the community of which 35% should be women and 50% youth. During the first inception meeting, the CBO will be trained on how to operate the organization and develop a community resilience plan. This community resilience plan will include priorities to be funded by the CRIF. The community development plan will also present a strategy on operation and maintenance through a community collection. Community workers will follow-up with the CBOs and report to the Financial Inclusion Specialist on a monthly basis. Training activities will also facilitate integration of climate resilience and environment management into community governance policies and practices thus ensuring that women, youth, and the broader community are equipped with the knowledge and tools to respond to climate change effectively.
76. **Output 1.3. Community Resilience Investment Fund (CRIF) established to complement the Outcome 1.1: Climate-resilient hydraulic infrastructure profitably and sustainably operated by Community Resilience Groups through GEF.**
77. The purpose of the CRIF will be to finance strategic infrastructure identified in the CRPs within the project target communities and compliment infrastructure investment made through GEF (hydraulic infrastructure development and participatory climate resilient landscape management) aimed at enhancing resilience and supporting inclusive economic growth. The key investment areas for the SIRAP include but not limited to; water infrastructure for household and productive use, rehabilitation of market access roads, improvement of community infrastructure for post-harvest handling and marketing facilities, the construction/rehabilitation and climate proofing of animal health-supportive infrastructures, including spray dips, isolation quartos and holding areas, as well as renewable energy technologies to power the infrastructure. In areas where there is overlap with GEF areas, the project will only invest in climate resilient infrastructure not supported through GEF. Environment and social impact assessments will be undertaken to minimise any negative impacts and also these investments will be climate proofed during design and implementation.
78. The community contribution will be in the form of provision of land, labour, supervision and real-time feedback. This in-kind contribution from groups should be guided by local authorities and documented by the CBO in order to avoid conflict. Communities should be made aware of the importance of their contribution at the onset of the project in order to bolster buy-in. It is equally important that stakeholders are made aware of the community contribution, alongside offering recognition for communities that fully participate.
79. To effectively implement the CRIF, a specialist will develop Operational Guidelines to guide all stakeholders on the use and application of the funds. The Operation Guidelines will guide stakeholder roles and responsibilities, the operation structure, the organisation of communities and responsible committees, and set out eligibility criteria, the results framework and monitoring methodology, training and capacity building interventions, resource mobilisation strategies, grant disbursement guidelines, performance review mechanisms, policy advocacy, planning and sustainability of the community resilience projects. The fund will be managed by SADAR the implementing entity.
80. The PMU will ensure that community resilience is mainstreamed in all policies, programs and budgets in order to facilitate support to CBOs and stakeholders as a way of sustaining investments developed under the SIRAP funding. This should be done during the project life as well as form part of the exit strategy.
81. **Output 1.4 Contingency, Disaster and Risk Mitigation**
82. This sub-component aims at enabling the SIRAP to address the key immediate challenges faced by small-scale farmers and cushion the impact on livelihoods and resilience of

targeted communities and target groups, of potential regional and national emergency situations, including pandemics, food and agricultural input price hikes, desert locust attack, drought, floods, or a relapse in the security situation in the country. At design stage, no funds are allocated to this component. In the case an emergency arises, the project will be able to move funds to this component in order to swiftly react to declared disaster.

83. The Project will also support the identification and integration of community emergency response measures in the community resilience plans (1.1) that respond to the anticipated impacts of climate change, outbreaks of diseases and pests, establish community-based early warning systems for climate hazards and utilizing local knowledge and modern technology to forecast weather patterns and potential disasters. In the event of any declared calamities, the project will refer to the community emergency measures in the CRPs to reallocate resources in areas such as land clearing, bridges reconstructions, water and seed supply, drainage systems, depending on the nature of the calamity.
84. A detailed list of eligible activities has been included in the Project Implementation Manual (PIM). A causal link between the Crisis and/or Eligible Emergency need to be present to trigger the component. Hence, the emergency must be linked to an event that has caused, or is likely to imminently cause, a major negative environmental, economic and/or social impact. Emergency activities will be implemented through the existing A2R2 project structure by inclusion in the AWPB. Activities can only be implemented in the active targeted project area. Selection of beneficiaries shall be done based on targeting criteria as been developed under the Project. Up to 5% of the unused project funds can be used to finance this component. Procurement, safeguards and fiduciary aspects have been captured in the PIM and will be further fine-tuned during implementation.

Component 2: Support to sustainable agricultural productivity and livelihoods

85. The expected outcome of this component is increased and sustainable production and productivity of crop and livestock, leading to positive impacts on livelihoods, food and nutrition security, and household asset ownership. This component will be divided into three sub-components.
86. **Outcome 2.1 Increased Crop production through adoption of climate resilient agricultural practices and varieties**
 - a) Adoption of climate resilient agricultural practices to increase productivity;
 - b) Provision of quality inputs, including seed and planting materials; and
 - c) Owner managed small irrigation facility, for innovation demonstration purposes..
87. The major outcome from this sub-component is increased production and yields of crops for food and nutrition security and incomes through the adoption of sustainable and resilient farming practices.
88. The following outputs will be undertaken under this outcome.
89. ***Output 2.1.1 Climate resilient agricultural practices introduced, and promoted among farmers to complement Output 2.2: Vulnerable households implement nature-based solutions and climate-resilient technologies and practices across productive landscapes (farm and pasture lands in GEF-ASAP+)***
90. The SIRAP will support the sustainable, inclusive, and resilient recovery of the country's agriculture and food systems in a changing climate, building and complementing on the GEF and ASAP+ interventions in output 2.2 to promote nature-based solutions and climate-resilient technologies and practices across productive landscapes. Farmers will be supported in adopting appropriate locally adaptable proven climate smart technologies to increase crop productivity, as well as diversification, rotation and intercropping of crop species that support resilience and productivity and can contribute to soil restoration such as planting of cover crops and legumes. Building on CSA adoption studies to be conducted under GEF A2R2 project, SIRAP will conduct CSA trainings for smallholder crop producers and support demonstration for new technologies such as zai pits (for water and soil conservation), use of improved drought tolerant crops and biofortified seeds for nutrient

rich crops such as beans, orange fleshed sweet potatoes in the FMS using the FFS approach. Through FFS, the Project will provide trainings to farmers on best agriculture practices, integrated pest management, locust outbreak early detection and management with proven bio-pesticides⁴², use of organic fertilizers, soil conservation measures, climate smart agriculture and sustainable water management to foster environment sustainability and climate resilience besides the GAP for the newly introduced seed varieties.

91. In partnership with existing stakeholders, the Project will further support
 - a. integration of nutrition messaging in training to increase consumption of diversified nutrient dense food crops in FFS; and
 - b. collaborate with research centres at state level in establishing adaptive trials on legumes and multi-stress tolerant crop varieties from international research institute such as ICARDA, piloting and demonstration of cost- effective climate resilient technologies to bring onboard global experience.
92. The Project will engage an agriculture and rural development sector specialist to lead the delivery of this sub- component. The activities will be promoted by SADAR staff and last mile providers such as village based agents within the FFS (VBA) or Private sector extension services(seed suppliers) providers.
93. **Output 2.1.2 Quality inputs, including seed and planting materials are availed to beneficiaries**
94. In line with GEF activities to avail improved inputs, the SIRAP will support Somalia's community seed system by: i)working with government research centres, community elders as well as private seed companies to introduce high yielding and drought tolerant varieties to farmer groups/ FFS. In order to make these interventions successful, the project will conduct a multi-stakeholder workshop for a more inclusive and participatory approach to adoption of new seed varieties.
95. In accordance with the Somalia seed and varieties act as well as internationally accepted standard of ISTA and UPOV, the project will:
 - a) Partner with the Somali Agricultural regulatory agency (SARIS) to establish seed field trials for new varieties and initiate release of 3 new improved varieties to the farming communities after DUS and NPT are conducted.
 - b) Finance 5 seed field trials around the Farmer Field School(A2R2 Outcome 2.2, Output 2.2.1) of the selected improved varieties as demonstration site for farmers to ensure participatory evaluation of new seeds.
 - c) Further to successful trials, avail improved seed to private seed companies from research for multiplication throughout-grower schemes. Selected private seed companies will process, treat and package for distributing to farmers through setting up outlets at the project sites selling seed at subsidized prices through VBAs to farmer groups.
 - d) The Project will invest in supporting eligible smallholder farmers to access owner managed modern and climate proofed micro- irrigation systems that will enable them to produce all year long. This so-called – one-acre irrigation kit will be distributed to farmersfor demonstration purposes with contribution in-kind from the benefiting farmer. Criteria for targeting households will include gender, age, poverty level and household size and production potential, willingness to host other farmers for learning and ability to contribute the co-financing.
96. **Outcome 2.2. Improved livestock production.**
97. The expected output is increased livestock production and yields, for poultry and small *ruminants* considered to contribute to improving the consumption of diversified diets

⁴² The use of biopesticides e.g. based on the fungus *metarhizium acridum* not affecting non-targeted species has proven to be up to 90% effective in the Horn of Africa and avoid harm to human health, beneficial insects for the agricultural and honey production and the environment. See [this report on the locust outbreak 2019 -2021](#) and [this report on pesticide and biopesticide use for locust management in the Horn of Africa](#).

inclusive of animal source foods. Support will be provided to profiled livestock producers identified in the community interventions with associated social behaviour change strategy to improve consumption at household level. The following outputs will be undertaken under this outcome.

98. **Output 2.2.1 Climate resilient animal husbandry practices introduced, promoted to support increase livestock productivity among project beneficiaries**
99. The agro-pastoral, pastoralists and animal herders in Somalia are vulnerable to a variety of extreme climate-induced events/ shocks, including floods, droughts and diseases. In achieving this output, the project will complement rangeland management activities in GEF by:
 - a) contributing to the participatory development and implementation of rangeland development plans 2.2.3 of GEF by conducting rapid assessment on climate-resilient livestock production that will inform introduction of locally adaptable practices and technologies.
 - b) SIRAP will provide training and technical assistance to farmers and herders on climate-resilient livestock production and husbandry practices (such as feed and grazing and watering management within the farmer field schools complementing (GEF Output 2.2.1). This will be complemented by training of community leaders and local administration on the need to adopt the national rangeland management policies.
 - c) In partnership with government and private sector actors, setting-up farmer field level demonstrations for improved and drought tolerance seeds of fodder integrated with other cash crops like beans through either intercropping or crop rotations to strengthen animal feed productions as part of resilience capacities to climatic shocks to complement output 2.2.3 of the GEF components.
 - d) Additionally, the Project will improve the capacity of farmers and herders to manage climate risks through improved access to or delivery of health services to prevent or manage animal diseases (which are enhanced by climate change). This will involve procurement of medicine including farmer vet-kit and capacity-building on their use during FFS through trained Animal health personnel, as well as capacity-building on safe handling of water, isolation practices, culling etc to reduce risks of contamination.
100. The Project will further facilitate women's access to service providers and support the development of women entrepreneurs in livestock service provision such as growing alternative native fodder crops, such as sugar graze and super napier grass by increasing their access to inputs and necessary production and allied services and technologies and facilitating their access to training on for example; proper seed selection techniques and production, mixing, storage and selling of fodder. For commercial-oriented women led cooperatives, the project will consider providing small scale animal feed mills/ silage machines.
101. **Output 2.2.2 quality inputs and improved breeding stock through improved health care workers**
102. The genetic makeup of animals that can adapt to extreme environments is reflected in their productive and reproductive performance. Somalia lacks animal breeding *institutions* that can develop new breeds with morphometric features or traits such as feed efficiency, disease resistance, heat tolerance, and adaptation to poor-quality diets. The project will partner with local public and private research organization and animal health associations in the use of Artificial insemination (AI) among farmers to address these constraints.
103. The Project will collaborate with research institutions to train animal health service workers on AI in order to improve the breeding stock. Animal health service workers will also be capacitated on AI and as well as the latest animal health techniques to demonstrate to FFS groups.
104. The Project will engage a livestock sector specialist to lead the delivery of this sub-component.
105. **Outcome 2.3. Improved value addition, agro-processing and market linkage.**

