



The Federal Republic of Somalia  
Ministry of Labour and Social Affairs

# Somalia: Shock Responsive Safety Net for Human Capital Project (SNHCP)

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PROJECT ID- P171346

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PROJECT OPERATIONS MANUAL

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January 2021

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## Abbreviations and Acronyms

ADP	Annual Conflicts of Interest and Financial Disclosure Programme
AO	Area Office
ASL	Authorized Signatory Letter
CBPT	Community-Based Participatory Targeting
CBT	Community-Based Targeting
CFM	Complaints and Feedback Mechanism
COB	Coordination and Oversight Board
CPF	Country Partnership Framework
CQS	Consultants' Quality-based Selection
CP	Cooperating Partner
CT	Cash Transfers
EAFS	External Assistance Fiduciary Section
EO	Ethics Office
Eoi	Expression of Interest
ESIRT	Environmental and Social Incident Response Toolkit
FAR	Fixed Asset Registrar
FCV	Fragility, Conflict and Violence
FGS	Federal Government of Somalia
FLA	Field Level Agreements
FM	Financial Management
(PIU) FMS	(Project Implementation Unit) Financial Management Specialist
FMSs	Federal Member States
GBV	Gender-Based Violence
GLSNWG	Government-Led Safety Net Working Group
GPN	General Procurement Notice
GRC	Grievance Redress Committee
GRM	Grievance Redress Mechanism
HH	Household
IC	Individual Consultant
ICB	International Competitive Bidding
ICR	Implementation Completion Report
ICRR	Implementation Completion Results Report
ID Card	Identification Card
IFR	Interim Financial Report
ISA	International Standards on Auditing
LCS	Least Cost Selection
MAM	Moderate Acute Malnutrition
M&E	Monitoring and Evaluation
MEB	Minimum Expenditure Basket
MIS	Management Information System
MoF	Ministry of Finance

MoHADM	Ministry of Humanitarian Affairs and Disaster Management
MoLSA	Ministry of Labour and Social Affairs
MoPIED	Ministry of Planning, Investment and Economic Development
NGO	Nongovernmental Organization
NPP	National Procurement Procedures
OIAI	Office of Internal Audit and Investigations
OIG	Office of the Inspector General
OIGI	Office of Inspections and Investigations
OMB	Office of the Ombudsman
PAD	Project Appraisal Document
PCA	Procurement Capacity Assessment
PDO	Project Development Objective
PIN	Personal Identification Number
PIU	Project Implementation Unit
POM	Project Operations Manual
PP	Procurement Plan
PPSD	Project Procurement Strategy for Development
PSEA	Prevention of Sexual Exploitation and Abuse
PTF	Program Task Force
QCBS	Quality and Cost Based Selection
RC/HC	Resident Coordinator/Humanitarian Coordinator
RFB	Request for Bids
RFP	Requests for Proposals
RFQ	Request for Quotations
RMCO	Risk Management and Compliance Officer
SAM	Severe Acute Malnutrition
SCALED-UP	Somalia Capacity Advancement, Livelihoods, and Entrepreneurship through Digital Uplift
SEA	Sexual Exploitation and Abuse
SFMIS	Somali Financial Management Information System
SH	Sexual Harassment
SIM	Subscriber Identity/Identification Module
SMS	Short Message Service
SNHCP	Shock Responsive Safety Net for Human Capital Project
SNWG	Safety Net Working Group
SP	Social Protection
SPD	Standard Procurement Document
SPDWG	Social Protection Donor Working Group
SPN	Special Procurement Notice
SPSC	Social Protection Steering Committee
SR	Social Registry
SRM	Social Risk Management
SSN	Social Safety Net
STEP	Systematic Tracking of Exchanges in Procurement

TA	Technical Assistance
TAF	Technical Assistance Facility
ToRs	Terms of Reference
TPM	Third-party Monitoring
TWG	Technical Working Group
UNDB	United Nations Development Business
UNFPA	United Nations Population Fund
UNICEF	United Nations Fund for Children
UNPFA	United Nations Population Fund
US	United States
VCM	Village Consultative Meetings
WA	Withdrawal Application
WFP	World Food Programme



# 1 INTRODUCTION

## 1.1 Purpose and Content of the Project Operations Manual

The overall purpose of the Project Operations Manual (POM) is to provide a description of the major components of the Shock Responsive Safety Net for Human Capital Project (SNHCP) in Somalia, including its objectives, institutional arrangements between all participating stakeholders, and organizational setup. It details project parameters and describes the main activities and processes. Thus, the POM:

- (a) Enables stakeholders to understand the scope, content, organization, and activities of the project;
- (b) Ensures a uniform level of understanding in the interpretation and application of policies, guidelines, and procedures for all stakeholders;
- (c) Provides the necessary tools to guide the implementation processes of the project by introducing appropriate institutional arrangements, coordination mechanisms and lines of authority and control mechanisms; and
- (d) Ensures that the requirements for transparency, equity and accountability are met.

## 1.2 Use and Update of the Project Operations Manual

The POM is intended for use by all personnel internal to the project and any government official interested in the organization and management of the project. Specifically, it will be the primary document to guide project planning and coordination between the Ministry of Labor and Social Affairs (MoLSA) at the Federal Government of Somalia (FGS) as the lead implementing agency, the World Bank as the donor funding the project, and the implementing partners, namely the United Nations Children’s Fund (UNICEF) and the United Nations World Food Programme (WFP).

The project staff have ready access to the POM for ascertaining or clarifying procedures listed in the various sections and for identifying standard forms or formats for report-generation. Some details are contained in the following annexes:

- (a) Annex 1 – Results framework and monitoring
- (b) Annex 2 – Targeting Methodology and Processes for Component 1
- (c) Annex 3 – Procurement guidelines and procurement plan (PP) templates
- (d) Annex 4 – Financial reporting guidelines.

It is anticipated that this manual will be updated as necessary to make modifications which reflect changes in project implementation. These amendments will be jointly agreed by all the concerned parties, and approved in the form of a ‘No Objection’ by the World Bank after submission by MoLSA. Thereafter, it is anticipated that the national cash transfer program will have a set of standalone operations manuals that will be updated based on future planning and lessons learned from SNHCP implementation.

## 2 PROJECT OVERVIEW

### 2.1 Rationale and Guiding Principles of the Project

The SNHCP is supporting the development of the national cash transfer program, known as Baxnaano, aimed at increasing resilience of poor and vulnerable households through income support. Somalia is highly vulnerable to natural disasters, namely repeated cycles of drought driven by climate change which occur on average every four years, resulting in protracted humanitarian crises. Vulnerability is already high in Somalia, with data showing that in addition to the 7 in 10 people being below the poverty line, a further 1 in 10 people fall below the poverty line during a shock.

Few programs support the long-term shift from emergency relief to resilience building. Aid programs are mostly delivered outside government structures and lack a common strategic social protection (SP) vision. The FGS and development partners are therefore increasingly supporting the adoption of a longer-term development approach that builds the Government's capacity to lead in policy formulation and delivery of SP interventions.

The SNHCP will respond to these challenges by meeting the immediate needs of poor and vulnerable households, while also building a longer-term, reliable and scalable shock responsive safety net system that will help households to smoothen consumption gaps, secure basic needs, diversify livelihoods, and invest in human capital and economic participation. The project will work across the humanitarian-development nexus to counter social exclusion, strengthen government capacity and build citizen's confidence in national institutions.

The SNHCP is funded through a pre-arrear clearance grant provided by the International Development Association (IDA) of the World Bank Group to the FGS. Detailed rationale and guiding principles of the SNHCP are provided in the Project Appraisal Document (PAD) approved by the World Bank's Board of Executive Directors on August 8, 2019. The SNHCP became effective in September 17, 2019, at which point it entered the implementation phase.

### 2.2 Project Development Objectives

The SNHCP aims to “provide cash transfers to targeted poor and vulnerable households and establish the basic building blocks of a national shock-responsive safety net system”. The project will last three years (2019-2022) with support of US\$ 65 million from the World Bank and will include three components. These are:

**Component 1:** Nutrition-linked Unconditional Cash Transfers (US\$53 million equivalent)

**Component 2:** Delivery Systems and Institutional Capacity Building (US\$ 6 million equivalent)

**Component 3:** Project Management, Monitoring and Evaluation and Knowledge Management (US\$ 6 million equivalent).

Institutional capacity of the Government of Somalia (both FGS and Federal Member States (FMSs)) will be built across components 1 and 2. The project will be structured so that the Social Protection Department of MoLSA will contract services from UNICEF and WFP, as trusted high-capacity partners with long-

standing experience in supporting the Somalia SP sector, to undertake the activities across the first two components of the project.

The project development objectives will be measured through a set of outcome indicators. These indicators are summarized below and detailed in the results monitoring framework in Annex 1:

1. Nutrition-linked Unconditional Cash Transfers
  - (a) Number of beneficiaries of social safety net programs, disaggregated by gender
2. Delivery Systems and Institutional Capacity Building
  - (a) National cash transfer program targeting methodology developed and endorsed by FGS
  - (b) Operations manual of the national social registry developed and endorsed by the FGS

## 2.3 Communication

MoLSA will develop a communications plan for the SNHCP with support from UNICEF, aimed at a wide range of audience groups including political and governance stakeholders; religious organizations; community bodies and members of the public; and beneficiary and other households. Messaging will focus on communicating the principles and objectives of the program, including nutrition messaging where relevant, as well as channels for inclusion and engagement with beneficiaries.

Components of the communications plan will be informed by broader stakeholder consultations. Workshop(s) integrating all areas of work related to delivery systems will be organized by MoLSA, with support from UNICEF, and will include representatives from the government, civil society, NGOs and religious bodies, among others. The consultations will seek input on the content of the messaging that can be delivered to the public, government and other key stakeholders, as well as on the delivery modes of communication. This will shape the planning and implementation of subsequent communications activities for the Baxnaano and other safety net interventions, as appropriate. Communication materials will include:

- (a) Training modules and information briefs designed for government officials, senior ministerial decision-makers and parliamentarians;
- (b) Key messages targeted at religious figures and prominent representatives of Somali communities;
- (c) Public messaging designed for communication through radio and national TV stations;
- (d) Profiles on social media platforms for delivering key messages to the public as well as receiving feedback and gauging public opinion; and
- (e) Targeted information to beneficiaries, families and officials responsible for the delivery of services, such as local governments, informing households of their entitlements and obligations required for participation in the program.

## **2.4 Component 1: Nutrition-linked Unconditional Cash Transfers (US\$ 53 million equivalent)**

This component will provide nutrition linked unconditional cash transfers to households that are chronically poor and vulnerable to drought and malnutrition, and link them as required to complementary nutritional support programs. The objectives of the component are: (i) to support households to strengthen their resilience and avoid negative coping mechanisms in the short-term; and (ii) to promote human capital investment in the medium- to long-term by linking beneficiary households to complementary nutrition services and continuing to smoothen consumption gaps even after the impacts of drought are no longer present.

Implementation of component 1 will be supported by WFP who will be contracted by MoLSA under a service contract to deliver predictable cash transfers. The operational cycles for the cash transfer will include: communication, registration of potential beneficiaries, enrolment and issuance of program cards, payment delivery, grievance redress, and monitoring and documenting of lessons learned.

The component will finance cash transfers to beneficiaries, service fees to payment delivery agency and implementing partners to support field activities, goods related to IT devices for supporting the CTs business processes, limited consultancy services of individuals and direct and indirect WFP costs for the delivery and monitoring of the component's activities.

## **2.5 Component 2: Delivery Systems and Institutional Capacity Building (US\$ 6 million equivalent)**

Component 2 will be implemented concurrently with Component 1, and will establish the key building blocks of the Baxnaano delivery system. It will also strengthen institutional capacity of relevant government ministries to gradually take on direct implementation of the Baxnaano and form the foundation for a more comprehensive SP system in Somalia. The cash transfer delivery system established under the SNHCP will focus on cash transfer function but is expected to expand in capacity and function, over time, to include system elements that are supportive of targeting and service delivery activities provided by other programs.

The component implementation will be carried out by MoLSA through technical assistance and implementation support from UNICEF, including policy support; technical assistance for the development of cash transfers delivery systems, and capacity building activities, training and related support for the MoLSA Project Implementation Unit (PIU).

Activities under this component will be closely coordinated with the SP Donor Working Group's (DWG) Technical Assistance Facility (TAF) engaged by donors to support their assistance to the SP sector, including transfer values and frequency, triggers for expansion and expansion modalities etc.. The component will also coordinate with the Cash Working Group, as relevant. This component will also benefit from several World Bank-funded interventions such as the foundational ID initiative and the regulatory framework of the ICT sector under the Somalia Capacity Advancement, Livelihoods, and Entrepreneurship through Digital Uplift (SCALED-UP) Project, and will draw on the technical expertise of Government experts, mobile network operators, financial service providers, and technology service providers.

The component will finance consultancy services of firms and individuals, training and workshops, and direct and indirect UNICEF costs for technical assistance, delivery and monitoring of the component's activities.

## **2.6 Component 3: Project Management, Monitoring and Evaluation, and Knowledge Management (US\$ 6 million equivalent)**

Component 3 will establish a national PIU to support day-to-day management and administration and monitoring and evaluation of the project, strengthen MoLSA's coordination arrangements and promote learning and knowledge management through a robust M&E framework. Focus will also be given to strengthening MoLSA's coordination arrangements with other ministries and stakeholders at the federal level, and between the federal level and the member states at the local level.

Knowledge management and learning activities supported by component 3 include documenting the lessons and experiences of implementation of the project, which is expected to promote learning-by-doing and adjustments to project design, as well as knowledge dissemination. The component will also support the design and preparation of a pilot productive safety net intervention targeting youth.

This component will finance: (a) PIU staff salaries; (b) equipment and operating costs for the PIU directly linked to the daily management of the project (office space, utilities and supplies, bank charges, communications, translation, transportation, maintenance and insurance, building and equipment maintenance costs, and travel and supervision costs); (c) regular internal audits and annual external audits (as per Bank legal requirements for audits of financial and procurement aspects, as well as through the Office of the Auditor General); (d) third-party monitoring of Component 1; and (e) undertaking of evaluations.

### 3 DESIGN PARAMETERS AND PROCESS FOR IMPLEMENTATION OF NUTRITION-LINKED CASH TRANSFERS (COMPONENT 1)

#### 3.1 Communication and Outreach

There will be four stages of communication - at the state level, district level, community level and household level.

**State level communication:** MoLSA will communicate about the project to all the FMSs in Somalia and discuss with them the targeting methodology, as explained in the annexed targeting note and a proposed selection as supported by data. This will be followed by WFP confirming the district selection with the FMSs.

**District level communication:** Once the district list is finalized and endorsed by the State authorities, WFP will engage in discussions with district authorities, when feasible together with MoLSA, to brief them on the overall project, as well as on the community selection process, as highlighted in the annexed targeting note. Once the community list is finalized in discussion with district authorities, WFP will select implementing partners through a call for proposals, and subsequently brief partners on the project details.

**Community level communication:** At community level, WFP and its selected implementing partners, together with MoLSA, will explain the project to all identified community stakeholders, as detailed in the annexed targeting note. WFP will share with MoLSA a schedule of the planned consultations per district, and MoLSA will aim to be present during the community consultations when and where feasible.

**Household level communication:** Household-level selection will be done with all community stakeholders supported by an open and transparent communication process. The communication methods and techniques ensure that all members, especially the most vulnerable and marginalized sections, receive the information on the project and have an equal opportunity to participate. In addition, the WFP Complaints and Feedback Mechanism (CFM), or hotline, will be introduced, and channels to access these facilities will be made public. The community consultation guide developed for this project will be employed in communication at every stage of selection of beneficiaries at the village level.

#### 3.2 Beneficiary targeting

The SNHCP will target 200,000 poor and vulnerable households with children under five years of age. The targeting will be conducted in three stages: (1) selection of districts; (2) selection of communities in the targeted districts, and (3) community-based participatory targeting (CBPT) of households in selected communities based on the household eligibility criteria. WFP will be responsible for beneficiary targeting. UNICEF and MoLSA, through the PIU, will be closely consulted in the process. The details are included in the Targeting Annex.

##### ***Selection of districts***

A total of 21 districts across the FMSs have been selected. Selected districts meet the following selection criteria: predominantly rural districts with high distress rating, vulnerability in terms of malnutrition, and

past impact and/or risk of drought. Poverty rates have not been considered in the distress rating given that the number of poor people per district seem to be heavily contested.