106. Three major **outputs** are expected from this sub-component:
107. **Output 2.3.1 Provision of post-harvest technologies and market linkages to.–**
108. Informed by the CDPs and needs of CBOs supported in component 1. Additionally, the Project will conduct a post-harvest loss study that will inform post-harvest investment options for the project. Such technologies will include i) hermetic storage technologies⁴³, green technologies for post-harvest handling, such as solar dryers, solar-powered cooling systems to CBOs and FFS groups aimed at preventing losses; ii) finance selected cooperatives and FFS groups with agro-processing equipment such as medium size multi-grain milling, milk and oil processing machines as well cold storage and cooling systems to support vegetables and milk at market places, and small packaging machines for selected crops through the revolving fund facility set up through GEF financing⁴⁴. SIRAP will provide training on the use of the supplied equipment. Active business oriented and registered cooperatives, CBOs and FFS or farmer associations groups will be selected to ensure sustainability. At the start of the project, the PMU will develop selection criteria for cooperatives to ensure fair competition for access to project matching grants. Priority will be given to women owned/led cooperatives.
109. The Project will bring together producers, aggregators, brokers, retailers, processors among others to state level workshops to strengthen relationships between value chains actors and market linkages.
110. The *project* will engage a Market and Agribusiness Development Specialist.
111. **Output 2.3.2 Training on Entrepreneurship**
112. SIRAP will co-finance the entrepreneurial development activities under GEF and scale the interventions to districts not covered under GEF funding output 1.2.2. Overall, this activity seeks to provide business skills to individuals as well as build capacity of the VSLAs to effectively serve their members interests. In a bid to promote *sustainable* channels of equipping poor households with the knowledge and skills that will enable them undertake new climate proof income generating activities, the project will aim at easing access to training materials, tools, information and community-based trainers. The Project will facilitate i) developing and printing of training manuals and tools, translating Information, Education and Communication (IEC) Charts/materials on entrepreneurship ii) recruiting, facilitating and equipping community-based trainers with the necessary tools to enable them continue supporting the VSLAs as developed under component 1.3 of the GEF project.
113. The Project will facilitate training of individual members of the FFSs on different value chains and link them to both input and output markets through aggregators and aggregation centres. The trained individuals/HHs that also double as members of the VSLAs, will be facilitated to form successful group business units to take advantage of the revolving loans fund facility developed through GEF. Entrepreneurs will be linked to finance through the GEF financing.

Component 3. Monitoring, evaluation and accountability

114. This component focuses on the monitoring, evaluation and knowledge management approaches of the project and how the results will be used for reporting, decision making and project improvement.
115. For effective monitoring and evaluation to be achieved the Project will deploy an online monitoring and evaluation system (web-based M&E system) for M&E reports, generation of results dashboard, data aggregation, analysis, and dissemination through interactive web forms and dynamic reports.
116. Onsite or on-ground monitoring will be the biggest source of data to track and report on the key achievement of project deliverables and low-level outcomes (intermediate

⁴³ a cost-effective technology that will help farmers store their produce longer and reduce losses caused by storage pests as well reduce humidity that could potentially be the reason for fungal proliferation resulting in aflatoxin.

⁴⁴ Banks, Microfinance institutions, FinTech's and Insurance companies will be brought on board as enablers of the financial intermediation for the VSLAs. These institutions will be supported to design pro-poor products, tailored to the needs of the poor households.

outcomes and disaggregating beneficiary data by gender, age, deliverables and the location of the intervention. Participatory or joint monitoring and evaluation will be deployed to honour the perspectives, voices, preferences, and decisions of the least powerful and most affected stakeholders (the local beneficiaries) in a bid to ensure that monitoring is done with these key groups rather than done to them. The Project will integrate specific indicators to track and measure the project's impact on the environment and its response to climate change.

117. Additionally, SIRAP will systematically collect information about external conditions and factors relevant to the implementation and performance of the project strategies and activities. This is intended to identify and mitigate risks, assumptions, or any unexpected situations that may arise within the institutional, political, financial, and policy context at any point during the project cycle.
118. Furthermore, SIRAP will undertake a yearly data quality audit (DQA) to ensure the validity, reliability, precision, integrity, and timeliness of monitoring data to determine if the monitoring data is reasonably meeting data quality standards to be useful for monitoring program performance, reliable for management decisions, and credible for reporting.
119. In terms of reporting, SIRAP will generate reports that will help the managers and stakeholders to detect potential or upcoming risks during projects, to monitor and gauge progress, showcase success, and document lessons learned. The reporting system of the project will focus on results or outcomes achieved including on environment and climate change.
120. Among these reports, is a semi-annual that will be produced every six months after the start of the project to assess progress, the descriptions of activities performed, outcome and indicator results to date, upcoming activities, challenges, lessons learned, and corrective actions undertaken. An annual project progress report (PPR) will be produced yearly to assess progress against performance targets, performance indicators, lessons learned, challenges, coordination with external actors, and any corrective actions or strategic changes undertaken within that year.
121. SIRAP will also produce study reports which include a baseline report that will comprehensively cover existing pre-conditions for the key indicators prior to the commencement of the project interventions. Midterm evaluations (MTEs) report will also document the continued relevance of the project intervention, the progress made towards achieving its planned objectives and opportunities for modifications to ensure the achievement of the objectives within the lifetime of the project. Besides, a terminal evaluation (TE) will be produced to provide a snapshot of the project performance (in terms of relevance, effectiveness, and efficiency), and determine the degree of achievement and/or likelihood of outcomes and impacts (actual and potential) stemming from the project, including their sustainability.
122. SIRAP will support training sessions and workshops for project staff and stakeholders on environmental sustainability and climate change adaptation and mitigation and implementation of ESCMF.
123. Environmental Social and climate change assessments will be carried for all infrastructure projects and ESMP implemented and monitored as part of the overall project monitoring and evaluation.
124. SIRAP will support analysis of existing policies and regulatory frameworks in the agriculture sector both at the Federal and targeted Federal member states to identify gaps and opportunities as well as develop policies to support strengthening environmental and climate mainstreaming and governance in agriculture.

Table 1: M&E reporting documents and timeframe

M&E/ Reporting Document	How the document will be used	Timeframe	Responsible
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Inception Report	Summarize decisions made during the inception workshop, including changes to project design, budget, Results Framework, etc.	Within three months of inception workshop	PMU Project Manager and M&E Officer
Project Progress Report (PPR) with Result Framework and work plan tracking.	- Inform management decisions and drafting of annual work plan and budget; - Share lessons internally and externally; - Report to the PSC and GEF Agency on the project progress.	Every six months	PMU Project Manager and M&E Officer
Mid-term Project Evaluation Report	- Mid- term report based on midline household survey; Component - Recommendations for adaptive management for the second half of the project period; - Inform PSC, GEF and other stakeholders of project performance to date.	Midterm	External expert or organization
Project Completion Report	- External endline impact survey and evaluation of the overall project; - Recommendations for GEF and those designing related projects.	Before project completion	External expert or organization

125. For evaluations and other special studies, SIRAP will adapt a mixed-method evaluation approach involving key stakeholders in evaluation design to measure progress against the program's Theory of Change and the performance of the key indicators. A quasi-experimental design will be adapted for baseline, midterm, and for the terminal evaluations and comparison groups that is as similar as possible to the treatment group in terms of baseline (pre-intervention) characteristics will be identified and established for comparison during midterm and after completion.
126. SIRAP will design a robust and functional beneficiary feedback mechanism to solicit and respond to the views of the beneficiaries for resolving issues and concerns raised by beneficiaries, strengthening relationships with communities, identifying gaps and areas for improvement, and to provide an opportunity to improve projection in a manner that is safe, non-threatening and accessible.
127. **Outcome 3.1: Project progress and results systematized to improve management, promote learning, and support up-scaling of best practices**
128. This component will focus on the monitoring and evaluation approaches of the project focusing on the processes and methods that will be used to measure results during implementation of the project. The data collected and analysed will be useful for monitoring the performance of the project activities, adaptively manage the project based on continuous learning, make evidence-informed programmatic decisions, and support accountability to beneficiaries, IFAD, GEF and the project participants. The proposed monitoring approach will primarily employ routine monitoring which encompasses process monitoring, context monitoring, beneficiary monitoring, beneficiaries and result monitoring, evaluations and ICT4D.
129. **Indicator:** Management decisions are informed by the Project monitoring and KM system results.
130. **Output 3.1.1: Effective monitoring and evaluation plan implemented**
131. A monitoring and evaluation (M&E) plan that details how the whole M&E system for the program works will be developed. This includes the indicators, who are responsible for collecting them, what forms and tools will be used, and how the data will flow from different levels. The M&E plan will be used to systematically organize the collection of specific data to be assessed, indicating roles and responsibilities of project/plan stakeholders. This

document will ensure that relevant progress and performance information is collected processed and analysed on a regular basis to allow for real-time, evidence-based decision-making through various processes and methods for monitoring (such as regular input and output data gathering and review, participatory monitoring, process monitoring) and for evaluation (including impact evaluation and thematic, surveys, economic analysis of efficiency) and the Management Information System, which is an organized repository of data of the project (often geo-referenced) to assist managing key numeric information related to the project/plan and the analysis.

132. **Indicator:** Project M&E Plan implemented
133. **Output 3.1.2: Effective communication strategy and knowledge management system established**
134. In the project knowledge management domain, the focus will be on generation, packaging, and dissemination of knowledge products to various categories of smallholder farmers, partners, and government institutions. The project monitoring, evaluation and the knowledge management unit will put user friendly systems (knowledge management system) in place for the projects to systematically capture, codify and disseminate experiences and lessons for the project improvement and future programming. Under the Output 3.1.2 "Communication strategy rolled out and knowledge products disseminated", the project approaches on knowledge generation, management and dissemination strategy will focus on investing in people through the establishment of a knowledge management group, recruitment of dedicated staff to generate, manage and facilitate knowledge sharing. As well, the Project will invest and enhance knowledge production processes through the creation of an enabling environment to enhance culture of ongoing knowledge generation and sharing. The enabling environment will be created through the inclusion of knowledge management deliverables and competencies in the staff performance and appraisal. Additionally, the project will invest in technologies for knowledge management and dissemination, specifically on the platforms that foster knowledge sharing and that also provide easy access to knowledge, such as online discussion for a, communities of practice, knowledge networks as well as online knowledge management platforms such as extranet, research and insights libraries and social media. As well the project will invest in good governance so that the staff are supported and encouraged to carry out knowledge management in a systematic and strategic way.
135. A learning agenda which includes a set of questions addressing knowledge gaps and the related tasks (studies and evaluations) to address the knowledge gap will be developed at the inception phase and through the project life cycles. The learning agenda is intended to support the validation of the project assumptions and hypotheses during the implementation phase, support informed decision on the best strategies to be deployed and discover any knowledge gaps identified during the design and at the inception phase.
136. Finally, annual knowledge fairs, learning events or after-action review meetings will be conducted to showcase the project results through demonstrations and booths displaying information about the project. The project will also document lessons learnt and other knowledge products through annual performance reports (APRs), briefing notes, infographics, flyers, knowledge platforms, project performance reports (PPRs), mid-term evaluation reports (MTRs) and terminal evaluation reports, project stories and project videos. The production of knowledge products is aimed at informing or influencing decision-makers to improve development policies, programmes, practices, products, skills and competencies.
137. The Project will devise a communication strategy that considers the interests of the project's diversified target groups: policymakers, UN bodies, local and international NGOs, GEF, beneficiaries, project staff, institutions and interest groups, and academia. The project communication and dissemination strategies will outline key messages, target audience, mechanisms, and activities related to facilitating the dissemination of information through the channels or events such as media (broadcast and print media), meetings (face-to-face interactions, workshops, seminars, conferences, quarterly/review meetings, briefings, focus group meetings (e.g. village development committees), and policy forums), publication (brochures, calendars of events, information bulletins/folders,

pamphlets, bibliographies, and newsletters), during training or presentation sessions, public events and websites (project website, project partner's website, private sector companies, scientific and innovation institutions, and project website).

Table 2: Knowledge management metric

Knowledge product/activity/system	Measurement indicators/metric
Learning event/annual knowledge fair	• Number of learning events conducted • Number of persons participating in learning events disaggregated by gender
Knowledge products disseminated	• Number of knowledge product disseminated, upload in knowledge management platforms and the frequency of dissemination • Number and type of user feedback mechanism(s) on knowledge needs
Community of practice	• Number of practice meetings or sessions organized • Number of inbound, outbound (reciprocated) connections of policy advisors and community members within the corporate social network
After action reviews/quarterly meeting	• Number of quarterly reviews/after action reviews conducted
Briefing notes	• Number and description of briefing notes distributed)
Knowledge platforms/system	• # of contributions (differentiated by content type, discussion subscribers, posts, and replies; and repository submissions, searches, and retrievals

138. **Indicator:** Communication strategy including a knowledge management system developed.
139. **Outcome 3.2. Institutional capacity building.**
140. This sub-component will strengthen the capacities of government staff at national, state and district levels and other non-state actors to facilitate participatory planning and development processes. It will also support relevant policy and regulatory analysis work that will help to strengthen the national policy and regulatory framework for climate change adaptation, resilience, livestock, agriculture and rural development.
141. **Output 3.2.1: Capacity building of the MoAI and MoLFR at FGS and corresponding line ministries at the FMS level.** In line with Somalia's National Development Plan (NDP-9) agriculture and livestock sector strategy and considering that Ministry of Agriculture and Irrigation (MoAI) and Ministry of Livestock, Forestry and Range (MoLFR) - (at FGS and FMS levels) - are still under institutional setups, the project will strengthen institutional capacity to deliver services to improve crop and animal productivity. The project will support the technical capacity building for staff at the national, state, and district levels expertise in livestock management, animal health, plant health, and market development. Gender equity will be taken into account during the identification of the candidates to benefit from such training. Exposure visits and short-term training will be supported to boost the availability of high-quality professional resources within the sectors.
142. Most of the offices lack basic setups at the FMS level. In order to enhance the capacity of the state-level ministries of agriculture and livestock to deliver services, the project will identify and support institutions' facilities and equip them, including office, IT equipment.
143. **Output 3.2.2 Support agriculture and Livestock policy assessment to analyse and identify policy gaps at corresponding line ministries at FGS and FMS levels.** The

project will support an agriculture and livestock policy assessment to analyse and identify policy gaps and subsequent technical assistance to formulate new or updated policies and accompanying action plans for rollout. Among key policies where technical assistance will be supported include policies around seed systems, rangeland management and extension services. . The project will facilitate the review/updating of the sector policies with the participation of the FGS/FMS/ and other relevant stakeholders.

144. **3.2.3 Establish/Strengthen linkages with regional institutions on knowledge and experience sharing.** The Project will also support investments in establishing and strengthening regional knowledge-sharing partnerships with regional institutions. These include CGIAR institutions, Kenya Agriculture and Livestock Research Organization (KALRO), IGAD, Agriculture Transformation Agency (ATA), Prominent agriculture and livestock trade organizations, and other knowledge networks. These partnerships will form the foundation of technical capacity enhancement for MoAI and MoLFR at the FMS and FGS levels. The project will also work closely with international research centres such CGIAR and ICARDA to build the capacity of federal and state line ministries of agriculture and livestock research centres and organize study tours for selected countries with similar agro-ecological and climatic conditions as Somalia.

Table 3: Institutional capacity building. Summarized activities and targets

Outputs	Summarized activities	Targets	Indicators
3.2.1 Capacity building of the MoAI and MoLFR at FGS and corresponding line ministries at the FMS level	Conduct capacity needs assessment of MoAI and MoLFR at federal and FMS.	2 capacity assessments (1 federal, 1 at FMS)	# and description of capacity needs assessments conducted
	Conduct training workshops and capacity-building programs based on the results of the needs assessment (short courses and technical backstopping)	TBD	# and description of capacity-building initiatives
	Refurbishment and/ or upgrading of relevant institutions' facilities at FMS level (4 States)	TBD	# of facilities upgraded
3.2.2 Assessment of agriculture and Livestock policy at FMS level to analyse and identify policy gaps	Conduct agriculture/livestock policy assessment at FMS to analyse and identify policy gaps	2 Assessments (1 agriculture, 1 livestock)	# and description of policy assessments conducted
	Technical assistance to formulate or update policies and accompanying action plans for the rollout at MoAI & MoLFR at the federal and FMS level	TBD	# of policies updated/formulated. # of action plans rolled out
3.2.3 Establish/Strengthen linkages with regional/international institutions on knowledge and experience sharing.	Facilitate the line ministries in fostering partnerships with regional/international institutions—attending workshops, training, exposure visits, research collaboration etc)	4 partnerships (2 agriculture; 2 livestock)	# of MOUs established with regional/international institutions

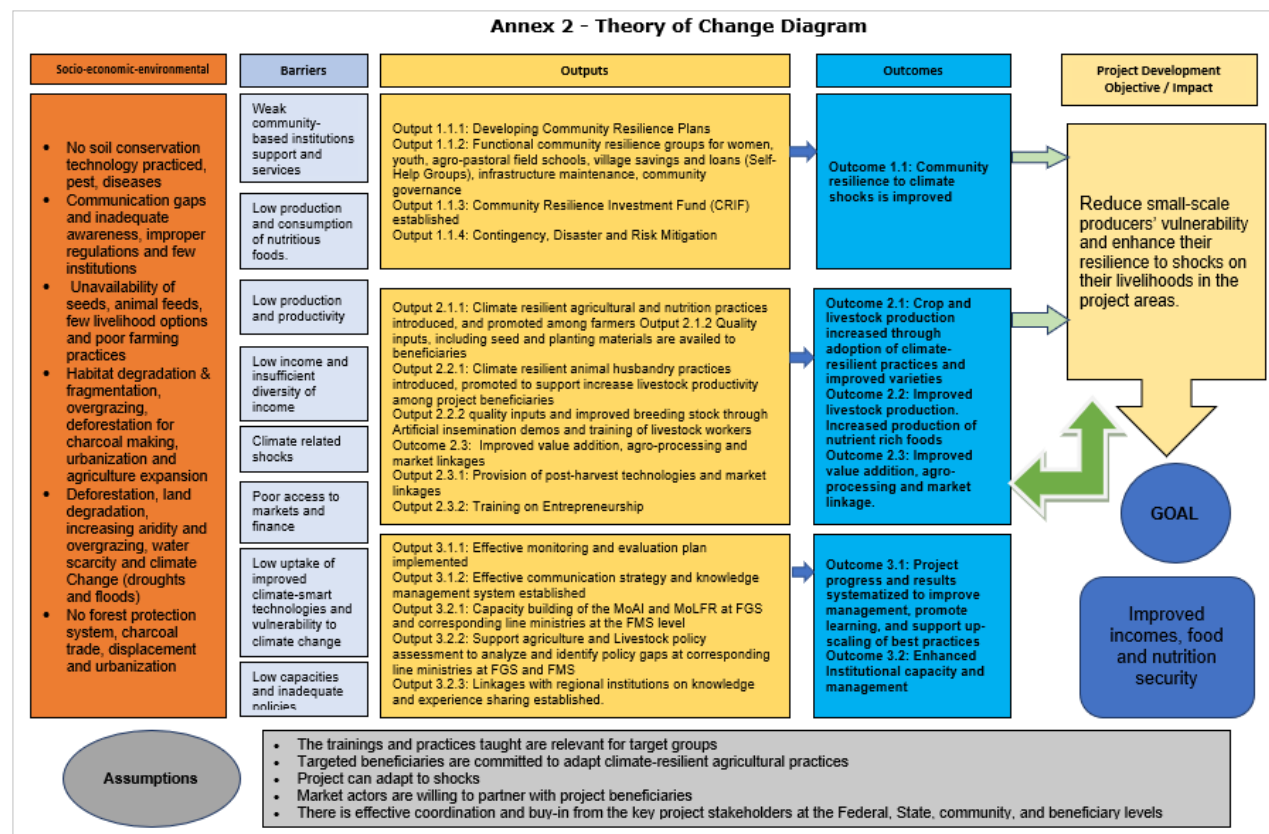
F. Theory of change

145. The Project aims at reducing the vulnerability of small-scale producers (men, women and youth), and strengthening their resilience to shocks by improving their livelihoods, nutritional security and incomes in the project areas. In order to achieve this long-term objective, the SIRAP activities will complement the GEF and ASAP+ co-financed components, which focuses on increasing resilience such as access to finance, adaptation to climate change impacts, conservation of biodiversity and sustainable use of natural resources to achieve land degradation neutrality.
146. Underlying challenges faced by smallholders include weak and non-inclusive community-based organizations, low production and productivity. This is from the one hand due to low uptake of improved production and climate-smart technologies. Somalia is also to climate change (e.g -droughts, floods, loss of biodiversity, land degradation) and has poor access to markets and finance. Limited consumption of nutritious foods has an effect on well being and inhibits longerm development..
147. SIRAP is structured around two complementary areas: (i) strengthening the community resilience as well as the climate and conflict risk management, and (ii) support for sustainable agricultural productivity, livelihoods and access to markets to achieve the project development objective.
148. SIRAP will strengthen the technical and organisational capacities of local communities inclusive of women and youth to draw up community development plans, which will be implemented through the fund established under the project to address vulnerabilities to shocks through investments in community climate-resilient water, production and post-harvest infrastructure and natural resource management interventions relevant for developing resilient livelihoods.
149. Further to investments in community-related infrastructure and developing capacities of CBOs, SIRAP will strengthen the technical skills of small-scale groups (women, youth and men farmers) within the FFS framework set up under the GEF and ASAP+ activities for A2R2. These areas will include availing climate-smart technologies, integrating of nutrient rich crops and education, post-harvest management, and entrepreneurship ,access to finance and market linkages.
150. At the institutional level, the project will build the capacity of relevant Federal and States ministry staff and will provide technical assistance to update policies and accompanying action plans for MoAI and MoLFR deployment at federal and FMS levels for the success of project interventions. Specific topics for policy engagement include seed systems development, rangeland management and extension services.
151. The investments at community, group and institutional levels will lead to improved production and productivity for the target groups (women, youth and men) through improved access to technologies and an enabling environment. This will contribute to the reduction of small-scale producers' vulnerability, enhance resilience to shocks on their livelihoods and improve their nutrition security and incomes in the project areas. Ultimately, the project will improve incomes, food and nutrition security. Investment in women groups owning enterprises specifically for value addition through provision of post-harvest technologies, production led small-scale women farmers and promoting saving and lending practices will enhance income generation and women empowerment in the community. Also, investment in climate resilient agricultural practices and nutrition rich crops and improving livestock production combined with specific trainings on nutrition will produce nutritional outcomes for the community.
152. The Theory of Change (ToC) is based on the premise that if communities are strengthened, access critical investments in infrastructure for their livelihoods and receive the necessary technical production and post harvest support, access financial services and production inputs, access post-harvest technologies and markets, then they would become more cohesive, increase their production and productivity, improve incomes and then they will

become more resilient to shocks, achieve food and nutrition security and improve livelihoods.