Initially, the project is targeting three districts per FMS, as well as three districts located in disputed territories with high distress index. To select the potential SNHCP districts, a three-step procedure is followed: (a) identifying districts with higher distress ratings (based on a distress index) within each state and (b) adjusting the selection based on security and access, and (c) reviewing from conflict-sensitivity and clan-dynamics perspectives.

The districts are ranked according to the distress rating, which is an index that considers the proportion of rural population in the district's total population, district's projected IPC rating (number of times the district was given a crisis or emergency IPC rating since December 2012), and incidence of severe acute malnutrition (SAM) and moderate acute malnutrition (MAM) of children under five years in the population.

Each of the indicators that constitute the distress index is coded on a scale of 1 to 5 such that the higher value of the indicator corresponds to the greater distress level and, therefore, need for support through the SNHCP. Details of the assignment of scores for the indicators comprising the index based on the value of underlying variables are in the Targeting Annex.

In addition to the distress index, the selected districts have been assessed against the criteria of security and access, as well as capacity for partners to implement. For instance, if any of the districts are deemed to be inaccessible because of security challenges or capacity, they are replaced by the next most distressed district in the state. Clan dynamics have also been taken into consideration in order to ensure more socially equitable service provision.

In order to establish a threshold of targeted people per district, the estimated population of households with children under 5 years of age (extrapolated from the United Nations Population Fund (UNFPA) 2014 census) has been prorated to the total target population of 200,000 households, considering that the project will be implemented in 21 districts. This will constitute the ceiling of households, not to be exceeded in a given district. The selected districts are: Dhuusamarreeb, Hobyo, Cabudwaaq in Galmudug state; Buloburto/Maxaas, BeletWeyne/Matabaan, Balcad/Warsheikh in Hirshabelle state; Afmadow/Xagar, Badhaade, Luuq in Jubaland state; Laasqoray/Badhan, Caluula, Galdogob in Puntland state; Taleex, Caynabo, Xudun in the disputed areas; Waajid, Xudur, km50 in Southwest state; and Zeylac, Lughaye, Gebiley in Somaliland.

### ***Selection of communities***

As explained in the targeting annex, a threshold of maximum beneficiaries per district has been calculated, based on the proportion of the population estimated to be hosted in the said district. Even with a limited set of districts, not all communities will be covered due to the limited budget. Within the identified districts, two main factors are used to pre-select potential communities. The first one is the presence and availability of nutrition services by and partners of both WFP and UNICEF; the second is the presence of WFP partners accustomed to performing cash-based transfers on behalf of WFP.

As accurate data on village level vulnerability and population are not available, the roll-out to communities within the selected districts will be done based on proximity to the nutrition centers and services, focusing on communities that can be reached by WFP's implementing partners. The roll-out will be gradual, from

communities closest to communities furthest from the health centers, until the maximum number of households per district is reached.

### ***Selection of beneficiary households.***

The CBPT methodology will be used to select beneficiary households in the target communities. Through this approach, WFP's cooperating partners (CPs) will organize community committees comprising representatives from the different groups, including village authorities, elders, women, men, disabled, and minority groups, in order to consult the community itself, through an open and transparent process, on the beneficiaries that meet the vulnerability criteria and are eligible to be beneficiaries of the SNHCP. The partners will present the parameters for those vulnerable households, which include:

- (a) Households with children under 5 years.
- (b) Priority to households with:
  - (i) Malnourished children,
  - (ii) Malnourished pregnant or lactating women and girls
  - (iii) High dependency ratio to sole bread winner;
  - (iv) Child-headed household; lack of a breadwinner;
  - (v) Disabled member of the household;
  - (vi) Lack of or limited livelihood assets;
  - (vii) Other vulnerability indicators communities may regard as relevant to their specific area: this will be subject to WFP verification and approval and documentation.

The community-based targeting approach is further detailed in the annexed targeting note.

### **3.3 Program Roll-out and Registration**

After the community-based targeting exercise is completed, WFP's CPs will publicly display the list of the selected households in the community, at the designated village's public area. During this period, the community members will be able to give feedback on the selection process and advise if there is any need to change the list. The community members will be encouraged to provide this feedback publicly; however, they will also be able to use other forms of feedback mechanisms such as the WFP Grievance and Redress Mechanism. The CPs will verify and rectify any anomaly before preparing the final list. The CPs will then inform the selected households of the dates and venue for the SCOPE registrations.

The CP will document the household selection process and outcome, which WFP will review, verify and approve prior to registration into SCOPE. Documentation of these processes will be made available to MoLSA and the World Bank for auditing purposes.

#### ***SCOPE registrations and validation***

All CPs will receive from WFP SCOPE registration kits, which they will use for registration and validation. The CPs will register in SCOPE the new beneficiary households which have not been registered in SCOPE before, and will verify and update as appropriate, data of households selected under the SNHCP, which are already in SCOPE. The CPs will conduct the registrations and updates into the SCOPE system offline and will subsequently upload the information online.



The CPs will register in SCOPE all of the selected households' members, for which they will collect the biodata as indicated in the table below. For the recipients, biometric data (fingerprints and photo) are collected in addition to the biodata. Each household must provide a principal recipient, and up to two alternate recipients. The transfers will be effected through mobile money directly to the mobile phone registered in the name of the principal recipient. Alternate recipients are mainly for collecting cash assistance on behalf of the household if, at any stage, transfers are processed in the form of cash. The CPs will ask beneficiaries to select a female principal recipient when possible. The principal recipient designates the alternate recipient(s). All household recipients must be over the age of 16 years. Alternate recipients can be male or female household members, or any trusted non-member of the household, as designated by the principal recipient. A single individual can only be an alternate recipient for a maximum of two households.

Each household beneficiary is allocated a unique identifier number in SCOPE.

For all new SCOPE registrations, the household representatives (household heads) must provide their consent on behalf of the household, granting WFP permission to process their personal data. The CP staff conducting the registrations (SCOPE registrars) reads out this consent message to the household representatives, and the SCOPE registrations can only proceed after consent is obtained.

During registration, WFP and its CPs will also request beneficiaries to grant their authorization for their data to be migrated to the government social assistance programme when in place.

**Box 1: Information collected during SCOPE registrations**

**Household Level data**

1. Household Number (provided by WFP)
2. Residence Status (IDP, resident, refugee)
3. Location(Region, District, village)
4. Household size
5. Phone number

**Individual household (HH) member data collected**

1. First, middle and Last Name of each HH member
2. Gender
3. Date of birth
4. Marital status
5. Household role (for example, husband, wife, daughter)
6. Recipient status (Principal/alternate/Not a recipient for the HH)
7. Physical disability (Yes/No), and level of disability (slight, moderate, severe)
8. Mental disability (Yes/No), and level of disability (slight, moderate, severe)
9. Malnutrition status
10. Photo and Fingerprint (**ONLY for Principal and Alternate(s)**)

### ***Intervention Creation in SCOPE***

Once the agreements (FLAs- Field Level Agreements) between WFP and its CPs are finalized and signed, WFP will create in SCOPE the SNHCP interventions, based on the specifics of the FLAs. An intervention in SCOPE is a portal where the selected households are enrolled in order to receive assistance. Each intervention reflects each signed FLA with a cooperating partner, and shows general information about the signed agreement, such as the number of beneficiaries targeted, geographical location, amount to be distributed and duration of the agreement.

### ***Enrolment of beneficiaries***

WFP will then enroll the beneficiaries into the created SNHCP interventions, in other words, assign beneficiary households from the general SCOPE beneficiary registry to the specific programme, in order to allow the beneficiary to receive assistance.

### ***SCOPE Card printing and Issuance***

WFP will then print all of the SCOPE cards for enrolled households, using a SCOPE card design agreed on between MoLSA, the World Bank and WFP. Each household will have one SCOPE card. The SCOPE card shows the household's unique identifier given during the registration, the household's principal and alternate recipients' names and photos, and has a microchip that contains the recipients' biometric information collected during registration.

The CPs will distribute the SCOPE cards to the beneficiary households. The household representatives receiving the cards will confirm receipt using their fingerprints on the POS devices. CPs will then synchronize the POS machines, and the information regarding the amount of SCOPE cards distributed will be updated in SCOPE.

### ***Loss of SCOPE cards/change of household recipients***

In the event that a household loses its SCOPE card, the principal recipient must report the loss to the local authority, who gives him/her a supporting letter that he/she submits to the CP. The CP submits a request to WFP, attaching the supporting letters from the local authority, and asking for the reprinting of the lost SCOPE card. WFP reprints the SCOPE card, which cancels the lost one, to ensure that each household has only one active SCOPE card at any given time.

In case of change of any of the recipients of the household (principal/alternates) due to death or other reasons, and consequent need to reprint the card, the above procedure is also followed.

## **3.4 Maintenance of the Beneficiary List**

WFP will initially manage and maintain the project beneficiaries' database in its SCOPE system. Once the Government has instituted, and acquired the capacity to manage, the social registry, and with the consent of beneficiaries that will be collected by WFP during registration, data will be migrated by WFP to the Government social registry database.

Prior to database migration to MoLSA, the FGS will develop and adopt data protection policy and protocols that are acceptable to the World Bank. While maintaining the database on behalf of the FGS, WFP will apply its established personal data protection and privacy processes.

In the course of the programme implementation, WFP will assess that all data usage is compliant to its data protection principles. In particular, WFP will verify that the data are only handled by authorized and trained staff; that the beneficiaries have been informed of how the data are used and that they have given their consent; that the data are only used for their intended purpose; and that they are stored, backed up and protected as per corporate policies.

### **3.5 Benefits and Payment Mechanism**

#### ***Benefit Level***

Each beneficiary will receive a monthly payment of US\$ 20 delivered in USD on a quarterly basis (four quarterly payments of US\$60, equalling US\$ 240 per year). The payment distribution schedule for the one-year duration of the cash transfer is described in Table 1.

**Table 1: Baxnaano Cash Payment Delivery Schedule**

Calendar Year		2020									2021											
		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Quarter 1	May 31 – June 15	CT	CT																			
	June 16 – June 30		REC																			
Quarter 2	July 1 – Sept 15			CT	CT	CT																
	Sep 16 – Sept 30					REC																
Quarter 3	Oct 1 – Dec 15						CT	CT	CT													
	Dec 16 – Dec 30									REC												
Quarter 4	Mar 1 – Mar 30											CT										
	Apr 1 – Apr 15												REC									
Quarter 5 Onward*														CT	REC			CT	REC		CT	
*The program has a funding gap from Quarter 5 onward.																						
CT	Cash transfer delivery																					
REC	Accounts reconciliation																					

## **Payment Mechanisms**

WFP will deliver the unconditional cash transfers using its SCOPE payment process for mobile money payments. The process allows WFP to transfer cash entitlements to the beneficiaries through their mobile money wallets. The mobile payment provider has been identified and meets WFP's requirements for coverage (geographic and subscription clientele), and quality of services.

WFP typically implements mobile money transfers through biometric authentication, where beneficiaries must first authenticate before the transfers are processed into their mobile money accounts. This is done for security purposes in a context where most beneficiaries do not have identity documents, and hence the 'Know-your-Customer' Principles are not well-developed, which poses a challenge in maintaining effective beneficiary management controls and in verifying whether the funds are transferred to the targeted beneficiary. The process of biometric authentication normally requires beneficiaries to travel to CP distribution locations for top up and biometric authentication for transfer.

Due to the current COVID-19 pandemic, where the current process of biometric authentication is not possible to conduct safely, WFP Somalia will temporarily suspend/waive the requirement to minimize the risk of transmission among beneficiaries due to gatherings for the authentication process, and through sharing the MPOS equipment for scanning the fingerprints.

To mitigate risks of temporarily waiving this biometric authentication process, WFP Somalia has put in place some measures to verify the identity of the beneficiaries before they receive the transfers, and ensure that the transfers are still done in a secure manner, as described below.

### **Risk-informed process management**

1. WFP will register beneficiaries of SNHCP in SCOPE by recording their details (for example, name, telephone numbers) while also capturing their biometrics. During the registration process, all beneficiaries will be sensitized to register a phone number that matches with the name of the principal recipient in the household.
2. Before any transfers are effected, WFP will engage the Mobile Network Operator (MNO) in validating beneficiary phone numbers to ensure that they match the names of the principal household recipients as registered in SCOPE. No transfers will be effected to phone numbers that have names not matching with what is recorded in SCOPE. Through this validation process, WFP will compile a list of those households that have non-matching records, and those that do not have SIM cards at all and request the Mobile Network Operator to issue new SIM cards (free of charge) to the households' principal recipients accordingly. These SIM cards will be issued through the support of WFP CPs.
3. WFP will maintain the list of SIM cards issued to each CP and will conduct some verification by randomly calling the phone numbers to ascertain if, indeed, the SIM cards have been issued to the rightful recipients.
4. WFP will transfer the mobile money directly to the beneficiaries, using a platform (portal) provided by the MNO to reduce opportunities for fraud and corruption, including editing of phone numbers. The portal will only be accessed by authorized WFP staff, who will be provided with usernames and passwords to use the system. The system also allows segregation of duties of

designated staff, minimizing opportunities for human error, and ensuring that all functional and managerial reviews are executed.

5. After the transfers are completed, WFP, through its call-centre, will also randomly carry out post-distribution monitoring calls to assisted beneficiaries, to confirm receipt of transfers, cross-check the identity of the beneficiaries against registered mobile numbers, and to verify additional HH details in SCOPE.
6. WFP will also continue to print SCOPE beneficiary entitlement cards and deliver to SNHCP beneficiaries. The back of these cards will contain WFP call-centre numbers that beneficiaries can also use to report any challenges that they face. Upon receipt of such feedback/complaints from the beneficiaries, WFP will resolve the cases through its established call-centre procedures.

### **Step-by-step process**

**Validation of beneficiary phone numbers.** The process for this mobile money option will start with a validation of the phone numbers for the registered households with the mobile network operator, so as to ensure that all the enrolled beneficiaries have a valid telephone number that matches with the name for the Principal household recipient registered in SCOPE and have activated the mobile money service on their phones. This process of validation will be done by WFP and the mobile money service provider. WFP will extract the registered households' phone numbers from SCOPE, without names or any other details, and share them with the service provider, who will then match the numbers with the names registered in the MNO system/database, and also confirm if mobile money account is active or not and provide feedback to WFP. WFP will crosscheck and flag any phone numbers that are not registered in the beneficiaries' name, or do not have an active mobile money account(s). WFP will then coordinate with the relevant CPs to contact the beneficiaries and correct all anomalies/update information accordingly. Once this is done, another validation of the updated information is done until everything is confirmed as correct.