153. The success of the interventions will depend on trainings and practices taught are relevant for target groups, targeted beneficiaries are committed to adapt climate-resilient agricultural practices, project is able to adapt to shocks, market actors are willing to partner with project beneficiaries and effective coordination and buy-in from the key project stakeholders at the Federal, State, community and beneficiary levels.

154. The ToC diagram is presented in Annex 02, as below.



G. Alignment, ownership, and partnerships

155. Alignment to IFAD Country policy and SDGs

156. The SIRAP project is aligned with the goal of the IFAD Country Strategy Note⁴⁵ (CSN) to "sustainably enhance the resilience of poor rural households and their communities to external shocks" through sustainable NRM, promotion of climate smart agriculture (CSA), preservation of biodiversity, and reinforcement of the livestock sector. SIRAP will address the three strategic objectives (SOs) of the CSN:

- SO1 - Improved sustainable and climate-resilient management of water infrastructure. SO1 will contribute to the SDGs: Clean Water (6), Climate Action (13), Peace and Justice (16);
- SO2: Building resilience to food insecurity and nutrition, specifically targeting the most vulnerable groups such as women and youth. SO2 will contribute to the SDGs: Zero Poverty (1), Zero Hunger (2), Gender Equality (5), Climate Action (13), and Life on Land to Preserve Biodiversity (15); and
- SO3 - Strengthening the institutional, organizational and technical capacities of actors at all levels, enabling participatory NRM, the elaboration of integrated development

⁴⁵ IFAD (2021). Country Strategy Note (2022-2023), Report No: 6032-SO, 30-Dec 2021. NEN Division PMD.

plans, M&E, and scaling up. SO3 will contribute to SDGs: Reduced Inequalities (10) and Sustainable Management/Use of Natural Resources (12.2).

157. **Alignment to national policies.** The 9th National Development Plan (NDP-9) 2021-2024. The NDP-9 elaborates a vision and direction for Somalia's socio-economic development and poverty reduction agenda. NDP-9 plan emphasizes the need for climate-smart pastoralism and agriculture, disaster management, water infrastructure development, and investments in renewable energy to mitigate the negative impacts of climate change. NDP 9 acknowledges that the poor are the most vulnerable to shocks, and if Somalia is to achieve the objective of poverty reduction it must be through the ability to invest in resilience. Natural resource management, biodiversity and resilience to climate change are considered as cross-cutting policies (imperatives) together with gender, human rights and social equity.
158. The National Disaster Management Policy (2018), which aims to improve community resilience and preparedness in the face of disaster and climate emergencies in order to significantly reduce the loss of lives and property;
159. SIRAP is in alignment with the Somalia National Adaptation Programme of Action (NAPA) and The Somalia's Intended Nationally Determined Contributions (NDCs), (2015). prepared in line with the UN Framework Convention on Climate Change (UNFCCC) and the decision of the "Lima Call for Action", include the policy, plans and mitigation and adaptation projects intended to achieve the Somalia objectives in terms of mitigation and adaptation to climate change. SIRAP will contribute directly to what the INCs have identified as potential remedial measures to overcome deforestation and pasture degradation, and which are: (1) sustainable land management and food security through enhanced productivity; (2) develop activities on integrated water management; (3) reducing risk among of vulnerable populations from natural disasters.
160. The SIRAP Project is aligned to the national priorities for the agriculture sector defined in the NDP-9, including: (i) improving the productivity of farming systems; (ii) ensuring the inclusion of vulnerable groups, particularly women, the youth and IDPs in project implementation; and (iii) ensuring that environmental protection is adequately factored into the design and implementation of interventions. The NDP-9 acknowledges that the poor are the most vulnerable to climate change shocks, and if Somalia is to achieve the objective of poverty reduction, it must invest in climate change resilience, as a cross-cutting policy, along with NRM, biodiversity, gender, human rights and social equity. In its updated (31 July 2021) NDC to the UNFCCC, Somalia committed to reduce its GHG emissions by 30% cent by 2030.
161. **Country Ownership.** FGS officials have been closely involved in the design of the SIRAP, as a strategic co-financing project of the A2R2 project, complementing the GEF/ASAP+ funding and extending the scope of the interventions for supporting small holders to access to market. The participating states are expected to sign off on their roles and responsibilities before the commencement of implementation of SIRAP and commit to be closely involved in the selection and mobilization of the communities. Government also proposed the implementing partner for SIRAP.
162. **Partnerships.** The SIRAP co-financing is integrated to the GEF/ASAP+ funding of A2R2, SIRAP will benefit from IFAD's membership of the Somalia UN Country Team and the Development Partners Forum to harmonize its implementation with that of related rural development interventions by government and development partners. The partnership with the UN agencies working in Somalia, especially the United Nations Development Programme (UNDP), FAO, and WFP, will be strengthened for synergy in the humanitarian-development spectrum.
163. **South-South and Triangular Cooperation** partners will be engaged for Knowledge Management and forging bilateral partnerships. Within the wider IFAD portfolio, learning from the use of greywater systems as done by for example has been done by the Bahia PSA programme in Brazil will be explored. Here special water treatment systems have been installed in order to recycle water from other resources for agriculture. A dedicated budget has been included in the project to facilitate learning on both the system as well as installation, maintenance and social mobilisation. In addition, special operational

partnerships with the World Bank's Water for Agro-pastoral Productivity and Resilience Project (2019-2023), and the Somalia Crisis Recovery Project (2020-2025) will also be developed.

H. Costs, benefits and financing

Project costs:

164. **Costs by financing windows.** The proposed SIRAP window of US\$16 million is to co-finance an already approved A2R2 project of US\$24.04 million financed by GEF/ASAP+. This will bring the combined financing to US\$40.04 million of which SIRAP 40% (US\$16 million) and GEF/ASAP+ 60% (US\$ 24.04 million). This is summarised in the table below.

Table 4: Project costs by components and financing windows

SOMALIA A2R2 With Co-Financing from Somalia Integrated and Resilient Agricultural Productivity (SIRAP) Components by Financiers (US\$ '000)													
	GoS		SIRAP		IFAD ASAP+		GEF		Ben Contribution		Total		Local (Excl. Taxes)
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	
A. Community Resilience, Climate and Conflict Risk Management													
1. Community-Based Institutions and Services Strengthened	-	-	1 821	34	-	-	3 500	66	-	-	5 321	13	109
2. Community Resilience Investment Fund (CRIF) Established	502	5	5 344	58	1 000	11	2 320	25	115	1	9 282	22	95
3. Contingency, Disaster and Risk Mitigation	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	502	3	7 165	49	1 000	7	5 820	40	115	1	14 602	35	203
B. Support to Sustainable Agricultural Productivity and Livelihoods													
1. Crop Production Improved	11	0.1	1 347	18	1 580	21	4 495	60	75	1	7 507	18	145
2. Improved Livestock Production	7	0.1	1 602	25	1 900	29	2 800	43	194	3	6 504	16	182
3. Improved Value Addition, Agro-processing and Market Linkage	137	3	2 512	54	-	-	1 650	35	376	8	4 675	11	306
Subtotal	155	1	5 461	29	3 480	19	8 945	48	645	4	18 686	45	632
C. Monitoring, Evaluation and Accountability													
1. Project Progress and Results Systematized to Improve Management, Promote Learning, and Support Up-scaling	5	0.2	1 224	59	266	13	598	29	-	-	2 093	5	-
2. Institutional Capacity Building	-	-	582	40	-	-	864	60	-	-	1 447	4	59
Subtotal	5	0.1	1 806	51	266	8	1 462	41	-	-	3 540	9	59
D. Project Management & Coordination	-	-	1 568	34	2 254	49	812	18	-	-	4 634	11	72
Total PROJECT COSTS	663	2	16 000	39	7 000	17	17 039	41	760	2	41 462	100	966

165. **Component-wise cost allocation weights.** Of the total SIRAP financing of US\$ 16 million, the biggest allocation is to component 1 that will take up 44% (US\$ 7.16 million). This is followed by component 2 that will take up 34% (US\$ 5.46 million). Component 3 amounts US\$ 1,8 million which is 11% of the total costs. Component 4 consists of the recurrent project costs consisting of US\$ 642,000 for Salaries and Allowances and US\$ 158,000 for officer operating costs. Component 4 also includes some non-recurrent projects costs such as equipment purchase (goods and services), refurbishments (works) and state level support (technical assistance and consultancies) in the amount of US\$ 768,000. All these are shown in the table above.

166. **Expenditure of category allocation weights.** Of the total SIRAP financing of US\$ 16 million, investment categories account for 92% (US\$ 14.8 million). Recurrent costs account for 5% (US\$ 0.8 million). The relative weights of each individual expenditure category are presented in the table below.

Table 5: Project costs by expenditure categories and financing windows

SOMALIA A2R2 With Co-Financing from Somalia Integrated and Resilient Agricultural Productivity (SIRAP) Expenditure Accounts by Financiers (US\$ '000)													
	GoS		SIRAP		IFAD ASAP+		GEF		Ben Contribution		Total		Local (Excl. Taxes)
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	
I. Investment Costs													
A. Works	5	4 561	46	501	5	4 185	42	115	1	9 864	24	15	9 346
B. Training and Capacity Building	-	4 217	36	2 665	23	4 299	36	645	6	11 826	29	439	11 387
C. Consultancies, Studies & TA	-	4 420	48	750	8	4 017	44	-	-	9 187	22	304	8 883
D. Goods Services and Inputs	3	1 852	30	918	15	3 316	53	-	-	6 247	15	193	5 894
E. Grants and Subsidies	-	151	29	-	-	363	71	-	-	514	1	15	498
Total Investment Costs	2	15 200	40	4 835	13	16 180	43	760	2	37 637	91	966	36 009
II. Recurrent Costs													
A. Salaries and allowances	-	642	22	1 645	56	628	22	-	-	2 915	7	-	2 915
B. Office Operating Costs	-	158	17	521	57	231	25	-	-	910	2	-	910
Total Recurrent Costs	-	800	21	2 165	57	859	23	-	-	3 825	9	-	3 825
Total PROJECT COSTS	2	16 000	39	7 000	17	17 039	41	760	2	41 462	100	966	39 834

Summary of Benefits and Economic Analysis.

167. SIRAP has been designed to build sustainability of agriculture and food system. SIRAP will also contribute to the reduction of small-scale producer's vulnerability and improve their nutrition security and incomes. The ultimate target beneficiaries of the project are the rural poor household farmers, participating in different crop production. Therefore, the main quantifiable benefits of the project have been attributable to: (i) Production and productivity increase and (ii) reduction in input costs.
168. **Financial Analysis (FA):** For financial analysis, six (6) farm/enterprise models have been developed to examine the impact of project intervention on incomes at household level.

They all show positive increases and income and financial viability using other metrics as summarised below:

Table 6: Results from the SIRAP financial analysis

		Farm models' net incremental financial benefits (in USD)					
		Sorghum	Maize	Rice	Sesame	Beans	Goats
	PY1	(71)	(187)	(171)	(102)	(59)	(213)
	PY2	(50)	(106)	(121)	(56)	(40)	31
	PY3	30	(26)	39	(13)	18	38
	PY4	67	135	167	66	63	139
	PY5	67	135	167	66	63	139
	PY6	67	135	167	66	63	139
	PY7	67	135	167	66	63	139
	PY8	67	135	167	66	63	139
	PY9	67	135	167	66	63	139
	PY10	67	135	167	66	63	139
	IRR	35%	24%	34%	21%	37%	38%
	NPV (US\$)	208	307	501	135	200	472
	Return to family labor	12	27	38	10	38	4
	B/C Ratio	5.8	8.9	4.8	4.4	10.5	1.4

169. **Cost per beneficiary.** SIRAP is targeting 36,000 Households equivalent to 216,000 people. The cost be beneficiary is, therefore, US\$74/ per person. This is summarised in the table below.

Table 7: Project cost and indicators for logframe

PROGRAMME COSTS AND INDICATORS FOR LOGFRAME					
TOTAL PROGRAMME COSTS (in million USD)			16		
Beneficiaries	216,000	people	36,000	Households	
Cost per beneficiary	74	USD x person		444	USD
Components and Cost (USD million)		Average increase in Rural income per		WOP (\$)	WP (\$)
A. Community Resilience, Climate and Conflict Risk	6.6	Average increase in income per HH per year			106
B. Support to Sustainable Agricultural Productivity and	5.8				
C. Monitoring, Evaluation and Accountability	1.7				
D. Project Management & Coordination	2.0				
Total	16.0				

170. **Economic Analysis:** The economic analysis has adopted the enterprise models used for financial analysis and converted them to economic terms using appropriate conversion factors (CFs).
171. The overall project economic rate of return (ERR) has been estimated at 13% with a positive Net Present Value (NPV) is US\$7.5 million. The Somalia economy is still highly US\$ dollarized. The ERR of 13% with all workings in US\$ is considered high enough to justify the investment.

Table 8: Overall computation of SIRAP Economic Net Present Value (ENPV) and Economic Rate of Return (ERR)

Project year	Economic Net Inc. Benefits (USD)	Total Incremental Costs	CASH FLOW
PY1	-	3,729,150	(3,729,150)
PY2	(566,804)	4,700,517	(5,267,320)
PY3	(1,237,516)	3,579,857	(4,817,373)
PY4	(1,314,874)	2,574,060	(3,888,934)
PY5	(933,088)	1,416,542	(2,349,630)
PY6	1,514,081	141,654	1,372,427
PY7	3,873,316	141,654	3,731,662
PY8	4,647,422	141,654	4,505,768
PY9	4,647,422	141,654	4,505,768
PY10	4,647,422	141,654	4,505,768
PY11	4,647,422	141,654	4,505,768
PY12	4,647,422	141,654	4,505,768
PY13	4,647,422	141,654	4,505,768
PY14	4,647,422	141,654	4,505,768
PY15	4,647,422	141,654	4,505,768
PY16	4,647,422	141,654	4,505,768
PY17	4,647,422	141,654	4,505,768
PY18	4,647,422	141,654	4,505,768
PY19	4,647,422	141,654	4,505,768
PY20	4,647,422	141,654	4,505,768
NPV USD (000) @8%			7,571
EIRR			13%
BCR	61,751,604	18,124,938	3.4

172. **Sensitivity analysis:** To test the robustness of the above analysis, a sensitivity analysis has been carried out to measure variations due to unforeseen factors and relevant risks. A change in benefits by 20% increase in costs and decrease in benefits using the same proportion yields an ERR of 11% and 10% with positive NPV of US\$4.7 million and US\$3.2 million respectively. An increase in project benefits by either 10% and 20% yields a higher of 14% and 15% respectively both with positive NPV. A delay in project benefits by 1 and 2 years still yields positive results as it yields 11% and 10% with positive net present values. Results of the sensitivity analysis indicate that the project remains economically viable under the various assumptions considered. The summary of the sensitivity analysis is presented in the table below.

Table 9: Sensitivity analysis

Sensitivity Analysis	Base case	Costs Increase			Increase of		Decrease of Benefits			Delay of	
		+10%	+20%	+50%	+10%	+20%	-10%	-20%	-30%	1 year	2 years
IRR	13%	11.6%	10.6%	8.4%	13.6%	14.6%	11.5%	10.2%	8.8%	11.0%	9.6%
NPV (USD) '000	7,571	6,171	4,770	733	9,729	11,887	5,414	3,256	1,098	5,050	2,715

I. Exit strategy and sustainability

173. Institutional sustainability is built into the design of the project through: (i) building the capacity of staff and beneficiaries and (iii) the emphasis on the development of strong community groups that have the capacity to define their priorities, design, plan and monitor the implementation of sub-projects that will contribute to strengthening livelihoods resilience. The Project will target three types of institutions that will be primary beneficiaries at the community level - the CDA committees for overall governance and conflict resolution, the user group committees responsible for specific sub-projects, and the various IGA groups. It is expected that the IGA groups will be financially sustainable after project completion.
174. A key exit strategy for the project is the approach of working directly with communities and the district administrative structures. Following training on operation and maintenance (O&M) of the major infrastructure and equipment, the Project would hand over the facilities to these institutions with a comprehensive financing and management plan. The overall

goal of the strategy will be to enhance the ownership and sustainability of the key project achievements and outcomes. The strategy will specifically seek to:

- a) promote ownership of key project achievements (outputs and outcomes);
- b) provide modalities for engaging appropriate stakeholders including private sector to mainstream selected project initiatives into institutional arrangements, policies and budgets;
- c) facilitate smooth and targeted hand-over to state institutions and relevant actors; and
- d) ensure priority initiatives are completed and consolidated prior to project closing.

175. Table 1 below provided the exit strategy of the project at design stage. This strategy will be further enhanced during implementation.

Type of activity	Project support end date	Who will take up the activity	Mechanisms for handover	Commitments from national actors to continue activity	Further inputs required (funds, trainings, seeds, etc)? Who will provide them?
Community Development Committees	Y7 financing stops at midterm	Overall objective is that the committees are fully operated by the community based on pre-agreed principles.	Principles for operating the community committees are reflected in the PIM (e.g. composition of community committee, electing community committee and rights and responsibilities).	State Ministers of Agriculture committed to support project implementation.	-Additional funds will be required to undertake refresher trainings for community facilitators ensuring an adequate institutional structure. This can either come (i) from the district council (as committed) and, (ii) community contributions. In case budgetary constraints hinder the GoS from honouring its commitment, then the project could look out for additional funds from donor funded projects when formulating the final exit strategy.
Community based infrastructure	Y7	After finalization of the infrastructure, it will be officially be handed over to communities for operation and maintenance. This will be done by a dedicated O&M subcommittee.	Mechanisms for handover are reflected in the PIM. Specifically, the PIM describes the roles and responsibilities for the community committees for operation and maintenance. In addition: • O&M subcommittee will raise funds for operation and maintenance. This is an important topic in CC training curricula. • O&M subcommittees will be trained on the equitable operation and maintenance by community facilitators. • O&M subcommittee will develop asset management plans.	GoS understands the value of community committees and community operated infrastructure. Open for dialogue on how to better embed the structures in national legislation.	Funds for operation and maintenance shall mostly be raised from within the communities.
Community Resilience Plans	Y7	From project start, all the Community Resilience Plans will be logged with the Ministry of Agriculture to continue oversight after project completion.	At start-up, CCs will negotiate with District Councils to take over IFAD contribution to the cost of the CDP on an increasing ratio from Year 4: 25%, 50%, 75%, and 100%, to reduce SIRAP contribution. Community committees will also chip in with additional funds in case these are available.	State Ministers of Agriculture committed to support project implementation.	-Funds will be required to finance resilience plans (i) from the district council (as committed) and, (ii) community contributions. In case budgetary constraints hinder the GoS from honouring its commitment, then the project could look out for additional funds from donor funded

					projects when formulating the final exit strategy.
Supporting access to production inputs and CSA technologies	Y7 (stop of technical support) - financial support will stop at midterm.	(a) Seed, to IFAD Seed Systems Project and seed companies (b) Chemicals and farm tools to private companies (c) GAP, to local service providers, including village-based advisors (d) Improved livestock breeds, to MoLFR	Individual agreements will be concluded between the institutions mentioned before and the project	Final commitment to be sought at midterm.	SADAR technical colleagues to review the contractual agreements.
Component 2 Technical training on improved crop and livestock technologies	Year 7	It is expected that through use of village based agents and seed suppliers in the provision of extension services, such service providers will be mainstreamed through the government systems	Gradual involvement of the stakeholders during project implementation will build strong relationships between service providers and farmers. Through government engagement, the project will ensure develops a plan with resource allocation for implementation of the services. It is also expected that due to the performance of the technologies promoted, there will be farmer to farmer exchange and spontaneous adoption	Government is committed to revamping extension and seed and animal health support systems	
Entrepreneurship development	Year 7	Entrepreneurship development and linkages with markets will ensure sustainability	This will be an on ongoing linkage between stakeholders and it is expected that relationships built during the project life will continue beyond. Revolving funds ensure sustainable access to finance and will involve MFI and other financial institutions through GEF	Government is committed to developing entrepreneurs	

3. Risks

J. Project risks and mitigation measures

176. The implementation of SIRAP is likely to face high risks in the following three main areas:

i) Political instability and insecurity

177. Despite a recent de-escalation in conflicts, the longevity of this relative peace remains uncertain. With Somalia's Fragile States Index scoring 110.9 in 2021 and 110.5 in 2022, the nation has maintained its position among the three most fragile countries in the world since 2007. The entrenched drivers of this fragility include: long-standing ethnic divisions, struggles for power and resources, aspirations of some FMS for independence from the Federal Government of Somalia, weak and eroded governance structures and climate change related impacts such as prolonged droughts and flash floods and resultant displacements and insecurities. Furthermore, widespread poverty, youth unemployment, radicalization, and the presence of insurgencies such as Al-Shabaab and Islamic State exacerbate the situation. The inaccessibility of some districts in Somalia due to security concerns is also a critical challenge for the implementation of the SIRAP project.