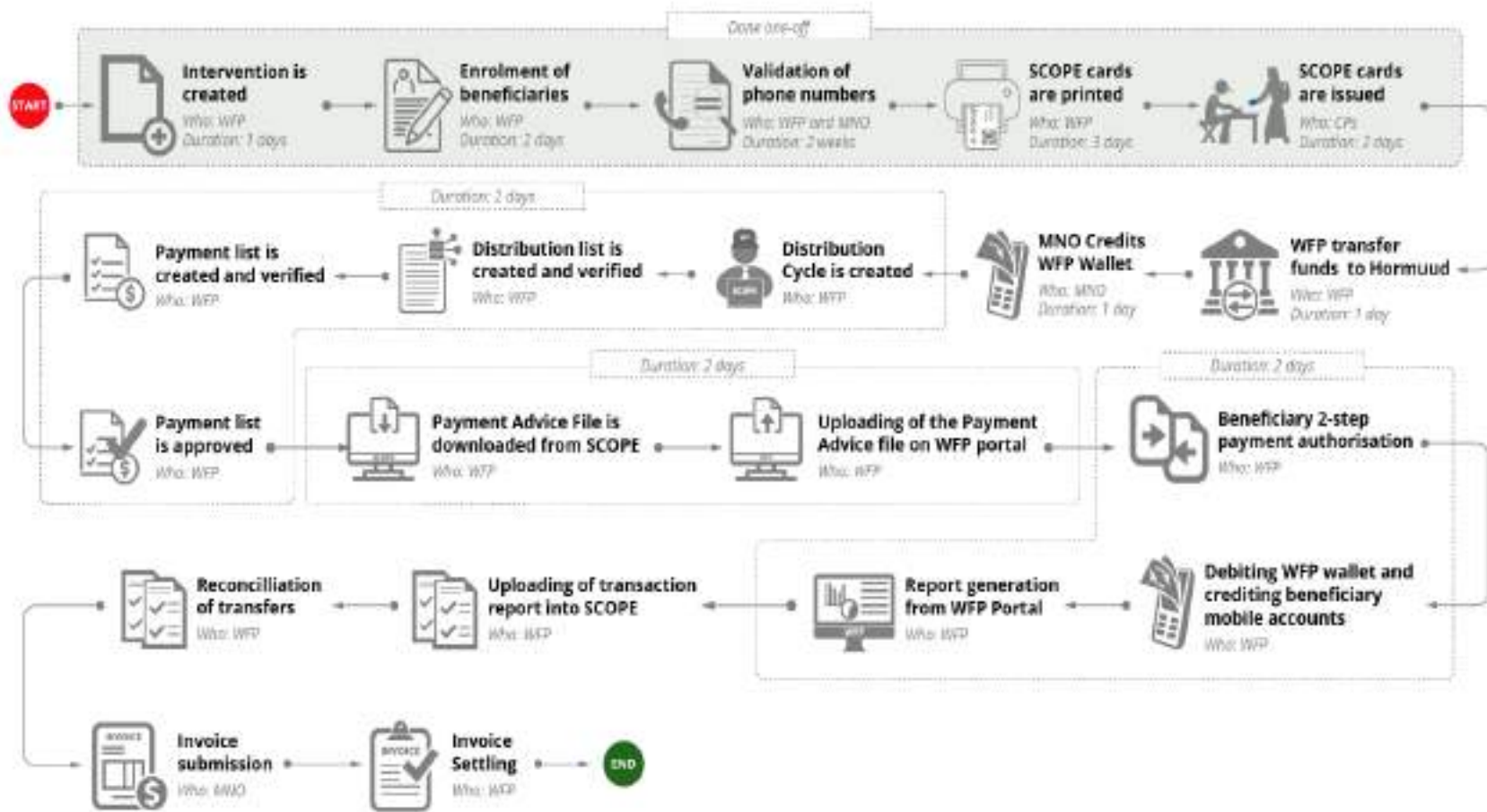
For any households that do not have SIM cards, the FSP will issue them new SIM cards on a free-of-cost basis. For this process, WFP will send an official request to FSP to issue the SIM cards packed with PIN accordingly. Once issued, the validation process is also going to be conducted for these SIM cards to confirm that they match with the beneficiary details. As a safeguard measure, WFP will obtain the SIM cards from the service provider and hand them over to the CP for onward distribution to households without a SIM card. The SIM card will accompany a contract agreement which will be signed by the recipient beneficiary. During this process, the CP will sensitize the beneficiaries on how to use the SIM card and PIN. Once done, the information will be shared with the mobile service providers to update their registration records.

As a safeguarding measure, the switch to mobile money will be adequately communicated to the beneficiaries alongside the necessary instruction on the process while also clarifying that this switch does not constitute any financial obligation on the part of the recipient since SIM cards will be provided free-of-cost and there is no need for beneficiaries to travel to CP locations for top up/authentication. All key stakeholders, including beneficiaries, will be informed of the 'Complaints and Feedback Mechanism' (CFM). Any transgression of the rights of the beneficiary can be reported immediately to WFP and closely followed through the M&E tracking system.

Once the validation process is done, the process for making the assistance available to the beneficiaries will follow the SCOPE processes as outlined below.

- (a) **Distribution Cycle Creation:** At the beginning of each quarter, WFP will create a distribution cycle in SCOPE, under each intervention. The distribution cycle defines the transfer value, transfer validity period (start and end dates), the beneficiaries entitled to receive the transfer by location, and associated responsible Financial Service Provider information.
- (b) **Verification of Distribution Lists Created.** In each distribution cycle, SCOPE generates a distribution list which shows the number and exact details of the beneficiary households to be included for the payment period. Once the list is generated, it is verified by a WFP senior-level programme officer. The distribution list includes enrolled households and maps their validated phone number as the household 'Account'/token number, to which the mobile money will be transferred.
- (c) **Creation and verification of Payment List:** After the WFP programme staff verifies the distribution list, WFP Finance Unit creates and verifies a payment list. A payment list commits funds to the beneficiaries and links each enrolled beneficiary household's unique phone number to the amount set in the cycle. The payment list is verified by a WFP senior finance officer, who ensures that the amounts set in the intervention are correct, and that appropriate resources are available.
- (d) **Approval of Payment List:** The Head of WFP Area Office performs a final check to ensure accuracy of the above-mentioned processes, and approves the payment list. The amount created in the cycle is then available to the enrolled beneficiaries included in the payment list.
- (e) **Sending of money to beneficiaries through mobile money:** The approved payment lists are then downloaded from SCOPE and uploaded by WFP Finance Unit into a portal provided by the MNO. Approval of transferring the mobile money to the beneficiaries will be a two-step process that will involve a first and second level authorization by WFP signatories. Upon second level authorization, the money will be automatically sent to the beneficiary phone numbers in the uploaded payment list on the portal.
- (f) **Receiving/downloading Transfer report:** The FSP portal will provide a report of successful/unsuccessful transfers to the beneficiaries, and the reasons for being unsuccessful if applicable. WFP can then follow up on the unsuccessful ones and redo the process within the specified distribution period.
- (g) **Reconciliation:** After each distribution period, a reconciliation is done to match the funds that were made available in SCOPE as per the approved payment lists versus what was successfully sent to the beneficiaries as per the transfers report from the portal. The report from the MNO portal is uploaded into SCOPE to reflect the successful transfers as 'redemptions' for reconciliation purposes. The WFP Finance Unit also does a bank reconciliation to track all advances paid to the MNO. On a monthly basis, the Finance Unit also receives a statement for the MNO Benefit Cash Account and reconciles this against WFP records. Follow-up is made with the MNO for any discrepancies.

Figure 1: Mobile Money SCOPE Payment Delivery Flow Chart





## 4 GOVERNANCE AND DELIVERY SYSTEMS (COMPONENT 2)

### 4.1 Communication and Outreach

Like component 1, communication under component 2 will happen at several levels across government and with public and non-government stakeholders. This communication will be managed by MoLSA, with support from UNICEF and in partnership with other stakeholders, primarily for the purposes of facilitating input and discussions on the design of the Baxnaano.

**National level communication:** MoLSA will communicate broadly across government line ministries and national stakeholder groups. Communications will include technical and governance discussions on the activities and outputs that will comprise the Baxnaano, with the aim of building a common understanding and consensus across key stakeholder groups within and outside of government.

**State level communication:** MoLSA will communicate about the project to FMSs and inform them of the objectives of the Baxnaano and scope of consultations. This level of communication will be sensitive to the differences in security contexts and will focus on building a sense of common purpose and agreement on ways forward for the Baxnaano.

**District level communication:** Specific district level governments, civil society and community groups will be included in outreach activities based on guidance from component 1, and used to provide targeted input into the design of the Baxnaano. Groups may include local leaders, clan representatives and organizations representing vulnerable and marginalized segments of society.

### 4.2 Governance and Policy Support

The FGS has laid the groundwork for rolling out an effective SP system through the preparation of a SP policy with the support of UNICEF and WFP funded by the Italian Cooperation. The policy was finalized in July 2019 and launched on September 17, 2019, and a road map has been drafted to guide its implementation. MoLSA, with technical assistance from UNICEF, will advance its implementation under the SNHCP by strengthening the governance structure supporting the policy. These activities comprise: (i) establishing a steering committee to oversee policy implementation; and (ii) strengthening a technical working group on social safety nets to coordinate efforts and provide technical guidance on developments in the sector.

**Social Protection Steering Committee (SPSC).** A SP steering committee will be established to provide policy leadership and oversight. The SPSC will be established with the objectives of (a) oversight and support of SP policy implementation; (b) resource mobilization; (c) ensuring inter-ministerial coordination on SP-related issues, and (d) issuing of SP policy decisions. The SPSC will be chaired by Deputy Prime Minister or another high-ranking government official above minister level. It will be supported by a small administrative team composed of an executive assistant and an administrative assistant.

UNICEF will support:

- (a) The drafting of the terms of reference (ToRs) for the SPSC, highlighting its mission and objectives, and roles and responsibilities of its members.

- (b) Facilitating the discussions leading to finalizing the SPSC ToRs.
- (c) Upon finalizing the ToRs, UNICEF will support MoLSA in drafting the decree for the FGS' finalizing and endorsement of the establishment of the SPSC.

**Government-Led Safety Net Working Group.** This activity will support the establishment of a Government-Donor safety net working group (SNWG) led by MoLSA and will include representation from relevant sectoral ministries (Ministry of Finance (MoF), Ministry of Planning, Integration and Economic Development (MoPIED), other line ministries, development and humanitarian partners, among others. The group will provide technical and institutional guidance on specific issues, contribute to the SP-related dialogue and activities, and provide a platform for coordination, cross-learning and alignment to the Government's SP policy.

The PIU at MoLSA will be responsible for the logistics and organization of meetings of the SNWG. UNICEF will support the activities described below.

- (a) **Development of ToRs for the MoLSA-led SNWG.** Developing the ToRs will involve active engagement of the PIU team and consultations with relevant sectoral ministries, the DWG and the EU-supported TAF. The revised ToRs will be reviewed by the World Bank team and endorsed by MoLSA.
- (b) **Coordination with MoLSA for scheduling of meetings.** In collaboration with the PIU, UNICEF will support MoLSA prepare a schedule for meetings of the SNWG and compile the minutes of the meetings. The agenda of the meetings will be proposed by MoLSA and Meeting Minutes circulated to the SNWG by the PIU which will also host the secretariat of the SPWG.

The SNWG meetings will be chaired by MoLSA and held quarterly in the month prior to the steering committee in order to allow key updates and recommendations to advise the committee meetings. For the duration of the project, UNICEF will support the scheduling of the meetings and the compiling of minutes.

### 4.3 Delivery Systems

Delivery systems will include:

- (a) Targeting policy and methodology;
- (b) Unified social registry;
- (c) Business process for the operation of the NCTP and described in an operations manual
- (d) Management Information System (MIS).

#### **Targeting Policy and Methodology**

The targeting methodology development will be primarily supported from the World Bank-administered Trust Fund (ASA). The ASA-funded output will be a targeting methodology note that will outline the beneficiary selection approach. The targeting approach will specify (a) the optimal targeting methodology for the SNHC national program independently of the capabilities and limitations of the SCOPE system; and

(b) a transitional targeting methodology that will serve as a bridge from SCOPE to the optimal targeting approach.

UNICEF will undertake the following tasks in support of the fine-tuning of the targeting methodology:

- (a) Facilitate and cover the cost of meetings and workshops with FMSs, relevant ministries and other stakeholders to identify feasible and optimal targeting approaches;
- (b) Use this input to provide feedback to MoLSA and inform the ASA-funded targeting methodology note.

The final targeting note will be produced by the consultant under the ASA for review and approval by MoLSA.

### ***Unified Social Registry***

The aim of this activity is to support the development of a unified social registry for the purpose of establishing a database of the poor, vulnerable and potential beneficiaries of multiple national and donor-funded programs.

UNICEF will undertake the following activities in connection with the development and implementation of a social registry:

- (a) With the ASA's technical assistance, facilitate dialogue and consultation workshops for developing the *social registry concept note* which will outline:
  - (i) The objectives of the registry (for example, identification of the poor, and other characteristics of households);
  - (ii) Which program will (potentially) use the registry;
  - (iii) Which data need to be collected to meet the objectives;
  - (iv) How the data will be collected;
- (b) Hire an international firm or consortium to:
  - (i) Develop a *social registry design note* (using the social registry concept note as an input), which will present:
    - Approach for unique identification of individuals and households;
    - Approach for compiling registry from existing databases (if feasible), using the results of a previous review of different humanitarian databases (stock-taking exercise conducted in 2018-2019);
    - Means of collecting these data in the short and medium terms and procedures that need to be adopted, including procedures for standardization of data collection by different entities and actual forms for collecting additional data or modifying data collection in support of the data;

- Data security protocols to safeguard the sensitive data after the different contributors share them
  - Institutional arrangement to support the implementation and governance of the registry;
- (ii) Based on the approved social registry design note:
- Prepare a *social registry operations manual*
  - Develop *ToRs* for the procurement of a firm to design and implement a social registry software;
- (c) Organize technical consultations on the proposed registry design note
- (d) Procure a firm to develop a *social registry software* according to the *TORs*, which firm will be expected to undertake the following tasks:
- (i) Develop software for the social registry that supports all the functions outlined in the design note;
  - (ii) Work closely with data contributors to develop data-sharing protocols, standardization of data collection and processing and implementation of data update procedures, and develop CAPI data collection forms to support social registry as required by different contributors;
  - (iii) Test and pilot the social registry software to ensure it performs according to the expectations;
  - (iv) Produce a social registry user manual;
  - (v) Prepare the *TOR* for the procurement of social registry hardware and support MoLSA in the procurement process;
  - (vi) Install social registry software on the MoLSA-procured hardware;
  - (vii) Conduct training for relevant MoLSA and PIU staff on the use of the social registry software.

### ***Operations Manual of the National Cash Transfer Program***

UNICEF will contract a consultancy firm or a consortium to develop a full-operations manual for the Baxnaano, while working closely with MoLSA and FMSs, and cooperating with development partners. The manual will be informed by the experience of implementing of Component 1, and discussions with MoLSA, the World Bank, implementation partners and other stakeholders.

The manual will include the following components: (a) communication strategy; (b) institutional arrangement; (c) beneficiary selection (based on the targeting methodology); (d) registration and enrolment processes; (e) payment delivery mechanism; (f) Grievance Redress Mechanism (GRM) and (g) monitoring and evaluation arrangement.

While the focus of the operations manual is on operational procedures, the firm will produce technical papers or concept notes for the following components of the business cycle: communication, payment, GRM and M&E.

The firm/consortium will provide training for relevant MoLSA staff (PIU and non-PIU) on the POM. UNICEF will facilitate the training activities and cover the costs associated with them.

**Communication Strategy and Procedures.** The communication strategy will:

- (a) Incorporate feedback and outputs from the consultations and discussions with FMSs and local stakeholders, and outline activities related to information-dissemination at different stages of the national system to be developed (targeting, registration, enrollment, payment delivery and grievance handling);
- (b) Articulate the components of the communication ecosystem (direct communication, social media, printed media and TV).
- (c) Develop and produce tailored messages for different audiences, including beneficiaries, general public, local and national authorities and partner ministries.

UNICEF's support to MoLSA will not relate to communication for Component 1.

**Institutional Arrangement.** The manual will contain a section on the institutional arrangement that defines roles and responsibilities of different national actors (FGS, FMSs, districts, among others) in the management, implementation and monitoring of the national program, and across the business processes. The manual will also outline any partnership arrangement (for example, NGOs, private sector) established for the purpose of the implementation of the program.

**Beneficiary Selection.** This section of the operations manual will detail the processes of the beneficiary selection that will enable the implementation of the agreed targeting approach.

**Registration and Enrolment.** Based on the targeting methodology, this section will outline the processes for registration, verification and enrolment of beneficiaries. The section will also include the relevant forms.

**Payment Delivery System.** This section of the manual will outline the technical and operational requirements for a robust payment delivery system, building on humanitarian experience and Somalia's private sector-led experience on mobile banking and experience under Component 1.

**Grievance Redress and Social Accountability Mechanism.** The GRM for this component, which will enable the monitoring of compliance with social safeguards, is outlined in the section of the manual dealing with grievance redress procedures.

UNICEF will contract a staff member for the purpose of drafting a social accountability mechanism technical paper, which will be aligned with the communications strategy. The paper will draw on on-going discussions with FMSs and other stakeholders to propose suitable options for the composition of the mechanism.

**Monitoring and Evaluation.** The POM details the procedure to be established for the purpose of monitoring of all business processes and evaluating the effectiveness and efficiency of the program and its individual components.

### ***Management Information System (MIS)***

The MIS will enable the automation of business processes of the Baxnaano as described in this manual.

UNICEF will undertake the following tasks: (a) hire a consultant to develop ToRs for the development of the MIS software and hardware based on the POM; (b) hire a software development firm for the purpose of building an MIS according to the specification outlined in the ToRs; (c) supervise all the activities related to the development of the MIS.

The software development firm's ToRs will include, the following provisions:

- (a) The MIS should anticipate the creation of a social registry and be compatible with it
- (b) The system must undergo testing and piloting to ensure that its performance meets the expectations and is ready to be fully operational
- (c) Training should be provided for relevant MoLSA and PIU staff in the operation of the MIS and troubleshooting
- (d) Arrangements for future maintenance of the system, potentially through a local software development company
- (e) The firm will produce an MIS user manual to accurately and completely document the functions of the MIS.

#### **4.4 Capacity Building and Knowledge Management**

Component 2 will Support institutional and capacity building of MoLSA to plan, implement and monitor the Baxnaano and lead relevant policy dialogue.

##### ***Capacity Building***

The content of the capacity building activities will fall into four broad categories: (a) operational learning from the implementation of component 1; (b) capacity building linked to the development and implementation of the government's CTs delivery systems, and (c) capacity building through structured training courses, study tours and conferences, among others. The capacity building domains and foci are summarised in the table below.

**Table 2: Capacity building domains and foci**

Capacity Domain	Focus of capacity development
<b>Strategic Leadership and Management</b>	Enhanced ownership of and commitment to <i>Baxnaano</i> implementation. Enhanced leadership and management competences in for effective strategic management of the Baxnaano at appropriate levels.
<b>Selection and Identification</b>	How to select beneficiaries: making the hard choices about which people to prioritize to receive social assistance benefits in the face of huge demand and limited financial resources.
<b>Administration</b>	Key components of SP programme administrative processes, including conducting outreach and registration of potential beneficiaries; assessment of eligibility and enrollment of beneficiaries; payment & service delivery; grievance and redress mechanism; beneficiary case management; linkages & referrals; monitoring and data analytics; and communications and how they relate to each other. This will give an understanding of the constraints of successful programme implementation and potential pitfalls and bottlenecks, the system design options and how to reform these administrative systems based on existing resources and capacity.
<b>Monitoring and Evaluation</b>	Various aspects of setting up and implementing an M&E system and how it can improve policy/programme management and planning as well as improve policy/programme accountability.
<b>Social registry and Management Information System</b>	Specific skills needed to operate the social registry, interoperability of databases; data confidentiality, linkages with civil registration and ID system, etc.
<b>Governance &amp; Coordination</b>	Understanding the implications – both positive and negative – of different types of integration in social protection, as well as how to create coordinated systems through the delegation of roles and responsibilities and incentive structures.
<b>Knowledge Management</b>	Stocktaking and dissemination of knowledge generated during project implementation (challenges, success, and innovations).
<b>Shock-responsiveness of social protection system</b>	Incorporating a focus on fragility, risks, stressors and shocks while developing the social protection system at the policy, programme, administrative systems and evidence generation level.

### ***Knowledge management and learning***

UNICEF will provide support to MoLSA in documenting the lessons and experiences of implementation of the project, promoting 'learning by doing' and adjustments to project design, as well as knowledge-dissemination. This support will also contribute to the global knowledge on designing and implementing social protection interventions in Fragility, Conflict, and Violence (FCV) contexts. Knowledge management and learning has to respond to two needs: (a) the need for the project to learn by doing, and (b) establish procedures for systematic accumulation and dissemination of project experiences.

Given the fact that SNHCP is the first project that is establishing a government cash transfer program in Somalia, the need to document and learn from experience is enormous, and the learning cycle (from documenting challenges to discussion to finding solution to improved design to assessment of new design's effectiveness) must be short to ensure the project's adaptability. To this end, UNICEF will perform the tasks listed below.

- (a) **Support knowledge-building meetings on a monthly basis.** The discussions will be informed by reports from the field, findings of M&E, grievances, among others. The meetings will be coordinated by a designated member of the PIU (for example, M&E or communication officer). Key participants will include representatives from PIU, MoLSA, WFP and UNICEF, and other government officials where applicable (for example, Ministry of Health). To ensure national ownership, meeting notes will be prepared and archived by the PIU. UNICEF will review these notes for accuracy and completeness.
- (b) **Prepare, jointly with the PIU, and disseminate regular stock-taking and learning notes on a quarterly basis.** These will build on monthly meeting minutes but will be prepared for sharing with the wider audience of government agencies and development partners.
- (c) **Provide technical support MoLSA (PIU Communications Officer) for developing and managing a program website, and a well-structured web-based repository on knowledge products with different access rights (public access, PIU access, MoLSA access).** The repository will contain manuals, communication materials, evaluations, and learning reports mentioned in (1) and (2) above. UNICEF assist in setting up this the platform to be used for this document management.



## 5 GRIEVANCE REDRESS MECHANISM

### 5.1 Overview

The Grievance Redress Mechanism (GRM) presented here is project-wide: it is for use by the beneficiaries, communities and other project-affected persons to bring to the attention of the project proponents queries, complaints and grievances for systematic uptake, processing and resolution. It covers the three components of the project and the role of each of the three partners in the project (WFP, UNICEF and MoLSA). It recognizes the distinctiveness of the mechanisms at partner levels but also provides mechanisms for coordination and reporting.

#### *Principles*

The GRM is guided by the following overarching principles:

- (a) **Information-sharing:** ensuring that adequate and functional information is provided to the potential users and is shared among the partners;
- (b) **Dignity:** recognizes the humanity of users of the mechanisms and treats them with respect
- (c) **Utmost confidentiality:** Is discrete and sensitive, and allows for disclosure of, or access to, received and recorded information only to the extent necessary for the resolution of the grievance;
- (d) **Record-keeping:** Ensures keeping of records that faithfully reflect the information received and the actions taken in respect of the grievance within the principles of confidentiality and anonymity;
- (e) **Multiple reporting channels:** Provides a variety of accessible reporting channels, allows both open and anonymous grievances, and treats them with equal concern
- (f) **Consistency:** Provides resolutions that are similar in similar cases and which future complainants in similar circumstances can rely on;
- (g) **Equity:** Provides resolutions which are not only fair, but also seen to be fair, and provides or recognizes appellate processes for complainants who may feel dissatisfied with resolutions given to their grievances.

#### *Overall process*

The GRM has the following overall process aspects of note:

- (a) **Establishment and popularization of the GRM** (including, establishment of the partner-based GRMs' procedures and creating linkages and synergy amongst them; training of the necessary staff, and creating awareness of the mechanisms and procedures among partners, beneficiaries and staff);
- (b) **Identification or establishment and dissemination of a variety of accessible grievance reporting channels** (including personal reporting, electronic systems and postal avenues);
- (c) **Grievance receipt, recording and assessment** (including an easy receipt and registration/recording form – physical and/or electronic, and verification of information, assessment of the grievance, and providing feedback to the complainant);

- (d) **Action and resolution** (including determining what action is to be taken and taking the necessary action to resolve the complaint within clear timelines, giving feedback on resolution and avenues for further action, where necessary, and recording the relevant information);
- (e) **Monitoring and reporting** (including establishing a framework for reviewing performance and instituting corrective action, and for reporting, submitting reports to appropriate stakeholders and analysis of reports to sieve lessons learnt and use these to review the mechanisms);
- (f) **Gender-based violence, including sexual exploitation and abuse and sexual harassment (GBV/SEA/SH)** (including establishment of *specialized* grievance redress procedures and creating awareness on these, training of the relevant staff, and establishing mechanisms for emergency services and referral to appropriate service providers and follow-up).

The following sections describe the GRMs which operate at three interconnected levels given the implementation arrangements among WFP, UNICEF and MoLSA. Each of the agencies has a distinct and independent institutional arrangement for implementation, including redress of grievances which arise from the respective component. This GRM covers all the aspects of a composite grievance-handling process, with the components connected through referral or appellate, reporting and review mechanisms.

## 5.2 GRM for Component 1 by WFP

### 5.2.1 Overall GRM

The potential complainants and grievances related to the delivery of the unconditional cash transfer under Component 1 are summarized in the table below.

**Table 3: Potential complainants and risks/grievances (WFP)**

Potential Complainants	Risks and Potential Grievances
(a) Potential beneficiaries	(a) Project coverage
(b) Beneficiaries	(b) Enrollment of beneficiaries
(c) Co-workers and co-consultants (within sub-contractors, WFP)	(c) Distribution of cards
(d) Employees and consultants (of sub-contractors WFP)	(d) Payment lists
(e) Sub-contractors	(e) Top-up of cards/payments
(f) WFP	(f) Authentication and redemption of cards
(g) PIU	(g) Corruption and fraud
	(h) Sexual exploitation and abuse, sexual harassment, and GBV
	(i) Conflicts of interests
	(j) General abuse of office/power, and harassment
	(k) Labour-related issues: terms and conditions of employment and separation and work performance
	(l) Overall project management and performance

The WFP GRM applies to the general public and beneficiaries of Component 1 of the project, employees of WFP, and service providers contracted by WFP.

**General public and beneficiaries.** Members of the general public and beneficiaries are entitled to file a grievance at any step of the SNHCP implementation, or ask questions related to the project through WFP's Complaints and Feedback Mechanism (CFM) and report all the cases both completed cases and open cases to MoLSA as required.

The mechanism begins with a complainant's contact with the WFP *call-centre*, or through a WFP CP's *field monitoring report* on a particular case. The call-centre is accessible throughout Somalia from Sunday to Thursday, 8.00 am- 5pm through the following hotlines: Hormud - 0617 140164; Golis - 0907 053722; Telesom - 0633 228003 and Somtel - 0627 795373. An online system has been established which records the complainant's information, description of the complaint, classification of risk-level and other relevant particulars, and actions taken with respect to the complaint.

Once the grievance is received through the call-center or a CP report, the specific referral path-way is determined by whether the case is high, medium or low risk, or is simply a query or question requiring some information or answer.

Queries and questions are largely dealt with at the point of receipt, whether at the call-centre or through the CP report.

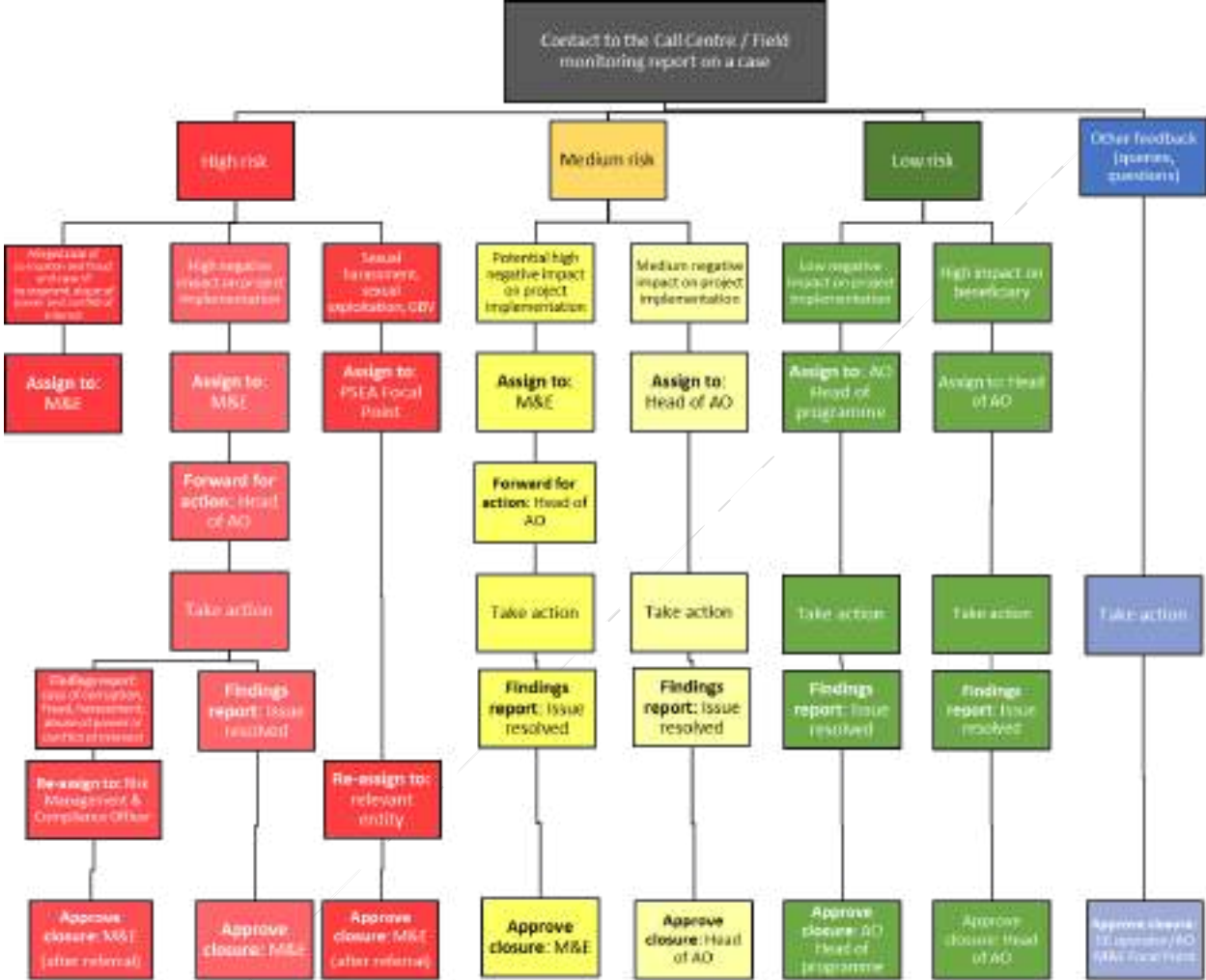
Low-risk grievances with low impact on project implementation are assigned to, and dealt with by, the Head of Programmes in the Area Office, while low risk grievances with high impact on beneficiaries are addressed by the Head of the Area Office. For both types of low-risk grievances, action is taken within 1 week, an interim progress report is done within 2 weeks and closure within 1 month (or 2 months for cases with low impact).

Medium-risk grievances with potential high impact on project implementation are assigned to the relevant M&E office, the head of which forwards them to the Head of Area Office for action, while those with medium negative impact are directly assigned to the Head of the Area Office. In all cases, those mandated to take action file a findings report, including the resolution of the grievance, and give the necessary feedback to the complainant. For medium-risk grievances with potential high impact on project implementation, action-time is 48 hours, interim reporting 2 weeks and closure 1 month.

High-risk grievances are divided into three main categories. Those which relate to (i) alleged corruption and fraud, harassment, abuse of power and conflicts of interests involving WFP and CP staff and (ii) those with high negative impact on project implementation are assigned to the relevant M&E office for processing. They are then forwarded to the Head of Area Office for action. Where the Area Office's findings report indicates that the matter has not been resolved, the grievance is escalated to the Risk Management and Compliance Officer (RMCO). Grievances relating to allegations of SEA, sexual harassment (SH) and GBV are assigned to the Prevention of Sexual Exploitation and Abuse (PSEA) Focal Point, and re-assigned to the relevant entity for action and findings report with the necessary follow-up. High-risk grievances must be acted on within 24 hours, an interim progress report done within 1 week and closure within 1 month.

In all cases, there must be approval of closure by the respective office before the grievance redress is considered finalized.

The diagram below presents the grievance redress processes for the various types of complaints.



**Employees of WFP.** WFP has a variety of informal and formal bodies and mechanisms for its staff to address work-place grievances. These, which do not apply to staff of CPs, are summarized in the table below.