178. IFAD is collaborating with the UN system to establish normalcy, but in such an unpredictable and volatile environment, the project must be implemented cautiously. Strategically designed risk mitigation measures, agile project execution strategies including starting off in less violence prone districts and regular review of situation, as well as closely working with community institutions are indispensable to navigate through the complex landscape of political instability and insecurity in Somalia.

ii) Financial management

179. The financial management risk of the project at design is considered to be **high**. Somalia was ranked at the last place of the Transparency International Corruption Perceptions Index with a score of 12 out 100. In addition, the security situation at country level may limit IFAD's ability to supervise the project effectively. This risk will be mitigated, if needed, by relying on a third-party implementing partners with knowledge of the local context and access to project implementation areas. In order to minimise disruption in project implementation and loss of important data in case of an unforeseen catastrophic event the project will back-up all its financial data on a cloud service and will prepare at start-up a comprehensive business continuity plan to be submitted to IFAD. At institutional level, the capacities SADAR as the executing agency for the entire A2R2 project will need to be reinforced to manage this project, which presents a number of fiduciary risks related mainly to the complexity of the financing structure with multiple donors and distinct reporting requirements. This risk will be mitigated through the transparent and competitive selection of all staff of the PMU and the set-up of an adapted accounting software. A detailed analysis of the FM risks and mitigating measures is provided in the project IPRM.

iii) Procurement related risks

180. Public procurement in Somalia is governed by the 'Public Procurement, Concessions and Disposal Act' (PPCDA) of 23rd November 2015. However, the implementation of the PPCDA faces challenges. These include; lack of standard bidding documents - which are essential for ensuring transparency and fairness in procurement, lack of independent assessment to ascertain if procurement methods are being applied appropriately as well as lack of transparency in procurement processes. This lack of transparency can lead to inefficiencies, corruption, and favouritism in procurement processes. Additionally, in a country with limited institutional capacity such as Somalia, procurement can be plagued by delays due to bureaucratic hurdles, inadequate planning, and a lack of experience among staff in managing procurement procedures as well as absence of a robust supply chain, leading to difficulties in obtaining high-quality materials or services.

181. SIRAP will use IFAD's Project Procurement Guidelines, IFAD's Procurement Handbook and IFAD's Standard Bidding Documents. IFAD will also provide capacity building support to the PMU of SIRAP.

K. Environment and Social category

182. The environmental and social categorization of the project is **Substantial**, there is significant exposure to activities with potential adverse environmental or social risks or impacts that are mostly temporary, predictable or reversible, or that can be avoided or reversed. It is important to note that the project has both positive and negative environmental and social impacts. On the environmental front, the project's promotion of sustainable agricultural practices and climate-resilient measures is expected to have positive outcomes, including improved soil quality, reduced land degradation, and enhanced biodiversity. However, if not properly managed, some activities such as the use of agrochemicals and construction of infrastructure could lead to environmental degradation, including pollution and waste generation, depletion of resources, biodiversity loss and overgrazing. Socially, the project can greatly benefit communities by boosting livelihoods, reducing poverty, and enhancing food security. The focus on inclusive economic growth and promoting community empowerment especially; marginalized groups, including women and youth, leading to more equitable community development. Additionally, capacity-building initiatives and the establishment of community governance structures could strengthen community cohesion. Nonetheless, there are potential adverse social impacts such as the risk of exacerbating gender inequalities if access to resources and benefits is not evenly distributed, possible social tension and conflicts, possible displacements and unhealthy work environment including exploitation of child labour during construction.
183. The environmental and social impacts of the Project activities are expected to be modest in scale, dispersed, largely site-specific and reversible. They can be minimized by mitigation measures that are described in the Environmental Social and Climate Management Framework (ESCMF) for SIRAP and Free Prior and Informed Consent Implementation Plan for infrastructure development. Integration of environmental and social safeguards, community participation, and adaptive management are key to achieving the desired outcomes in an environmentally sustainable and socially inclusive manner. The project will further develop appropriate conflict-sensitivity guidelines and safeguards to avoid inadvertent harm in fragile environments.

L. Climate risk classification

184. The climate risk classification for SIRAP project is **High** as Somalia is prone to frequent and intense climate related hazards such as droughts, floods that exacerbate existing vulnerabilities in agriculture, water availability, and food security, potentially undermining the project's objectives. These impacts also heighten the risk of land degradation, desertification, and loss of biodiversity, further threatening the natural resource base upon which the project's interventions are built. The low adaptive capacities of communities due to socio-economic constraints and inadequate capacities of local institutions and governance structures to effectively manage and respond to climate risks present a crucial risk to the project. Specific climate risks highlighted in the ESCMF and the detailed vulnerability, impact and adaptation assessment include; water scarcity, loss of crop and livestock, spread of animal pests and diseases, damage to community pilot projects, potential increase in greenhouse gas emissions among others.
185. To mitigate the climate risks associated with the SIRAP project, a comprehensive vulnerability, impact and adaptation assessment was prepared as part of the design and set of mitigation measures mainstreamed and implemented. The project's investments will be fully climate-proofed during design and implementation. This may include using materials and designs that are resistant to extreme weather events, and ensuring that the locations of project investments are not in areas that are highly susceptible to flooding or drought. Additionally, climate adaptation measures have been mainstreamed across project activities. It entails integrating climate considerations into everyday decision-making processes, from the choice of crops and livestock to the design of infrastructure. The detailed vulnerability, impact and adaptation assessments help identify the specific

climate risks faced by different components and activities of the project and will offer tailored solutions that can be integrated into the project planning and implementation.

4. Implementation

M. Organizational framework

186. SIRAP will co-finance the Adaptive Agriculture and Rangeland Rehabilitation Project (A2R2), a GEF and IFAD/ASAP+ funded project. For the sake of consistency, efficiency and mutualization of resources, the GEF endorsed that SIRAP and A2R2 will be managed by the same entity, with the following institutional arrangements.
187. **The Lead Agency for the SIRAP is the MoAI**, which will work in close coordination with MoLFR, and the Ministry of Environment and Climate Change (MoECC). The mission of the MoAI is to improve the livelihood of Somali citizens by ensuring food security through the creation of an enabling environment and sustainable agricultural resources management. The SIRAP foresees hybrid implementation arrangements.
188. **Project oversight.** A Project Steering Committee (PSC) will be established under the MoAI to approve the annual work plan and budget (AWPB) and review the annual report and audit of SIRAP and entire A2R2 project. The draft Terms of Reference of the PSC is included in the PIM – Annex 08).
189. The Project Management Unit (PMU) under the MoAI will be responsible for: (i) working with the Executing Entity to provide strategic guidance for the AWPB development, and M&E of project activities; (iii) overseeing all reporting obligations on implementation progress and results of the SIRAP to IFAD and MoAI; and (iv) coordinating with the IFAD Country Team to ensure accountability for project coordination and the safeguard of funds. It will report to the PSC. A State Project Management Unit (SPMU) and a District Project Management Unit (DPCU) may also be established at the two levels. The DPCU being the closest to the beneficiaries is expected to have significant experience addressing socio cultural and economic issues at the community level.
190. The Federal Government of Somalia, represented by the MoAI have nominated and endorsed IFAD to serve as the Supervising Entity, which will provide oversight and guidance and be responsible for all financial monitoring and reporting aspects to the GAFSP. IFAD will supervise the SIRAP directly, using innovative and flexible supervision approaches. Depending on the prevailing conditions, IFAD will conduct field missions or conduct remote and off-site supervision. Given the fragile situation in the country and the need for continuous monitoring, follow-up and implementation support to effectively manage the SIRAP, and improve policy engagement, knowledge management and partnership building, IFAD may recruit a full-time national consultant to be based in Mogadishu, to strengthen its country presence to support project operations. The IFAD liaison consultant will also support the Government and the Executing Entity to ensure that the activities are implemented in line with IFAD corporate guidelines.
191. IFAD will contribute to building the capacity of the participating Somali line ministries and local implementing partners (IPs). It will also provide necessary guidance including GAFSP project financed guidelines, requirements, and fiduciary standards. IFAD will use a multi-ministerial hybrid coordination process, which integrates local level actors.
192. **Executing Entity.** At the request of the FGS, SADAR will be the project technical Executing Entity on performance and result based principles on behalf of the MoAI, the Lead Agency. SADAR will establish a PMU, which will be responsible for the day-to-day coordination of the project and promoting, and facilitating stakeholder engagement. SADAR has a good track record with IFAD procedures and requirements as it was an implementing of the Adaptation for Smallholder Program (ASAP) grant on Climate Smart Agriculture in Somalia and currently implements Resilient Livelihoods to COVID-19 (RLAC-19). SADAR is also one of the service providers implementing a component of the Food Security and Sustainability in Fragile Situations (FSSFS) project in Puntland (financed by IFAD and Italian cooperation). With the government's full support of this project at federal and state level,

and the large-scale collaboration between SADAR existing network and local organizations, community groups and other actors in the project zone, SADAR Project Management Unit will rapidly start-up and effectively implement the proposed activities. SADAR is a not-for-profit, local Somali organization targeting resilience building of local communities and marginal environments. SADAR' focus areas include natural resources, climate change adaptation; land and water management technologies; climate-smart agriculture, crop productivity and diversification; water sources; capacity building; and community action planning and strategy policy formulation. SADAR has been involved in the identification, introduction and large-scale resilience and climate adaptation. SADAR has accumulated experience in executing similar activities for bilateral donors and Adaptation Fund accredited multilateral organizations.

N. Financial management, procurement and governance

Financial Management

193. SIRAP financial management personnel, structure and procedures will be shared with the A2R2 project in a logic of streamlining and facilitating project financial management and reducing project recurrent costs.
194. *Organisation and staffing*: The project financial management will be embedded in the existing structure of SADAR which will be reinforced with the competitive recruitments of a Finance and Grant Manager and a Senior Central Project Accountant dedicated to the project. The same PMU will implement the entire project, meaning funding from GAFSP, GEF and ASAP+.
195. *Budgeting*: One consolidated AWPB will be submitted to IFAD for the projects A2R2 and SIRAP, clearly specifying for the sources of each expenditure among the 4 grants dedicated to the two projects as well as the counterpart funding from SADAR and estimated contribution from beneficiaries.
196. *Funds flow and Disbursement Arrangements*: The project will open 2 designated accounts in US\$ in a credible commercial bank in Mogadishu. One pooled account will receive funds from all grants related to A2R2 project, while a separate designated account will receive funds from the GAFSP grant linked to SIRAP. All bank accounts will be managed following the mechanism of revolving funds. The disbursement of funds from all financing sources will be made following the procedure known as disbursement procedure based on interim financial reports (IFRs). According to this procedure, the disbursement of IFAD funds will be conditional to the submission to IFAD of quarterly IFRs within 45 days of the end of each quarter in the form and according to the methods described in the PIM.
197. *Internal controls*: the organisational structure of SADAR does not yet include an internal audit function. With the approval of SIRAP and the A2R2 project an internal audit function should be created within SADAR organogram. The SADAR team and newly recruited staff will ensure appropriate segregation of duties. Moreover, a detailed PIM has been prepared at design and will be further improved during start-up phase.
198. *Accounting and reporting*: Accounts of SADAR are being maintained in the PentaSoft online accounting software and the IPSAS cash standard is applied. The accounting software has the provision of record keeping under multiple running Projects ensuring the fulfilment of Donor as well as statutory reporting requirements. The project will submit unaudited financial statements within 4 months by the end of the fiscal year and acceptable audit report 2 months later. IFRs will be submitted within 45 days by the end of each quarter and will be the basis for disbursement.
199. *External Audit*: In light of the project size and complexity the clauses of the general provisions will be integrated in the grant agreement by aligning the audit requirements of the project to those of an IFAD investment project. The project will therefore submit an audit opinion on the financial statements of A2R2 project and a common management letter in line with ISA on top of the institutional audit.