**Table 4: Grievance redress channels – Employees (WFP)**

<b>Channel/Mechanism</b>	<b>Grievances/Reports/Issues</b>
<b>Immediate supervisor, Deputy Country Director/Country Director or Office of Inspections and Investigations (OIGI)</b>	Misconduct or suspicions of misconduct
<b>Office of the Ombudsman (OMB) (informal channel)</b>	Issues related to work, including conditions of employment, managerial practices, professional and staff relations, administration of benefits, interpersonal issues and standards of conduct (advice on more formal channels where solution cannot be found)
<b>Office of the Inspector General (OIG)</b>	Conducts investigations on complaints from WFP’s employees, contractors, counterparts, implementing and partners, UN agencies, and others, including cases of sexual exploitation and abuse (SEA)
<b>Ethics Office (EO)</b>	Advises employees and management on standards of conduct and ethical matters, conflicts of interest, political activities, pre- and post-employment and similar issues

**Service providers.** With respect to this category, the regulatory framework is summarised in the table below.

**Table 5: Grievance redress channels - Service providers (WFP)**

<b>Sub-contractors</b>	<b>Regulatory framework and grievance redress</b>
<b>NGOs and Service Providers (and to the extent they are bound, their respective personnel, agents and sub-contractors)</b>	<ul style="list-style-type: none"> <li>• Corporate registration and commitment to FGS laws that govern their operations</li> <li>• Binding Field Level Agreements (FLAs) with WFP which bind and commit them to WFP’s policies and regulations, and form the basis for resolution of any grievances they may have</li> </ul>
<b>Employees of NGOs and Service Providers and their respective sub-contractors</b>	<ul style="list-style-type: none"> <li>• Somali national Labour Code 1972 and other labour laws</li> <li>• Grievances channeled to the MoLSA Labour GRM</li> </ul>

## 5.2.2 Gender-based Violence (GBV) and Protection against Sexual Exploitation and Abuse

**Employees of WFP:** WFP has a zero-tolerance policy on sexual exploitation and abuse (SEA) which focuses on acts committed against the people it serves by WFP employees or others associated with its work. Any acts of sexual exploitation and abuse constitute serious misconduct and are grounds for disciplinary measures, including summary dismissal and referral to enforcement authorities for criminal prosecution, where appropriate. WFP's policy on SEA covers acts which occur at or away from the workplace, and during or outside working hours, including sexual activity with children (under the age of 18 years), exchange of money, employment, goods, assistance or services for sex, and sexual activity with prostitutes.

**WFP Cooperating Partners:** WFP's cooperating partners (CPs) are required to abide by WFP's regulations and to adhere to its commitments. By entering into an agreement with WFP, CPs undertake to adhere to the standards set out in the Secretary-General's Bulletin Special Measures for Protection from Sexual Exploitation and Sexual Abuse (ST/SGB/2003/13), minimum operating standards for UN and non-UN personnel and all other SEA policies or guidelines as may be adopted by WFP, and notified to the CP by WFP from time to time. In addition, CPs need to ensure that their personnel, agents, contractors and subcontractors conform to the highest standards of moral and ethical conduct. Failure by CPs to take preventive measures against SEA, to investigate allegations thereof or to take corrective action, constitutes grounds for termination of the Agreement with WFP.

**GBV/SEA Reporting and Referral Pathway:** WFP has designated senior staff in each Area Office as well as the liaison office in Nairobi as prevention of SEA (PSEA) Focal Points.

- (a) WFP staff who receive and/or report allegations who are not a designated PSEA Focal Point (including call center operators) must:
  - Upon consent of the affected person, inform a designated WFP PSEA Focal Point at the field or country level as soon as possible;
  - Provide accurate information to the complainant/GBV survivor about where to receive assistance, for example, medical/clinical, legal or psychosocial support (address, phone number).
- (b) Upon receipt of a complaint or referral, the PSEA Focal Point will ensure that consent has been obtained before reporting the incident to OIGI - WFP's Office of Inspections and Investigations. All employees and PSEA Focal Points/Alternates are bound to maintain confidentiality of all reported allegations, including the identity of complainant(s) and subject(s). Personnel who report misconduct in good faith have the right to be protected against reprisals and retaliation. Procedures for this are found in the WFP "Whistle-blower" Protection Policy. OIGI will launch an independent assessment of the cases and conduct investigations as required. WFP will notify the World Bank of any project-related GBV/SEA case within 48 hours of being reported. During the investigation process, all efforts will be made to keep the identity of personnel and others involved in the investigation confidential. The requirement for confidentiality extends equally to all those involved in, or with knowledge of, the investigation. If requested, the staff/call-center operator that received the complaint can act as a liaison between the complainant (including

his/her family) and those persons conducting any subsequent investigation, ensuring at all stages that the safety, health and legal needs of the complainant are taken into consideration and that he or she is not subjected to intimidation as a result of lodging the complaint.

- (c) **If the complaint implicates a staff member of a different organization** such as a CP, a copy of the incident report will be forwarded to the SEA Focal Point in the organization subject to an allegation, and the World Bank. WFP will discuss and agree with the Focal Point on the responsibilities for follow-up on the safety, security, health and legal needs.
- (d) **If the complaint is a rumor or the alleged perpetrator(s) affliction is unknown**, a copy of the incident report will be forwarded to the Resident Coordinator/Humanitarian Coordinator (RC/HC) and the World Bank. The RC/HC will call for a meeting of the PSEA Taskforce that consists of designated PSEA Focal Points from UN agencies in the country, as well as the Red Cross/Red Crescent Movement and relevant International and local non-governmental organisations (NGOs). The PSEA Taskforce will be asked to develop a strategy for assessing the veracity of the rumors or allegations. The RC/HC will then pursue the issue through the appropriate channels. If an investigation is deemed to be warranted and WFP personnel are suspected to be involved, the RC/HC will inform the referring Focal Point and refer the matter to WFP's OIGI.

**GBV Referral Pathway:** WFP has partnered with UNICEF to provide a comprehensive mapping of UNICEF's partners for direct provision of GBV services within the Baxnaano locations. These are extremely critical, especially for the areas where GBV services are currently non-existent. Existing contracts for UNICEF partners include funding for the provision of emergency supplies (such as PEP kits) and transportation to the nearest support centers or medical facilities. WFP will ensure that all staff in the field offices as well as call centre operators and CPs are informed and have an updated list of the preferred service providers working in each project location or the nearest location.

**Referral by WFP staff (including call center operators) and CPs:** With the informed consent of the survivor and while maintaining utmost confidentiality, WFP staff and CPs will direct the affected person to the preferred UNICEF partners in their area of operation. Following the sensitization of communities in Baxnaano locations on the GBV reporting mechanism, it is possible that some survivors may directly seek the services of the designated providers without necessarily reporting the case to the WFP hotline or CPs.

If in the case management process, a partner organization realizes that a case of GBV is related to the Baxnaano project, they should call the WFP hotline. This will help WFP to monitor any negative effects arising from the project.

WFP prioritizes the rights of the survivor and therefore the information shared on the WFP hotline should not compromise the confidentiality and safety of the survivor (or the service provider). As such, only the type of incident, age and gender of the survivor, whether the survivor thinks the perpetrator was associated with the project and if the survivor has sought services yet should be reported to the WFP hotline. The call to the hotline should only be done with the informed consent of the survivor.

### 5.3 GRM for Component 2 by UNICEF

The potential complainants and grievances in the UNICEF GRM are summarized in the table below.

**Table 6: Potential complainants and risks/grievances (UNICEF)**

Potential Complainants	Risks and Potential Grievances
(a) Co-workers and co-consultants (within sub-contractors, UNICEF)	(a) Delivery systems development and implementation
(b) Employees and consultants (of sub-contractors, UNICEF)	(b) Identification and contracting of service-providing firms
(c) Sub-contractors	(c) Corruption and fraud
(d) UNICEF	(d) Sexual exploitation and abuse, sexual harassment and GBV
(e) PIU	(e) Conflicts of interests
	(f) General abuse of office/power and harassment
	(g) Labour-related issues: terms and conditions of employment and separation and work performance
	(h) Overall project management and performance

UNICEF's GRM applies to employees/staff of UNICEF and contractors and sub-contractors, but not to staff of CPs.

**UNICEF Staff.** UNICEF has informal and formal processes in place for its staff to raise workplace-related concerns and grievances and report cases of suspected misconduct, fraud, among others, and a comprehensive disciplinary process in place to address breaches of internal regulations. The mechanisms and relevant grievances are summarized in the table below.



**Table 7: Grievance redress channels (UNICEF)**

Channel/Mechanism	Grievances/Reports/Issues
<ul style="list-style-type: none"> <li>• <b>Managers or Heads of Office (who then contact the Director, Office of Internal Audit and Investigations (OIAI))</b></li> <li>• <b>Deputy Executive Director, Management (if the issue relates to the OIAI or its staff)</b></li> <li>• <b>Director, OIAI</b></li> <li>• <b>UNICEF misconduct e-mail, integrity1@unicef.org, which is managed by the Director, OIAI</b></li> </ul>	<ul style="list-style-type: none"> <li>• Breach of the UN Charter, the UN Staff Regulations and Rules, UNICEF’s Financial Regulations and Rules, the Standards of Conduct for the International Civil Service, or any UNICEF internal policies</li> <li>• Misconduct or suspicions of misconduct</li> </ul> <p>Identity of person reporting, providing information or supporting investigations to be kept confidential</p>
<p><b>Designated local focal point or another official formally designated to receive such reports by a UNICEF or UN policy</b></p>	<p>Suspicious or grievances involving sexual exploitation and abuse</p>
<p><b>Ethics Office (EO)</b></p>	<ul style="list-style-type: none"> <li>• Complaints of retaliation or threats of retaliation or reports of risks of retaliation from OIAI</li> <li>• (Confidentiality of record of all such complaints)</li> <li>• Conduct of initial review of the complaints</li> </ul>
<p><b>Ombudsman (informal process)</b></p>	<ul style="list-style-type: none"> <li>• Grievance at work, including issues related to conditions of employment, managerial practices, professional and staff relations, administration of benefits, conflict, interpersonal issues and standards of conduct</li> <li>• Advice on proceeding through more formal channels where not resolved</li> </ul>

**UNICEF Sub-contractors and service providers.** Issues or grievances from sub-contractors and service providers are processed in accordance with the FLAs between them and UNICEF.<sup>1</sup>

## 5.4 GRM for Component 3 by MoLSA

### 5.4.1 Overall GRM

**Institutional structures and grievances.** MoLSA has established a Grievance Redress Committee (GRC), which is composed of five (5) members from MoLSA appointed by the Minister. The GRC handles grievances generally within MoLSA, including non-SNHCP ones, prior to their being referred to the dispute resolution mechanisms established under the Somalia Labour Code.

At the level of implementation of SNHCP, the PIU has within its structure a Grievance Redress Mechanism and Social Risk Management (GRM/SRM) Officer operating under the SNHCP Project Manager. Generally, the officer has responsibilities, and addresses grievances, as depicted in the table below.

**Table 7: GRM/SRM Officer’s responsibilities**

Broad Responsibilities	Grievances
(a) Addressing any grievances that arise within or are relevant to the SNHCP	(a) Labour-related issues from MoLSA’s staff who are assigned duties within the project at any level and members of PIU (b) Labour-related grievances which arise from the sub-contractors’ and service providers’ staff and for which the officer will be the primary receiver (c) Labour-related grievances which are, for any reason, referred by WFP and UNICEF arising from their members of staff (d) Labour-related grievances which are on appeal from decisions of WFP or UNICEF (e) Beneficiary-related grievances which are on appeal from decisions of WFP (f) Labour-related grievances which are referred by MoLSA personnel working in project areas, some of which it may address and others of which it may refer to WFP or UNICEF, depending on the staff involved (g) Beneficiary-related grievances which are referred by MoLSA personnel working in project areas, some of which it may address and others of which it may refer to WFP, depending on the grievance
(b) Referring to other institutions’ GRMs any grievances which are in their jurisdiction	
(c) Referring to GRC grievances which the officer is unable to resolve	
(d) Directing appeals to GRC, where necessary	
(e) Advising on references to the judicial system	

**GRM Reporting Channels and Recording.** The GRM/SRM officer has established a variety of accessible channels of communication, which include hotlines, e-mails and other web-based channels, text

<sup>1</sup> Grievances of staff of sub-contractors and service providers are processed under the MoLSA GRM as presented below

services (short message, WhatsApp or other accessible platforms), electronic noticeboards, postal and courier services, and a grievance desk.

In order to manage online grievances, the GRM/SRM officer will, with the assistance of the MIS officer, develop a case management framework to capture and organize information, to track the processing of grievances and to record resolution, and plug into the project's MIS. Although information received in print and voice forms may be captured in a *print register*, the GRM/SRM officer will translate the information into a *digital format* for up-loading onto the project's MIS, when this is established.

**Grievance Redress Process.** The GRM/SRM officer has overall responsibility for project-related grievances. However, labour-related grievances will be referred or channeled to the Labour GRM Officer to address as outlined below. Similarly, complaints related to Components 1 and 2 of the project will be referred to WFP and UNICEF, respectively, as appropriate.

All complaints/grievances received by the GRM/SRM will be recorded in the grievance register with details of the complainant (to the appropriate extent), date of complaint, method of submission of the complaint, the main complaint, investigations conducted and the decision taken, and whether the case has been closed or referred to the next level, to WFP and UNICEF or some other institution.

#### 5.4.2 SNHCP Labour GRM

Within the SNHCP, it is required that grievance redress mechanisms be in place to enable employees to raise work-place concerns. The Labour GRM is designed to address concerns promptly, using an understandable and transparent process with timely feedback, and to operate in an independent and objective manner, without any retribution. Whereas labour-related complaints and grievances of direct workers hired by WFP and UNICEF are governed by their internal regulations, workers contracted by CPs have access to the grievance redress mechanism established under the PIU and managed by the Labour GRM Officer. This mechanism is complementary to the overall GRM as indicated earlier, and:

- (a) Directly processes labour-related grievances which are within its purview;
- (b) Refers to WFP and UNICEF any labour grievances which it receives but are within their respective purviews;
- (c) Processes labour-related appeals from decisions of WFP and UNICEF;
- (d) Refers complainants to other grievance redress mechanisms;
- (e) Escalates any labour disputes it is unable to resolve, and advises on appeals from its decisions.

**Submission of grievances.** Grievances may be submitted either in writing or verbally through the e-mail ([baxnaano.grm@molsa.gov.so](mailto:baxnaano.grm@molsa.gov.so)), telephone (toll-free line 4477) or suggestion box (at MoLSA Labour GRM Office, Jubba Rd., Mogadishu, Shangani, Somalia). The Labor GRM call-centres operate in both English and Somali languages, but with any language barrier being resolved by the GRC.

**Information required and registration.** Complainants are at liberty to determine the information they would like to provide. However, it is important to provide enough information to enable effective review and management of the grievance. The information may include name, contact details (geographical location, telephone number and e-mail, among others), and details of the grievance (what happened, the place, the parties, the time or date, the circumstances, and the consequences of the event, and whether the incident is one-off or recurrent). Submission of grievances will not incur any cost to the complainant.

All grievances received are registered and logged and an acknowledgment of receipt given to the complainant, with an indication of the prescribed timeframe, subject to any request for anonymity and confidentiality. Initial documentation of grievances will be done in log books and then translated into a digital database.

**Categorization and resolution of grievances.** Once the grievance is received and registered, a decision is made on the eligibility of the complaint, taking into account whether the issue is labour-based, emanates from the project implementation and falls within the scope of the GRM, and is clear; the complainant is anonymous or identifiable, and that all the necessary information is available. An assessment is then made to determine whether the grievance should be directed to a different entity, and what category to assign the grievance within the Labour GRM. The categories are indicated in the table below.

**Table 8: Categories of complaints and action**

Category	Action
<b>Category 0: complaints that are not labour related to the project or project workers.</b>	These may be complaints from project beneficiaries or the general public. Call-center operators are required to refer the matter to the appropriate/relevant Partner organisation for relevant response and action.
<b>Category 1: Queries, comments and suggestions</b>	Call-centre operators should be able to accept and welcome comments from concerned parties and should be able to provide appropriate feedback to queries. If a matter requires confirmation or insight from GRM technical team, the operators should obtain the concerned party's detail and get back to him/her within 48 hours with the official position.
<b>Category 2: Complaints and concerns which do not require formal inquiry</b>	These are minor employment grievances that should be resolved within the internal GRM structure of the organizations. Employee disputes, reporting hours, relationship, among other similar ones, are examples that do not require formal inquiry. However, the GRM office may be involved as a matter of appeal in which case, the GRM relevant staff will contact the Employer and try to solve the matter informally.

<b>Category 3: Complaints and concerns that involve allegations that require investigation by GRM/MOLSA</b>	These are serious labour grievances such as child labour, harassment, bullying, discrimination and sexual abuse at the workplace that require formal investigation and resolution.
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Once investigation is conducted, actions may include negotiation, mediation or arbitration, coordination with appropriate authorities and proposing resolutions, and implementation of agreed actions. The Labour GRM officer will determine whether a grievance in this category requires internal resolution, or should be referred to external official authorities, or requires escalation. The officer will also advise a complainant of the availability of judicial processes, or of any appeal processes available where a complainant is not satisfied.

Where a grievance is resolved, the complainant will be informed of the outcome. If a grievance is not resolved and is escalated for consideration and resolution at another level, appropriate information will be provided to the complainant. A grievance will be closed once it is resolved, or where it is referred to another process, subject to any necessary follow-up in respect of the latter. A comprehensive report is prepared covering the receipt, recording, processing and resolution of the grievance.

The Labour GRM procedures, protocols and tools will be used for case management from receipt up to the closing of complaints.

The table below provides timelines within which each GRM tier should address or escalate the complaint, based on the information on the Labour GRM Grievance Report Form and documents submitted.

**Table 9: Grievance processing timelines**

CATEGORY	ACTION REQUIRED	CALL-CENTRE OPERATOR/HELP-DESK/ONLINE PLATFORM	GRM STAFF
Category O	• Registering and logging	• Immediately	
	• Acknowledgement to complainant	• Immediately	
Category 1	• Accept and welcome comments from concerned parties	• Immediately	
	• Registering and logging and appropriate feedback to queries		
	• Where the matter requires confirmation or insight from GRM technical team, Consultation with GRM staff	• Immediately	• 48 hours
	• Referral to Partner organization	• 48 hours	• 48 hours
	• Feedback to complainant	• 72 hours	• 72 hours
	• Follow-up	• 1 week	• 1 week
Category 2(a) (i)	• Registering and logging	• Immediately	
	• Acknowledgement to complainant	• Immediately	
	• Referral to Partner organization	• 48 hours	• 48 hours
	• Feedback to complainant	• 72 hours	• 72 hours
	• Follow-up	• 1 week	• 1 week
Category 2(a)(ii)	• Registering and logging	• Immediately	
	• Acknowledgement to complainant		
	• Consultations with Partner organization and appellant		• 72 hours
	• Resolution of appeal		• 1 week
	• Feedback to appellant		• 1 week
Category 2(b)	• Registering and logging	• Immediately	
	• Acknowledgement to complainant		
	• Inquiry/investigation/analysis		• 1 week
	• Feedback to complainant		• 1 week

<b>Category 3</b>	<ul style="list-style-type: none"> <li>• Registering and logging</li> <li>• Acknowledgement to complainant</li> </ul>	• Immediately	
	<ul style="list-style-type: none"> <li>• Report to World Bank</li> </ul>		• Immediately
	<ul style="list-style-type: none"> <li>• Resolution plan</li> </ul>		• Immediately
	<ul style="list-style-type: none"> <li>• Inquiry/investigation/analysis and resolution</li> </ul>		• 1 week
	<ul style="list-style-type: none"> <li>• Feedback to complainant</li> </ul>		• 1 week
<b>GBV/SEA/SH</b>	<ul style="list-style-type: none"> <li>• Registering and logging (the most necessary details)</li> </ul>	• Immediately	
	<ul style="list-style-type: none"> <li>• Referral to service providers</li> </ul>		• Immediately
	<ul style="list-style-type: none"> <li>• Feedback to complainant</li> </ul>		• Immediately
	<ul style="list-style-type: none"> <li>• Follow-up</li> </ul>		• 1 week

## 5.5 Coordination and reporting

**Dissemination.** It is the duty of each of the partners (MoLSA, WFP and UNICEF) to inform their stakeholder beneficiaries, respective staff, sub-contractors and service providers, of the existence, nature and processes of the multiple GRMs and to underline strict adherence to them. Second, it is the duty of each partner to monitor adherence at its level and take any corrective measures that are necessary.

**Referrals.** There will be situations where a complainant submits her or his grievance, whether beneficiary- or labour-related or others, to a GRM other than the appropriate one. Each of the partners will comprehensively record the details of the grievance and, thereafter, refer the complainant to the appropriate GRM; inform the partner responsible of the referral and submit a copy of the records to the partner; follow up, and indicate in the relevant record any information received from the partner or complainant regarding the processing of the grievance. The partner who receives the grievance on referral will confirm receipt and eventually inform the referring partner of the outcome of the processing of the grievance.

**Reporting.** The custodians of each GRM will prepare a comprehensive quarterly and bi-annual report on its operations. The final reports will be shared among the partners and, where necessary, discussed in performance review fora as part of the evaluation of the GRMs.

In the case of beneficiary grievances, WFP will prepare detailed quarterly report as per cases whether closed or pending, at the same time provide updates to MoLSA as well as other stockholders as required.

**M&E.** PIU will design M&E tools for the GRM and engage with other project stakeholders in periodic reviews to gauge the effectiveness of the GRM, and make any necessary adjustments.



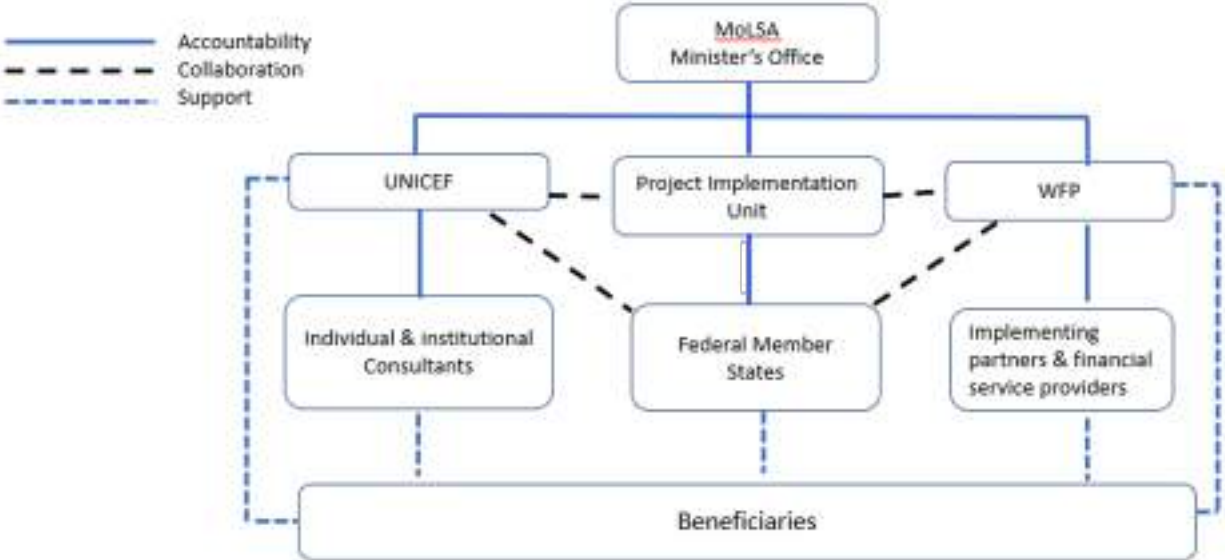
## 6 PROJECT INSTITUTIONAL ARRANGEMENTS AND ADMINISTRATIVE RESPONSIBILITIES

### 6.1 Institutional and Implementation Arrangements

#### 6.1.1 Project Management

The SNHCP is housed within MoLSA, which is responsible for the overall project management, implementation, monitoring and coordination with other ministries and FMSs. To assist MoLSA in implementation of the project, a PIU is established within MoLSA at the federal level that will be responsible for the day-to-day management and administration of the project and will report to the Minister of Labor and Social Affairs. Focal points at the member state level may also be established if the need is identified for having such arrangement during implementation. Figure 3 summarizes the roles and responsibilities of different institutions and actors in the implementation of the SNHCP, including the nature of the relationship between them.

**Figure 3: Organizational Chart of the SNHCP Project**



#### 6.1.2 Structure and Responsibilities of the Project Implementation Unit

The PIU at the federal level will be headed by a Project Manager and Social Protection Coordinator, and will also include an Operations Officer, a Communications Officer, an MIS Officer, a GRM and Social Risk Management Officer, Labour GRM Officer, a M&E Officer, a Financial Management Specialist, a Procurement Specialist, and 5 FMSs (Jubbaland, Southwest, Hirshabelle, Galmudug and Puntland) focal points (Liaison Officers).

**Figure 4: Organizational Chart of the PIU**



The PIU is responsible for:

- (a) Implementation of the project in accordance with the Grant Agreement and Disbursement and Financial Information Letter, Project Appraisal Document, this Operations Manual and other complementary manuals, fiduciary and safeguards documents, and any other relevant project documents;
- (b) Ensuring activities are carried out according to the principle of ‘do no harm’ and in compliance with the established fiduciary, social and environmental safeguards requirements;
- (c) Compliance with financial management responsibilities and processes, including reporting and auditing obligations;
- (d) Timely completion of project reporting on activities, spending and monitoring to MoLSA and the project steering committee;
- (e) Facilitation and management of monitoring, auditing and evaluation processes;
- (f) Monitoring of progress of the components implemented with WFP and UNICEF support and providing timely feedback and support as needed;
- (g) Supporting MoLSA with the efforts to coordinate within government, with FMSs and with development partners engaged in the SP agenda.

### **6.1.3 Responsibilities of UNICEF and WFP**

MoLSA will contract WFP and UNICEF as the two main service delivery partners for the SNHCP. WFP and UNICEF will support the implementation of components 1 and 2 respectively, and service contracts will follow the “Standard Form of Agreement for Use by World Bank Borrowers”. For each contract, WFP and UNICEF will coordinate work with MoLSA to prepare work-plans for the delivery of services, which will align with the Project Appraisal Document and with this Operations Manual. Service providers (for example, NGOs, consultants and banks) will be contracted by WFP and UNICEF as needed and described under the respective Output Agreements to support the implementation of activities under Components 1 and 2.

## 6.2 Procurement Arrangements

### 6.2.1 Management of Procurement Processes

Overall responsibility for project procurement will rest with the PIU, which will undertake all procurement-related tasks under the project. The PIU will manage all the steps in the procurement process from preparation of bidding documents/ToR/RFPs, to bid/proposal opening, bid/proposal evaluation, contract negotiations, and contract award. Further, the PIU will be responsible for (a) contract management, including the review and approval of consultants' deliverables, the receipt, inspection, and acceptance of goods, and (b) the release of funds to the consultants/suppliers in accordance with the signed contracts. The Procurement Officer under the PIU is in-charge of the procurement process for the SNHCP.

Procurement will be carried out in accordance with the requirements of the World Bank's Procurement Regulations for Borrowers under IPF: Goods, Works, Non-Consulting Services, and Consulting Services dated July 1, 2016 (revised November 2017 and August 2018); Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants (revised as of July 1, 2016), and provisions stipulated in the Financing Agreement. Given Somalia's FCV country status, procurement will be processed under the special procurement arrangements referred to under paragraph 12 of Section III of the World Bank Policy on Investment Project Financing dated September 30, 2018. MoLSA, through the PIU, will follow the Bank's anti-corruption measures and will not engage services of firms and individuals debarred by the Bank. When conducting the evaluation of Bids/Proposals, the PIU shall check the eligibility of Bidders/Proposers/Consultants from the lists of firms and individuals debarred and suspended by the Bank that are posted on the Bank's external website ([www.worldbank.org/debarr](http://www.worldbank.org/debarr)) in cases of debarred firms and individuals, and the Bank's Client Connection website and/or other sources of information that the Bank may make available for listing of suspended firms or individuals.

### 6.2.2 Project Procurement Strategy for Development (PPSD) and Procurement Plan (PP)

According to the requirement of the procurement regulations, MoLSA has developed a PPSD, based on which an initially PP for the first 12 months has been prepared. The PP sets out the initial procurement activities required to begin implementation and identifies the selection methods to be followed by MoLSA during project implementation in the procurement of goods, works, and consulting services. The PP includes the cost estimates, time schedules, the World Bank's review requirements and brief description of the activities/contracts, among others. 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 the World Bank's approval. All PPs will be publicly disclosed in accordance with the World Bank Group disclosure policy.

The project envisages procurement of the main contracts described below.

- (a) **Goods and non-consulting services.** The contracts under goods include office equipment, furniture, and office supplies. The contracts under non-consulting services include activities such as hiring of conference facilities, transport, or IT services. The type and budget for such activities will be defined and agreed between MoLSA and the World Bank during the project implementation period.
- (b) **Consulting services - recruitment of UN specialized agencies, consulting firms, and individual consultants as the need arises for technical support and assistance.** The main procurement of

services under the SNHCP will be for the implementation of components 1 and 2, which will be offered by specialized UN agencies, namely WFP and UNICEF. Contracts for the agreed value and for the implementation of the project in accordance with this Operations Manual will be awarded to the respective UN agencies at the outset of the project.

A template for the PP along with detailed procurement guidelines is given in Annex 3.

A Fixed Assets Register will also be prepared for the project, and will be regularly updated and physical verification of assets routinely carried out.

## **6.3 Financial Management**

### **6.3.1 General**

The FGS will be responsible for financial management (FM) and reporting using country systems and procedures in line with World Bank standards. The project financial procedures will aim to ensure the project is carried out in accordance with the following principles:

- Legality and eligibility;
- Accuracy and timeliness;
- Reliable and complete financial reporting;
- Proper recording and safeguarding of assets and resources;
- Efficient management of project implementation.

The External Assistance Fiduciary Section (EAFS), established under the Office of the Accountant General in the FGS, will oversee and manage the project FM in consultation with the Directorates of MoLSA. The project will adopt local country systems for the project's FM, which will include accounting and reporting, banking, oversight arrangements with the Office of the Auditor General, and staffing. The ministry will also have an FMS and an accountant as part of the PIU which will be responsible for the implementation of day-to-day FM functions. Complete accounting records will be maintained for daily management and for periodic audits and project reviews.

The PIU is also responsible for the following financial functions:

- (a) Planning and budgeting and preparing financial forecasts;
- (b) Implementing accounting controls and bookkeeping and reconciliation of accounts;
- (c) Ensuring segregation of duties for all financial activities;
- (d) Contracts management with various vendors to the project;
- (e) Disbursements of funds for project activities;
- (f) Invoice payments and tax control and reporting;
- (g) Keeping records of fixed assets, and evidence of all invoices, payments, status of contracts, and status of categories;
- (h) Financial reporting to the World Bank and in accordance with the Financing Agreement and FGS reporting requirements;
- (i) Proper documentation and adequate preparation for the project audit by the Office of the Auditor General;
- (j) Processing and archiving all financial documentation in accordance with legal requirements (The project is strongly advised to use the document attachment functionality in SFMIS to store some

of the vital documents for the project).

### **6.3.2 Project Bank Account**

The project Designated Account will be opened at the Central Bank of Somalia. The signatories to this account will be per the Authorized Signatory Letter (ASL) as provided by Government to the World Bank. This account is designated for authorized project activities.

The Project Financial Management Specialist (FMS) in the PIU will maintain the books of account, including bank statement, account number, date, description (supplier name, contract number, and invoice internal number), amount credited (US dollars), amount debited (US dollars), and balance (US dollars). The Cashbook will be updated immediately upon the receipt of bank or upon receipt of proofs of payments.

### **6.3.3 Financial Planning and Budgeting**

On the part of Government, the EAFS unit, working closely with the PIU, will prepare and submit the project's work plans, and budget and cash flow forecast every six months for each project component (WFP, UNICEF and MoLSA) for inclusion in the Government's annual appropriation and budget and for the 'No Objection' from the World Bank through the TTL. All the projections shall be reviewed and forwarded to the Budget Directorate in the Ministry of Finance. All annual cash budgets will be sent to the World Bank at least two months before the beginning of the government fiscal year for review and approval.

WFP and UNICEF, as the main service contractors under the project, will submit detailed project budgets based on the specific activities to be executed over the life of the project as outlined in the Project Appraisal Document for components 1 and 2 and in line with the Service Agreements signed with MoLSA. The two organizations will prepare and submit to the Government the project annual work plans, budget estimates, and cash flow forecasts for each component/sub-component for necessary review and clearance. The work plans, cash flow projections, and budget shall include the figures for the year analyzed by month and quarter.

### **5.4.3 Disbursement of Funds**

Disbursement of funds under Component 1 will be managed through an initial advance and subsequent replenishments to WFP directly from the WB, upon evidence of achievement of the results specified by the project and supported by claims for reimbursement of eligible expenditures.

Disbursement of funds under Component 2 will be managed through an initial advance and subsequently according to an established schedule with funds transferred directly from the WB to UNICEF.

Disbursement of funds under Components 3 will be managed through an initial advance and subsequent replenishments to MoLSA by the World Bank, upon evidence of achievement of the results specified by the project and supported by claims for reimbursement of eligible expenditures. The request for the advance will be in the online form of a written commitment (signed by Accountant General and Director General, Ministry of Finance).

#### **6.3.4 Financial Reporting**

The PIU through the EAFS unit will submit to the World Bank periodic and annual reports covering total project expenditures, total expenditure on each of the project's components/activities and an analysis of that total expenditure into various categories of goods, works, training, consultants, and other procurement and disbursement categories.