Procurement

L.1 General

200. The IFAD procurement guidelines and handbook require an assessment of national procurement systems as part of the project design process. This is done to determine the extent to which country systems are in alignment with international best practice and can be relied upon during project implementation. IFAD's General Conditions provide for the use of the Borrower's procurement regulations to the extent that they are consistent with IFAD's procurement guidelines. This is in line with the commitments of the international donor community to work towards increasingly using national systems where partner countries either have public financial management (PFM) systems that are in line with broadly accepted good practices or have credible reform programmes in place to establish reliable PFM systems.
201. Accordingly, this appendix consists of two interrelated sections: (i) country procurement assessment; and (ii) arrangements for procurement to be followed during the Project implementation.

L.2 Country Procurement Assessment

202. As part of the initial design of SIRAP, IFAD undertook a procurement capacity assessment of the proposed Lead executing entity, the MoAI, which will be responsible for managing and overseeing Project related procurement to achieve the Project Development Objective; to contribute to the reduction of small-scale producers' vulnerability, enhance their resilience to COVID-19 and other shocks on their livelihoods and improve their nutrition security and incomes in the project areas, through sustainable natural resources management on multiple levels: improved water resources and rangelands management; eco-agriculture and climate-proof livelihoods; forest/habitat rehabilitation; improved governance and information systems for land degradation and biodiversity.
203. Public procurement in Somalia is governed by the "Public Procurement, Concessions and Disposal Act" (PPCDA), of 23rd November 2015. The Act has undergone a number of revisions and changes which are all designed to address the problems across the entire procurement process: from the poor procurement planning, definition of the needs and preparation of the bidding documents, to a lack of transparency and competition in the process followed for announcements, bidding, evaluation and award of contracts, to poor contract implementation, records keeping and procurement reporting.
204. The Act does not cover procurement for defence or national security. Where procurement is IFI-financed, the provisions of the Act apply when there is no conflict with the terms of the financing agreement, procedures or standard documentation required by the donor. In the case of any conflict the procedures and decisions of the IFI prevail.
205. The main instrument utilized for this capacity assessment exercise was the IFAD procurement assessment tool - IFAD PRM-PILLAR A based on OECD MAPS II, which covered the various phases of the procurement cycle: planning, soliciting, evaluation, award and contract management.
206. The outcome of the Project Risk Matrix (PRM) shows that although the country procurement Act tries to cover most of the areas of transparency of arrangements, the degree of emphasis on open and competitive procedures, the monitoring of procurement results, and the extent of access to appeal and redress arrangements, there is no evidence that the requirements of the procurement Act are adhered to by public institutions. While procurement methods are clearly provided for in the Act, there is no focus on the capacity building of the public officials involved in public procurement. The Public Procurement authority (PPA) does not have adequate capacity to fulfil all its obligations as stipulated in the Act. The private sector faces many challenges, and its growth is slow. The bid review mechanism is independent, but the extent of bidders' trust in it is not known. Internal control and audit framework exist, but it is not focused on procurement. Except for the provisions in the Act, there are no anti-fraud and corruption measures in place to prevent and fight corruption in public procurement. The code of ethics specific to procurement does not exist. There is no electronic procurement yet.
207. The PRM assessment indicates that there are major challenges and they mainly relate to: i) insecurity; ii) limited number of dedicated procurement staff; iii) restricted movements

and access inside Somalia; iv) weak capacity of bidders and limited service providers; v) incomplete public procurement regulation and non-adherence to the procurement Act guidelines; and vi) weak legal and financial institutions and subsequent regulatory framework. In view of the challenges identified, the risk for procurement capacity for SIRAP is rated "High risk". The risk is reduced to a residual rating of Substantial in view of the mitigation measures proposed in PRM.

208. As a remedy to the noted challenges, a Project Steering Committee (PSC) is proposed to be established under the Ministry of Agriculture and Irrigation (MoAI) to approve the annual work plan and budget (AWPB) and review the annual project progress and financial reports. The detailed composition of the PSC will be agreed with the Federal Government of Somalia during the design phase. The Project Management Unit (PMU), housed by MoAI will be responsible for: (i) overall management of SIRAP, once it becomes effective; (ii) managing the procurement process of the third party Implementing Partner/s (IP) and goods, works and services; (iii) coordinating the project implementation through the local service providers; (iv) working with the IP to development of the annual work plan and budget (AWPB) and undertaking project M&E activities; (vi) meeting all reporting obligations on the implementation progress and results of the SIRAP to IFAD; and (vii) coordination with the IFAD Country Team to ensure accountability for project coordination and the safeguard of funds (IFAD has no one in Somalia). The PMU will report to a Project Steering Committee chaired by the MoAI.
209. The PMU will be staffed with a Project Manager, Finance and Grant Specialist, Procurement and Administrative Specialist, Environment/Social Safeguards Specialist, Gender Specialist, Monitoring and Evaluation/Knowledge Management Specialist and other technical staff as needed.
210. Training and Workshops: Institutional and management capacity needs improvement and procurement staff need adequate training for an effective conduct of procurement. For this purpose, wider engagement is required so as to give all stakeholders clearer knowledge on how public procurement is done. In addition, the procurement staff capacity building should be given utmost priority. Therefore, the project will finance training and workshops, if required, based on an annual training plan and budget which shall be submitted to IFAD for its prior review and approval. The annual training plan will identify, inter alia: (i) the training envisaged; (ii) the justification for the training; (iii) the personnel to be trained; (iv) the duration for such training; and (v) the estimated cost of the training. At the time of the actual training, the request shall be submitted to IFAD for review and approval. Upon completion of the training, the trainees shall be required to prepare and submit a report on the training received.

L.3 Arrangements for Procurement under the Project

211. **National Public Procurement Law and Procurement Templates:** The Public Procurement, Concessions and Disposal Act, 2015 (PPA) is the relevant public procurement legal framework. The Act foresees a decentralized system of procurement. The Act further provides for an independent oversight body that will foster the regulatory and the policy framework of public procurement in the country. The PPA has been reviewed by the IFAD and found to be satisfactory and consistent with the National Procurement Procedure requirements. However, institutions are not yet in place in accordance with the Act. Similarly, regulations and other procurement guidance documents, including Standard Bidding Documents, are yet to be finalized. The private sector and civil society have limited capacity or functionality. Currently, the process of operationalizing the PPA are underway. In accordance with the PPA, it is anticipated that, when the PPA is operationalized, for the national procedures to be used, the following shall be observed: (i) the request for bids/request for proposals document shall require that Bidders/Proposers submitting Bids/Proposals present a signed acceptance at the time of bidding, to be incorporated in any resulting contracts, confirming application of, and compliance with, the IFAD's Anti-Corruption Guidelines, including without limitation to the IFAD's right to sanction and the IFAD's inspection and audit rights; and (ii) rights for the IFAD to review Project Executing Entity's procurement documentation and activities.

212. Until such time that the PPA is operationalized, and the documents reviewed and found satisfactory by the IFAD, the Project shall use IFAD's Standard Procurement Documents (SPDs) customized to national standards when approaching the national market. Also, the IFAD's SPDs shall be used for procurement of goods, works, and non-consulting services under open International Competitive Procurement. All bidding documents for the procurement of works, goods and services shall be prepared by the PMU procurement staff with the support of technical experts, as needed, who will provide specifications, terms of reference, and bill of quantities and so forth as required.
213. **Procurement procedures/planning:** Procurement will be carried out in accordance with the requirements in the IFAD's Procurement Guidelines and IFAD's Procurement Handbook 2020. According to the requirements of the Procurement guidelines, the Project Procurement Strategy (PPS) will be prepared and agreed between the Project Executing Entity and IFAD. The PPS describes how procurement activities will support project operations for the achievement of the Project Objectives and deliver value for money. Based on the PPS, the Procurement Plan (PP) for the first 18 months will be prepared. The PP sets out the selection methods to be followed by the Project Executing Entity during the project implementation in the procurement of goods, works and consulting services and includes the cost estimates, time schedules, the IFAD's review requirements, brief description of the activities/contracts etc. The PP will be updated at least every 12 months, or as required to reflect the actual project implementation needs, but each update shall require IFAD's approval following which it will be publicly disclosed in accordance with IFAD's disclosure policy.
214. All procurement will be carried out in strict accordance with the approved procurement plan, whereas any procurement actions inconsistent with the approved procurement plan will be considered as misprocurement and related expenditures ineligible. At a minimum, annual procurement plan will include all goods, services and works to be procured during the year, units required and unit costs, prior/ex-post review requirements (both internal and with IFAD), procurement methods, and target dates for each key procurement activity.
215. **Evaluation:** Each bid/proposal will be evaluated as provided for in the tender documents. An ad- hoc tender board will be appointed by designated personnel in consultation with the procurement specialist and the subject-matter specialist. The appointed tender board members will be required to sign a confidentiality agreement as well as an affidavit indicating that they are not in a position of conflict of interest. The selection and appointment of members of the tender board will consider technical expertise requirements to ensure the required mix of skills is available for specialised evaluations.
216. **Contract Administration:** The project will apply improved systems and to facilitate effective monitoring of contractual obligations and invoking necessary actions such as penalty clauses in cases of failure on the part of the contractor/supplier to uphold contractual obligations. In this regard, comprehensive contract registers will be maintained and shared with IFAD periodically. Contract monitoring forms will be used to strengthen the monitoring of milestone-based contracts requiring more than one payment. Updated versions of these documents will be made available to IFAD on a quarterly basis and form an integral part of project progress reporting (as described below). As part of start-up activities contract administration training will be provided to the entire A2R2 project management team.
217. **Reporting Requirements for Procurement:** The Project Manager and Procurement Officer shall maintain all procurement information, from planning to contract awards and subsequent performance of contracts. As procurement plans can change quite often, either by delay or advance procurement with consequent effect on project implementation, the head of PMU will be required to closely monitor the progress of procurement actions against plans. Quarterly procurement reports (QPRs) will be submitted to IFAD for information within 15 days following the end of the quarter. At a minimum, the QPRs will include the following information:
- a) Updated Procurement Plan;
 - b) Updated Contract Register;
 - c) Open Contract Monitoring Forms;

d) Narrative explaining significant variances between actual and planned implementation.

218. A hands-on approach, including the introduction to OPEN and CMT will allow the systematic tracking of procurement activities throughout the project cycle. A Project Management Unit (PMU) shall be trained in OPEN and CMT, and the Procurement Specialist at IFAD shall closely work with and provide training to local staff. For procurement packages that are deemed to pose challenges to the PMU, IFAD can provide additional procurement support through a short-term consultant to work on procurement processing, including assistance in drafting bidding documents, providing guidance on evaluation of bids and drafting of Bid Evaluation Reports.

219. Review of Procurement Decisions by IFAD and Procurement Methods: The table below presents the recommended procurement methods and thresholds that will initially be applicable for the IFAD financed SIRAP. These thresholds will be finalised and formally communicated to the Government through the Letter to the Borrower (LTB), upon entry into force of the loan. Although, during the Project implementation, they may be unilaterally reviewed (raised or lowered) by IFAD.