The respective Heads of Finance at the country offices of WFP and UNICEF, in consultation with the technical teams and their head office counterpart staff, shall each prepare and submit to the Government quarterly interim financial reports and physical summary reports in a format agreed between the Government (Office of the Accountant General – EAFS section) and the two UN agencies, as included in their respective Output Agreements. These reports shall be submitted to the Government not later than 15 days after the end of the reporting period. Detailed physical report will be prepared and submitted to the Government every 6 months.

MoLSA will then extract the unaudited Interim Financial Reports (IFRs), which shall include costs incurred on activities directly implemented by MoLSA and be submitted to the World Bank not later than 45 days after the end of the quarter. These reports shall form the basis for funds flow drawdown. Such reports should be prepared as per the format agreed with the World Bank and set out in the Disbursement Letter. Templates for financial reporting are included in Annex 4 of this manual.

#### **6.3.5 Auditing**

The Auditor General of the FGS will carry out the external audit of the project. An external audit (Technical Assistance) firm will be engaged and funded by the project to support the Office of the Auditor General out the audit of the project activities. MoLSA will share the terms of reference for the project external audit for the World Bank's prior review within three months of effectiveness. The first external audit of the project will be for the financial year ending December 31, 2019.

The audited project financial statements together with any additional information required will be submitted to the World Bank not later than six months (June 30<sup>th</sup> of the following year) after the end of the financial year. The audit will be in conformity with the World Bank's audit requirements and in accordance with internationally recognized auditing standards.

WFP and UNICEF will also routinely undertake the project audit related to the respective components and as specified in the respective service agreements in accordance with their respective internal and external auditing procedures laid down in the own financial regulations and rules. In conjunction with the World Bank, and the two UN Partners, an external auditor will be appointed to review the entire cash transfer mechanisms, controls and other oversights.

## 6.4 Environmental and Social Safeguards: Social Management Plan and Labour Management Procedures

During the design phase of the SNCHP, several potential social risks for communities and beneficiaries receiving cash transfers were identified for Component 1, and rated as substantial. These are listed below.

- (a) **Exclusion.** The security and other challenges associated with working in rural Somalia make effective stakeholder engagement and community participation very challenging, and therefore pose high risks of possible exclusion of key stakeholders.
- (b) **Selection.** Gender and other cultural dynamics will need to be managed to ensure cash transfers are not being captured by spouses, family, nominated caregivers, community leaders or armed groups, but instead remain with the intended beneficiaries.
- (c) **Elite or Clan capture of project.** There is a risk that local community dynamics will result in attempts by elites or clans for a particular group to capture the benefits of the project.
- (d) **Remoteness.** The unique characteristics and conditions in rural areas where the SNHCP will focus its cash transfers create a different set of challenges compared to urban environments, which if not managed properly, could complicate project implementation.
- (e) **Systemic Weakness.** The institutional capacity of the FGS and, in particular, MoLSA, for mitigating adverse social impacts and redress of these impacts is limited.
- (f) **Difficulty in Monitoring.** Security concerns and the remoteness of the project target areas provide a significant challenge for monitoring and supervising project implementation. This can include challenges for community and stakeholder engagement, grievance redress and other risk mitigation protocols.
- (g) **Inward Migration.** As the project will, initially, only operate in a small number of districts in the FMSs in Somalia, there remains a possibility that people from neighbouring districts will seek to migrate to the project areas to benefit from the project.

In addition, potential risks exist for the staff who will be employed in this project under Component 1, including WFP and CP staff.

Given the above risks, the Project has carefully considered mitigation measures to ensure that potential negative impacts of project activities are minimized as much as possible. These risks as well as related mitigating measures are further explained and detailed in three safeguards instruments: Social Management Plan (SMP), the Labour Management Procedures (LMP), and the Stakeholder Engagement Plan (SEP).

The **SMP** focuses on the social risks associated with the project for beneficiaries of the cash assistance as detailed above, and, for each risk, details mitigation measures. The SMP also includes a Gender-Based Violence Plan, a Security Action Plan and an Inclusion Action Plan.

The **LMP** describes the measures put in place to mitigate the risk of exploitation of workers engaged in this project, including WFP and UNICEF, and the Cooperating Partners and payment service providers.

The **SEP** elaborates the various stakeholders of the project and the ways in which they will be consulted in order to effectively ensure that all voices, especially those who may be marginalized, are considered and included in the project design and implementation.

In addition to the above, it is critical to note that any severe safeguards incident observed during the implementation of the project should be reported to the Government as well as the World Bank within 24 hours. A description and definition of severe safeguards incidents can be found in the Environmental and Social Incident Response Toolkit (**ESIRT**) of the World Bank, which is available on the website.



## 7 PROJECT MONITORING AND EVALUATION

### 7.1 Monitoring

MoLSA has overall management and monitoring responsibilities, supported by WFP and UNICEF for the implementation of Components 1 and 2. A dedicated M&E officer will be hired as part of the PIU team at MoLSA to lead project M&E and will report to the Project Manager. WFP and UNICEF will carry out monitoring activities in accordance with the results framework in Annex 1 and the provisions under their respective service contracts, and will ensure timely and quality monitoring and reporting to MoLSA on progress and challenges towards these monitoring indicators.

In addition, MoLSA will hire a third-party monitoring (TPM) agency to undertake quarterly monitoring and verification of the cash transfer component of the project. This organization will carry out field monitoring to determine whether cash distribution activities are done in accordance with project standards. It will review the following distribution processes:

- (a) Overall functioning of the distribution centers and verification processes;
- (b) Effective communication of the project rules to the beneficiaries;
- (c) Verifying accurate distribution of the entitlement of beneficiaries and beneficiary family members according to the beneficiary lists;
- (d) Accessibility and function of processes for updating beneficiary information;
- (e) Compliance in the issuing of authorization forms to the verified beneficiaries.

WFP and UNICEF will assist the TPM as necessary in order to facilitate the required monitoring activities. Monitoring activities, listed below, will be carried out on an on-going basis. TPM activities will include:

- (a) On-site monitoring at distribution sites to verify that enrolment and distribution processes are carried out according to agreed protocols;
- (b) Site visits at vendor locations to assess effectiveness of the distribution system and ability to utilize cash payments, and identify protection and security risks to beneficiaries;
- (c) Household monitoring visits to quantify the project's benefits on food security and nutrition at household level;
- (d) Measuring the process effectiveness and programme experience link to nutrition services through referrals;
- (e) Quarterly reporting on monitoring findings to MoLSA.

### 7.2 Evaluation

A targeting evaluation will also be carried out for Component 1. The purpose will be to assess the accuracy of the targeting and distribution of beneficiaries and benefits, and to measure the soundness of the community-based targeting approach under Component 1. The results of the evaluation will be used to inform and adjust the targeting approach under Component 1, and also provide input to the dialogue and design of the national program's targeting methodology under Component 2. Findings from this evaluation will be presented at a review workshop, organized by MoLSA and the World Bank, with the participation of key stakeholders to gain support from different constituencies and contribute to program

ownership and transparency. The targeting evaluation will be supported by the World Bank-executed technical assistance facility funded by the Somalia Multi-Partner Trust Fund.

## 8 PROJECT REPORTING

### 8.1 Arrangements for Reporting to the World Bank

Under MoLSA, the PIU will also be responsible for preparation and consolidation of project-wide annual work plan and budgets across all the levels of the project implementation.

MoLSA will be responsible for biannual project progress reporting to the World Bank. Project reports will contain biannual narrative reports and quarterly interim financial reports (IFRs). WFP and UNICEF will provide input on the progress of Components 1 and 2 which will be consolidated by the PIU into a comprehensive project-wide report. PIU will submit the reports to the World Bank within 45 days following the end of each reporting period. The IFRs will be prepared by the EAFS and approved by the Accountant General.

The following updates should be included as part of the narrative report, and all sections should cover updates on procurement, financial management, M&E, program implementation and compliance with safeguards:

- (a) Project overall progress towards the project development objectives and against the outcome indicators;
- (b) Project progress since last reporting;
- (c) Project activities performed during the reporting period;
- (d) Feedback and reporting from the TPM;
- (e) Major events and challenges during the reporting period;
- (f) How challenges were addressed or resolved;
- (g) Risks that materialized during the reporting period and how they have been mitigated;
- (h) Summary of issues raised through the GRM system and how they have been addressed;
- (i) Update of the project's results framework;
- (j) Action plan and expected deliverables and project progress till next reporting.

WFP and UNICEF will provide relevant progress reports on their components to MoLSA, which will be compiled and shared with the Bank, as outlined in their respective Service Agreements. This will include the submission of six-monthly narrative and financial reports, and a final completion report at the end of the project. Reports from WFP and UNICEF will include a summary of the status of activities to demonstrate the progress towards the Outputs Agreements, and the linkage with the payments and the required deliverables; interim financial reports, and signed Payment Requests for the next installment.

### 8.2 Implementation Support and Supervision Missions, Mid-Term Review and Implementation Completion Report

**Implementation Support and Supervision Missions.** The World Bank will conduct implementation support missions on a regular basis. Missions will be conducted jointly with MoLSA, WFP and UNICEF and will review the following areas:

- (a) Project overall progress towards the project development objectives and against the outcome indicators;

- (b) Overall project implementation progress, including financial management, procurement, safeguards and disbursement status;
- (c) Specific progress against all project activities across the three components;
- (d) Advance technical discussions with regards to the cash transfers delivery systems and agreement on issues as relevant;
- (e) Undertake policy dialogue with the FGS, FMSs and development partners;
- (f) Review and discuss implementation risks, including those related to social safeguards and fiduciary risks, and review, discuss and agree on the mitigation measures.

**Mid-term review (MTR).** At the mid-point of the SNCHP, between 12 and 18 months through implementation, the World Bank and MoLSA, with the participation of WFP and UNICEF, will jointly conduct a mid-term review of the project. The MTR will perform an in-depth review of project implementation, progress towards achieving the outcome indicators, its relevance at the mid-term point and challenges, and identify, if any, needs for adjustments and/or a plan to expedite implementation towards timely and successful completion.

With input from WFP and UNICEF, MoLSA will submit to the World Bank a mid-term progress report ahead of the mission to help plan for effective MTR discussions.

**Implementation Completion Report (ICR).** At the end of project implementation, an ICR will be prepared for the purpose of evaluating the project achievements and performance, reflect on the experience and identify lessons learned. The World Bank is responsible for the preparation of the ICR, in discussion with and with feedback from FGS, MoLSA and the UN partners. MoLSA, representing FGS, will contribute with a separate section in the ICR that presents the FGS' evaluation of the project. The ICR will include an assessment of the execution of the project, achievement of the project objectives, costs and benefits derived or to be derived, the performance of the borrower, the World Bank and others involved in project implementation, their respective obligations and accomplishments, and lessons learned.

## Annex 1: Results Framework and Monitoring

Project Development Objective Indicators					
Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Beneficiaries of social safety net program – Total	This assumes a household size of 6 members. However, reporting will be done on actual number of members per household, using SCOPE's capability to report on individuals.	Quarterly	WFP SCOPE	Program specific MIS	MoLSA and WFP
Beneficiaries of social safety net program – Female	Assuming 50 percent of population as females.	Quarterly	WFP SCOPE	Program specific MIS	MoLSA and WFP
National cash transfer program targeting methodology developed and endorsed by FGS	This targeting methodology is to be approved and endorsed by the MoLSA for government programs. This is different from the targeting methodology used by WFP for Component 1.	Once	Official letter from MoLSA confirming endorsement	MoLSA PIU informs the World Bank	MoLSA
Operational design of the national Social Registry developed and endorsed by FGS	Design for a consolidated beneficiary registry which will serve as a first step towards a national social registry.	Once	Official letter from MoLSA confirming endorsement	MoLSA PIU informs the World Bank	MoLSA

### Monitoring & Evaluation Plan: Intermediate Results Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Number of direct beneficiary households of cash transfers	Direct beneficiary households enrolled and receiving cash transfers	Quarterly	WFP SCOPE	Program specific MIS	MoLSA and WFP
Percentage of women who benefited from nutrition services	Number of women who attended nutritional referrals divided by total number of direct female cash transfer recipients, expressed as a percentage.	Quarterly	WFP SCOPE	Program specific MIS	MoLSA and WFP
Percentage of children under 5 years of age who benefitted from the nutrition program	Number of children under 5 years of age who attended nutritional referrals divided by total number of children under 5 years of age in selected households that received the cash transfer, expressed as a percentage.	Quarterly	WFP SCOPE	Program specific MIS	MoLSA & World Bank
Percentage of beneficiaries receiving cash transfer payments within the timeframe specified in the Operations Manual	Percentage of beneficiaries that received cash transfers within stipulated timeframes divided by total number of beneficiaries that received cash transfers	Quarterly	TPM	Program specific MIS; TPM quarterly data collection	MoLSA, WFP and TPM
Percent of registered grievances that are addressed within the timeframe specified in the Operations Manual	Percentage of Grievances addressed within stipulated timeframes divided by total number of grievances filed	Quarterly	TPM	Program specific MIS, TPM quarterly data collection	MoLSA, WFP & TPM

Social protection implementation strategy developed and endorsed	Implementation strategy for the National SP Policy	Once	MoLSA Progress Reports	MoLSA PIU informs the World Bank	MoLSA, UNICEF
Government-led Social Protection Working Group established and functional	Meetings of the MoLSA-led technical working group on social protection	Quarterly	MoLSA Progress Reports	MoLSA PIU informs the World Bank	MoLSA
Cash Transfer payment delivery system design prepared and endorsed	Technical and operational requirements for a payment delivery system developed and endorsed by FGS.	Once	MoLSA Progress Reports; Supervision Missions	MoLSA PIU informs the World Bank	MoLSA
National Cash Transfer MIS system developed	Technical and operational requirements for a MIS system developed and necessary infrastructure (hardware/software) established	Once	MoLSA Progress Reports; Supervision Missions	MoLSA PIU informs the World Bank	MoLSA, UNICEF
National Cash Transfer GRM developed and endorsed	Technical and operational requirements for a cash transfer GRM developed and necessary structures established	Once	MoLSA Progress Reports; Supervision Missions	MoLSA PIU informs the World Bank	MoLSA
Design of a pilot intervention for youth-targeted productive safety net is prepare	A proposal including all relevant design features for a youth-targeted productive safety net pilot, with costed action plan	Once	Design proposal available and shared	Submission by MoLSA PIU	MoLSA

## Annex 2: Targeting Methodology and Processes for Component 1

1. **The project will target beneficiaries in all states of Somalia.** Within each state, targeting will be conducted in three stages: (a) selection of districts, (b) selection of communities in the targeted districts, and (c) Targeting of households in selected communities based on the household eligibility criteria.
2. The selection of districts will be guided by the methodology as described in the following sections and agreed with the donor. WFP (with technical input from the World Bank) will propose the districts and engage in discussions and consultations with the FGS-MoLSA at the FMS. The final selection of the districts will be endorsed by the FMS.
3. **The targeting approach outlined at the outset of implementation, as described in this note, may be subject to adjustment based on the realities on the ground.** On the one hand, this is because the quality of data on population, demographics, and malnutrition is rather limited, and the available figures are frequently based on strong assumptions. On the other hand, security considerations are likely to introduce changes in the proposed targeting approach outlined in this annex.
4. Any change to any part of the described methodology will be presented by WFP in writing to MoLSA and the World Bank and subject to agreement with MoLSA and the World Bank prior to implementation of the change.

### Selection of Districts

5. **The project will target a total of 21 districts across the country.** Subject to field confirmation of the estimated targeted population in each district and fund availability, the project will cover three districts in each of the five member states, additional three districts in Somaliland and three districts of high distress index that fall in disputed areas between Somaliland and Puntland. To select the potential SNHCP districts, a three-step procedure is followed: (a) identify districts with higher distress ratings (based on a distress index) within each state; (b) adjust the selection based on security and access, (c) review of clan dynamics.
6. **Within each state, the districts are ranked according to a distress rating,** which is an index that considers the proportion of rural population in the district's total population, district's projected IPC rating (number of times the district was given a crisis or emergency IPC rating since December 2012), and incidence of SAM and MAM in the population of children under five years.
7. The proposed approach has the following advantages:
  - (a) Focusing on a limited number of districts will allow keeping the scope of cash transfer in each state manageable in terms of both budget sustainability and ease of developing and perfecting business processes and establishing functional implementation arrangements;
  - (b) Covering the same number of districts per state will ensure equitable participation in project by each state;



(c) Favouring rural districts is complementary to the humanitarian interventions; in the longer-term, extending SSN coverage to rural districts will reduce the ‘push’ factor in rural-urban migration by improving resilience in rural areas;

(d) Considering past impact and/or risk of drought, cash transfers will be positioned as a drought mitigation measure without compromising its overall focus on human capital investment.