Table 10: Procurement Methods, Thresholds and Time-limits

Procurement Methods, Thresholds and Time-limits⁴⁶ (amounts in US\$)					
Procurement Methods	DC (Direct Contracting)	Shopping (limited Request for Quotations)	NCB (National Open Bidding)	ICB (International Open Bidding)	PRIOR Review
Project Types and Time limits					
Goods/NCS	Only in exceptional cases where sufficient justification is provided	≤ 35,000	> 35,000 to < 100,000	≥ 100,000	All contracts ≤ 30,000 All Direct Contracts
Works/NCS	Only in exceptional cases where sufficient justification is provided	≤ 90,000	> 90,000 to < 300,000	≥ 300,000	All contracts ≤ 50,000 All Direct Contracts
Minimum Time Limit to submit quotes/bids from launch	n/a	14 days	30 days	45 days	
Minimum Time limit for bidders to ask questions (measured from deadline)	Same day	7 days	15 days	25 days	
Minimum Time limit for PMU to answer questions (measured from deadline)	Same day	5 days	10 days	20 days	
	SSS	CQS	QBS, FBS, LCS	QCBS	PRIOR Review

⁴⁶ The time limits in this table are minimum periods; the actual dates generated by the Procurement Plan for bid/proposal submission will be the ones adopted for each procurement activity

Consulting Services / NCS - Firms	Only in exceptional cases where sufficient justification is provided	≤35,000	< 50,000	≥ 50,000	All contracts above ≤ 10,000 All Direct Contracts
Shortlisting	Shortlisting using REOI is mandatory for CQS and ICS; Shortlisting (REOI or Prior List) is mandatory for all other methods ≥ US\$35,000				
Minimum Time Limit to submit proposals from launch	n/a	21 days (REOI) 21 days (RFP)	21 days (REOI) 45 days (RFP)	21 days (REOI) 45 days (RFP)	
Minimum Time limit for bidders to ask questions (measured from deadline)	Same day	10 days (REOI) 10 days (RFP)	10 days (REOI) 25 days (RFP)	10 days (REOI) 25 days (RFP)	
Minimum Time limit for PMU to answer questions (measured from deadline)	Same day	8 days (REOI) 8 days (RFP)	8 days (REOI) 20 days (RFP)	8 days (REOI) 20 days (RFP)	
Individual	< US\$	Any contracts for consulting services estimated to cost US\$35,000 equivalent or less may be awarded on the basis of IC with due consideration of the principles set out in the Procurement Handbook 2020.			<u>All SSS Contracts</u>
Minimum Time Limit to submit proposals from launch	n/a	21 days (REOI) 21 days (RFP)			
Minimum Time limit for bidders to ask questions (measured from deadline)	Same day	10 days (REOI) 10 days (RFP)			
Minimum Time limit for PMU to answer questions (measured from deadline)	Same day	8 days (REOI) 8 days (RFP)			
<u>The aforementioned thresholds are subject to modification by the Fund during the course of Project implementation.</u>					
Trainings, Workshops and Study-Tours	Trainings/Workshops are not procurement items as they are, but rather management issues. This may involve Services Procurement if hiring of a trainer is involved, it may involve the procurement of Goods if they buy training materials, it can be Non-consultancy Services Procurement if they rent a venue.				All training with aggregate values above US\$20,000 All international trainings

220. **Responsibility.** The PMU procurement staff will be responsible for undertaking the following tasks: (i) consolidate annual procurement plans; (ii) implementation and monitoring of procurement activities; (iii) interface with IFAD for procurement reporting; and (iv) ensure that the procurement under the Project is undertaken in line with the Project Design Report and IFAD Procurement Guidelines and IFAD Procurement Handbook 2020.

221. The following basic principles shall guide the work of the PMU while implementing the procurement activities: (i) economy and efficiency; (ii) equal opportunities to all eligible bidders; and (iii) fairness, transparency, integrity and good governance.

O. Planning, M&E, learning, knowledge management and communication

222. The project will implement an effective monitoring and evaluation system to track project resources and outputs. project monitoring, evaluation and the knowledge management unit will put systems (knowledge management system) in place for the projects to systematically capture, codify and disseminate experiences and lessons for the project improvement and future programming.
223. The project will track funds per funding source in the M&E system. The M&E system will provide information on progress to inform Project management, decision making and reporting, including to government, IFAD and the GAFSP. Monitoring will focus on collecting data on the status of planned activities in the Annual Work Plan and Budget, and on creating a cumulative overview of the direct results (deliverables/outputs) from project start-up until completion (the baseline survey will be carried out at the inception phase). The KM system, integrating planning, M&E and communication will have the following objectives: (i) continuous information to improve project performance; (ii) identification, analysis, documentation and dissemination of best practices; (iii) interactive and inclusive communication with all stakeholders; and (iv) visibility for policy dialogue and advocacy.
224. To this end the project will establish the overall results-based M&E/KM strategy in accordance with M&E/KM plans outlined in the project document. The project will disseminate appropriate knowledge products using print media (flyers, brochures, reports, working papers, monographs, manuals); electronic/digital media (radio, television, and internet - emails and websites) for project videos, success stories, studies, and reports to enhance information flow, learning and sharing at different levels of governance, stakeholders, beneficiaries and staff. For these to be achieved, the project will invest in ICT technologies to enhance knowledge management and dissemination, specifically on platforms that foster knowledge sharing and provide easy access to knowledge, such as an online discussion for communities of practice and knowledge networks.

P. Project target group engagement and feedback, and grievance redress⁴⁷

a. Project Target Group Engagement and Feedback

225. The Stakeholder Engagement Plan (SEP) for SIRAP identifies stakeholders as individuals or organizations that may affect or are affected by the project. These include local and national government agencies, non-governmental organizations, and the targeted recipients of assistance (refer to Annex 13).
226. Stakeholder involvement in SIRAP should begin as early as possible to create buy-in for the project. This should involve stakeholder analysis, Social Network Analysis, and involvement in project management and implementation. An analysis of the characteristics, interests, influences, and impacts of each stakeholder associated with this project is conducted (Table 2: Stakeholder Analysis Matrix).
227. The stakeholder engagement strategy sets engagement objectives through the planning process and demonstrates how engagement stakeholders are reached in every step of the plan formulation/dissemination process. The strategy includes a vision for stakeholder engagement as well as detailed goals, participants, methods, roles, responsibilities, and the ethical guiding principles (Table 6: Details of the stakeholder engagement strategy).
228. The Stakeholder Engagement Plan (SEP) applies to all components of the proposed program and all stakeholders are expected to adhere to it when performing their assigned activities. The objectives of the Stakeholder Engagement Plan include identifying stakeholders for SIRAP, their priorities and concerns, strategies for stakeholder information sharing and communication, and stakeholder consultation in a meaningful and accessible way throughout the project's lifetime. It also aims to specify procedures and methodologies for stakeholder consultations, documentation of the proceedings, and strategies for

⁴⁷ See Framework for Operational Feedback from Stakeholders <https://webapps.ifad.org/members/eb/128/docs/EB-2019-128-R-13.pdf?attach=1>

feedback, and to develop stakeholder participation strategies to monitor the impact of the project and report or share results among different stakeholder groups.

229. The proposed SEP focuses on the period beyond the project design to the implementation phase. It primarily focuses on the project's involvement in potential activities, including mobilization to benefit the community for the start and implementation of the project, identifying important issues such as the proper involvement of vulnerable groups, implementation phase-related supervision and monitoring, and the implementation of the Environmental and Social Management Framework.
230. Communication and stakeholder involvement must adhere to the stated ethical and accuracy principles in order to be effective (Table 4: Ethical principles of the stakeholder involvement and communication strategy). The stakeholder involvement process uses two common approaches for involvement: formal meetings and public meetings. For each stakeholder group, guide questions are prepared to ensure that insights from each stakeholder group will be secured and used as inputs to enhance the project design (Table 5: Key activities for stakeholder involvement at various stages).
231. Key stakeholders are invited to form part of the planned Stakeholder Steering Committee (SC). The SC will be responsible for the strategic direction of the program, oversight of the PMU, operational and financial manuals, annual work and procurement planning, and approval of financial and technical reports. For government-run programmes, the preparation and implementation of the program require the involvement of stakeholders of all institutions, depending on their responsibilities.
232. During the implementation of the project, non-governmental organisations, citizen groups, faith-based organisations, traditional authorities, local cooperatives and associations shall be consulted. Stakeholder involvement has to take place in twenty-six (26) villages within five (5) districts in three (3) states involved in project activities (Table 3: SIRAP Selected Implementation Sites).
233. The BSR's five-step stakeholder engagement strategy will be adopted throughout the project to initiate and maintain constructive relationships with stakeholders over the long term (Figure 1: BSR Five-Step Guide to Stakeholder Engagement).

b. Grievance redress

234. A Grievance Remedy Mechanism (GRM) involving receiving and processing complaints from individuals or groups that have or are being negatively impacted by specific project activities has been developed. The GRM will assist in ensuring that well-thought-out processes and procedures are in place to capture, assess, and respond to community concerns. A five-step Grievance Mechanism Management Framework will be followed. In this framework, claimants will be assisted by the village leadership to put their complaints and claims in writing. At level 1, received complaints will be registered, investigated, and resolved by the project officer, together with the consultations made at Level 2 to the Elders, clan leaders, religious leaders, and businessmen as well as the complainant. All cases that may not be fully resolved at levels (1 and 2), or cases that exceed the capacity of the village council, will be transferred to the district committee (level 3). This is true even if the district administration level 3 cannot be resolved, it will be transferred to the state administration at level 4, and finally to the level 5 PMU as needed (Figure 2: Grievance Mechanism).

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

235. IFAD will conduct periodic implementation support as needed and at least one supervision mission per year. Supervision would encompass four discrete processes: i) loan and grant administration; ii) procurement review; iii) audit review; and iv) performance monitoring and implementation support, which will be a continuous process of engagement with FGS and the PMU.
236. The first implementation support mission will take place soon after effectiveness and first disbursement. At least one supervision mission will be undertaken each year with additional implementation support missions mobilized as required. IFAD will provide continuous supervision and implementation support as required. The composition of the supervision

missions will be based on the need for technical support of the different project components and the performance areas that require attention.

237. A mid-term review will be organized by IFAD together with FGS in year 3 to: (i) assess achievements and interim impact, the efficiency and effectiveness of management arrangements, and the continued validity of project design; (ii) identify key lessons learnt and good practices; and (iii) provide recommendations for improved performance including need for restructuring, if required. The mid-term evaluation will review implementation progress of project components, document performances on key implementation aspects such as approaches, strategies and processes and make recommendations for adjustments or restructuring as needed. The evaluation shall be conducted by an independent consultant identified in consultation with IFAD.
238. Thematic studies will be conducted on a needs basis to support project activities, policy dialogue and scaling up. Project staff would be briefed on IFAD's results management systems and requirements.
239. At the end of the project, SIRAP will conduct an end of project evaluation to assess the extent to which the project has had an impact on the targeted beneficiaries as reflected in the logframe. The final evaluation will also provide valuable information in preparing the Project Completion report and lessons for future programming.

List of Annexes

Annex 01	Logframe This document is automatically generated and attached
Annex 02	Theory of Change
Annex 03	Project cost and financing: Detailed costs tables
Annex 04	Economic and Financial Analysis
Annex 05	Social Environment and Climate Assessment (SECAP) Review Note This document is automatically generated and attached
Annex 06	First Annual Work Plan and Budget (AWPB)
Annex 07	Procurement Plan for first 18 months
Annex 08	Project Implementation Manual (PIM) Including, among others, project governance, composition and job descriptions of project implementation unit, project administration, financial management and accounting, procurement, M&E system, targeting methodologies, etc. The section of the PIM covering financial management and accounting arrangements is to be provided by FMD
Annex 09	Integrated Project Risk Matrix (IPRM) This document is automatically generated and attached
Annex 10	Exit Strategy
Annex 11	Abbreviated ESCMF including ESCMP
Annex 12	Detailed Vulnerability, Impact and Adaptation Assessment
Annex 13	Stakeholder Engagement Plan
Annex 14	Fragility Assessment Note