8. Each of the indicators that constitute the distress index is coded on a scale of 1 to 5 such that the higher value of the indicator corresponds to the greater distress and, therefore, need for support through the SNHCP. Table A2.1 details the assignment of scores for the indicators comprising the index based on the value of underlying variables.

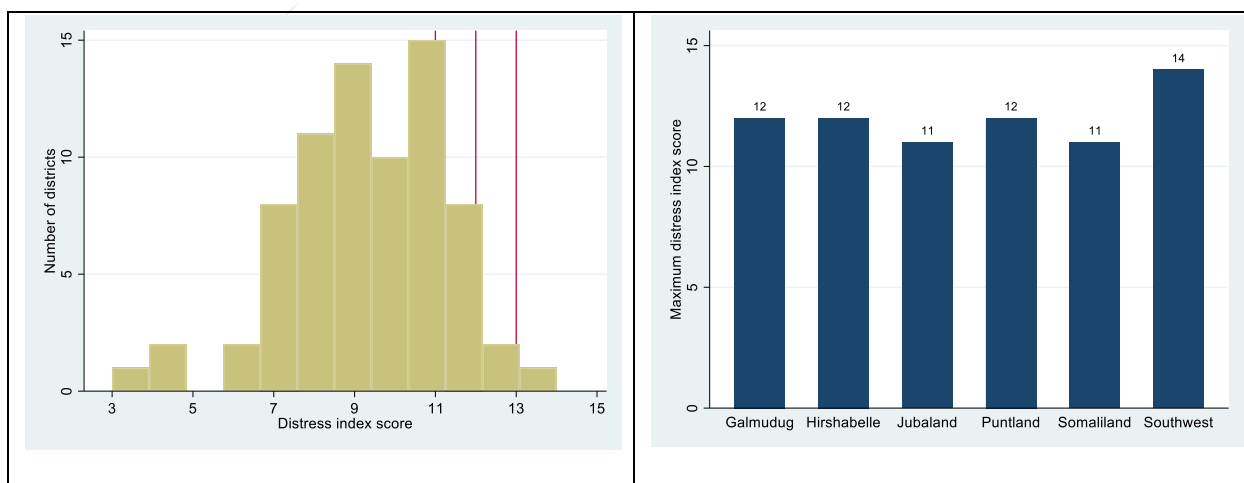
**Table A2.1. Assignment of Scores to Index Component Indicators**

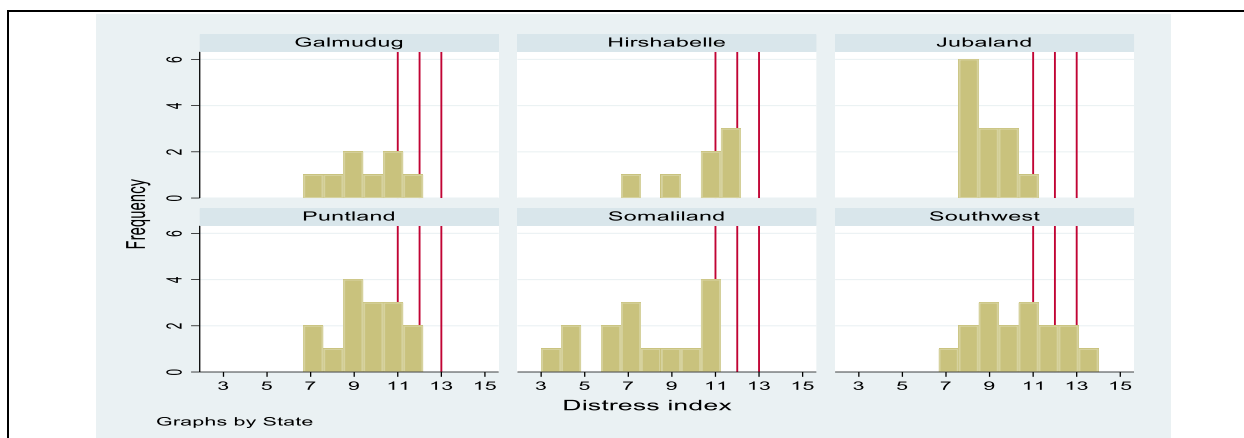
Score	Percentage of Rural Residents in Total Population, 2014a	Number of IPC3 and IPC4 Rankings Since December 2012b	Percentage of SAM and MAM Cases Relative to the Total Number of Children Under Five Yearsc
1	≤20%	0 or 1	≤30%
2	>20% and ≤40%	2 or 3	>30% and ≤36%
3	>40% and ≤60%	4	>36% and ≤41%
4	>60% and ≤80%	5 or 6	>41% and ≤45%
5	>80% and ≤100%	7 or 8	>45% and ≤100%

*Note:* (a) Total district population is a sum of urban residents, rural residents, and IDPs; (b) maximum number of IPC3 or IPC4 rankings since December of 2012 is 8; and (c) maximum district SAM + MAM incidence is 50.14 percent.

9. The index is a sum of scoring indicators and ranges, theoretically, from 3 to 15. Figure 5 shows that the actual distribution of the index scores varies across states. For instance, in Jubaland and Somaliland, the maximum distress index score is 11, while in Southwest, it is 14.

**Figure A2.1: Distribution of distress index scores for Somalia’s FMSs**





Note: Red line marks distress index scores of 11, 12, and 13.

**Table A2.2. Rankings of Districts by Distress Index within Each FMS**

State	District	Distress Index (overall)	SAM + MAM Cases Relative to the Number of Children Under Five Years (%)	Number of Children Under Five Years (UNFPA 2014)	Population (UNFPA 2014)	Number of Households with Children Under Five Years	Number of Households with Children Under Five Years with 3% Increase
Galmudug	Dhuusamarreeb	12	42.3	26,827	144,407	14,735	15,177
	Ceel Dheer	11	43.6	15,057	109,870	8,270	8,518
	Hobyo	11	41.6	18,016	115,222	9,347	9,628
	Ceel Buur	10	43.1	20,601	83,610	11,315	11,655
	Xarardheere	9	42.7	6,819	51,961	3,538	3,644
	Cadaado	9	41.5	21,612	129,588	11,870	12,227
	Cabudwaaq	8	39.6	29,790	101,959	16,362	16,853
	Gaalkacyo	7	43.7	—	171,436	—	—
Hirshabelle	Jalalaqsi	12	45.6	25,262	147,189	13,714	14,125
	BuloBurto/Maxaas	12	41.7	27,433	138,283	14,893	15,340
	Adan Yabaal	12	36.8	7,572	37,781	4,399	4,531
	BeletWeyne/Matabaan	11	42.8	44,580	235,214	24,201	24,927
	Cadale	11	37.7	16,740	86,896	9,726	10,018
	Balcad/Warsheikh	9	38.8	42,287	212,261	24,569	25,306
	Jowhar/Mahaday	7	37.9	36,609	179,097	21,270	21,908
Jubaland	Doolow	11	40.6	14,074	41,245	7,639	7,868
	Saakow/Salagle	10	41.1	2,800	79,116	1,945	2,003
	Jamaame	10	39.5	14,455	97,911	10,040	10,341

State	District	Distress Index (overall)	SAM + MAM Cases Relative to the Number of Children Under Five Years (%)	Number of Children Under Five Years (UNFPA 2014)	Population (UNFPA 2014)	Number of Households with Children Under Five Years	Number of Households with Children Under Five Years with 3% Increase
	Jilib	10	36.8	35,473	174,819	24,638	25,377
	Kismaayo	9	38.1	38,997	162,733	27,085	27,898
	Afmadow/Xagar	9	38.0	36,151	172,485	25,109	25,862
	Bu'aale	9	37.9	20,447	108,986	14,201	14,627
	Luuq	8	41.2	8,440	69,660	4,581	4,718
	BeletXaawo	8	41.1	16,053	83,116	8,713	8,974
	Garbahaarey/BuurDhuubo	8	38.8	30,089	76,952	16,331	16,821
	Baardheere	8	37.9	24,457	177,384	13,274	13,673
	Ceel Waaq	8	37.6	8,568	60,046	4,651	4,790
	Badhaadhe	8	36.0	8,259	56,178	5,736	5,908
Puntland	Laasqoray/Badhan	12	42.2	79,405	238,855	44,720	46,062
	Taleex	12	37.0	7,704	73,529	4,191	4,316
	Caluula	11	41.5	9,976	48,986	5,965	6,143
	Eyl	11	40.6	18,470	81,033	10,556	10,873
	Qandala	11	40.2	10,072	52,111	6,022	6,203
	Jariiban	10	42.3	15,433	81,890	8,007	8,247
	Iskushuban	10	38.8	12,072	58,415	7,218	7,435
	Bandarbayla	10	33.3	2,857	15,481	1,708	1,759
	Burtinle	9	42.8	12,280	64,963	7,018	7,229
	Galdogob	9	42.4	19,246	79,595	9,985	10,285
	Garoowe	9	40.2	47,789	246,702	27,313	28,132
	Laas Caanood	9	35.0	44,158	156,438	24,018	24,739
	Gaalkacyo	8	41.9	84,059	171,436	43,613	44,921
	Bossaso	7	38.3	94,957	469,566	56,776	58,479
	Qardho	7	38.1	16,096	85,588	9,624	9,913
	Ceerigaabo	9	40.0	37,243	205,318	20,975	21,604
Buuhoodle	7	23.5	22,936	83,747	12,252	12,620	
South west	Baydhaba/Bardale (Baidoa)	14	47.1	35,736	315,679	19,190	19,765
	Xudur	13	48.5	23,965	108,902	14,951	15,400
	Waaqid	13	48.3	24,475	125,521	15,269	15,727
	Ceel Barde	12	50.1	12,441	59,129	7,762	7,994
	Tayeeglow	12	48.3	12,565	73,675	7,839	8,074
RabDhuure	11	48.6	—	—	—	—	

State	District	Distress Index (overall)	SAM + MAM Cases Relative to the Number of Children Under Five Years (%)	Number of Children Under Five Years (UNFPA 2014)	Population (UNFPA 2014)	Number of Households with Children Under Five Years	Number of Households with Children Under Five Years with 3% Increase
	Diinsoor	11	38.5	28,929	174,932	15,535	16,001
	BuurHakaba	11	36.5	25,641	197,198	13,769	14,182
	Kurtunwaarey	10	40.5	51,456	262,315	29,598	30,486
	QansaxDheere	10	35.6	13,873	104,373	7,449	7,673
	Qoryooley	9	39.3	56,455	292,394	32,474	33,448
	Baraawe	9	38.7	14,290	74,072	8,220	8,466
	Marka	9	38.0	39,583	198,301	22,769	23,452
	Afgooye/Aw Dheegle	8	38.3	52,567	238,655	30,237	31,144
	Sablaale	8	37.3	4,991	23,447	2,871	2,957
	WanlaWeyn	7	37.5	21,102	113,035	12,138	12,502
	Disputed areas	Ceel Afweyn	11	40.0	23,838	99,950	13,425
Xudun		11	36.2	5,847	38,380	3,180	3,276
Caynabo		11	36.2	7,777	59,080	4,230	4,357
<b>Somaliland</b>							
	Zeylac	11	28.2	15,360	76,951	9,814	10,108
	Lughaye	10	28.3	19,889	100,819	12,707	13,089
	Baki	8	29.0	19,852	96,885	12,684	13,065
	Gebiley	7	24.9	20,690	106,914	16,035	16,516
	Owdweyne	7	24.7	19,950	101,358	10,657	10,977
	Berbera	6	26.7	35,762	176,008	27,716	28,547
	Sheikh	6	26.5	13,193	75,904	7,048	7,259
	Borama	4	25.4	79,552	398,609	50,828	52,353
	Hargeysa	4	24.5	191,949	959,081	148,762	153,224
	Burco	3	24.4	88,193	460,354	47,112	48,525

Source: Project team's calculations based on UNFPA and WFP data.

Note: (a) average number of children taken from High Frequency Survey 2017 regional average used; (b) assume that number of children under five years is stable between 2014 and 2017; and (c) average N children under five years per household = approximately 1.7.

10. **In addition to the distress index, the selected districts are assessed against the criteria of security and access.** If any of the districts are deemed to lack accessibility because of security challenges or capacity, they are replaced by the next most distressed district in the state. The access factor will be determinant in choosing between 2 districts with the same distress index, or even between 2 districts, one having a high distress index with very little access, the following having next highest distress index but adequate access.

11. Clan dynamics are also taken into consideration, in order to ensure more equitable service provision. For instance, if two districts within the same state with the highest distress index are mainly populated by the exact same clan, then the second one is replaced by the district with the next highest distress index.

#### **Allocation of households across districts**

12. The project covers 200,000 households in the selected 21 districts. The households are distributed across districts proportionately to the district's share in the total number of households with children under 5 years of age residing there, based on the 2014 population data.
13. Thus, in Hobyo, for example, which accounts for 3% of total number of households with children under 5 years of age, 6488 households can be admitted to the program and in Gebiley, which accounts for 6%, 11130 households can be admitted.
14. The quotas of households per district are listed in Table A2.3 in column "Households supported ceiling per district".
15. Following the community mapping exercise (discussed below) that will make more updated community population data available, the quotas for each district may be updated, but the logic of allocation of these quotas will remain the same, that is, in proportion of district's share in total population of the targeted 21 districts.

**Table A2.3. Proposed districts, pending finalization of district selection**

State	District	Distress index (overall)	Number of HHs with children under 5 with 3% increase	HH supported ceiling per district	Estimated population % coverage based on access	Accessibility due to security	Existing WFP partners	Ongoing WFP nutrition interventions
Galmudug	Dhuusamarreeb	12	15,177	10,237	80%	Yes	Yes	Yes
Galmudug	Hobyo	11	9,628	6,494	100%	Yes	Yes	Yes
Galmudug	Cabudwaaq	8	16,853	11,368	100%	Yes	Yes	Yes
Hirshabelle	BuloBurto/Maxaas	12	15,340	10,347	25%	Restricted	Yes	Yes
Hirshabelle	BeletWeyne/Matabaan	11	24,927	16,814	65%	Restricted	Yes	Yes
Hirshabelle	Balcad/Warsheikh	9	25,306	17,070	20%	Restricted	Yes	Yes
Jubaland	Afmadow/Xagar	9	25,862	17,445	70%	Restricted	Yes	Yes
Jubaland	Badhaadhe	8	5,908	3,985	TBC	Restricted	No	No
Jubaland	Luuq	8	4,718	3,183	100%	Yes	Yes	Yes
Puntland	Laasqoray/Badhan	12	46,062	31,071	100%	Yes	Yes	Yes
Puntland	Calula	11	6,143	4,144	100%	Yes	Yes	Yes
Puntland	Galdogob	9	10,285	6,938	100%	Yes	Yes	Yes
Disputed areas	Taleex	12	4,316	2,911	100%	Yes	Yes	Yes
Disputed areas	Caynabo	11	4,357	2,939	100%	Yes	Yes	Yes
Disputed areas	Xudun	11	3,276	2,210	100%	Yes	Yes	Yes
Southwest	Waajid	13	15,727	10,609	15%	Restricted	Yes	Yes
Southwest	Xudur	13	15,400	10,388	20%	Restricted	Yes	Yes
Southwest	Km 50		7,500	5,059	TBC	Yes	No	No
<b>SOMALILAND</b>								
Somaliland	Zeylac	11	10,108	6,818	100%	Yes	Yes	Yes
Somaliland	Lughaye	10	13,089	8,829	100%	Yes	Yes	Yes
Somaliland	Gebiley	7	16,516	11,141	100%	Yes	Yes	Yes

**Notes:**

Galmudug: Ceel Dheer replaced by Cabudwaaq due to access and that it is more remote and rural setting than Caadaado. Besides, it had very poor Dyer performance and in general very poor livelihood options.

Hirshabelle: Adan Yabaal replaced by Beletweyne/Mataban due to access and distress index. Jalalaqsi replaced by Balcad to ensure different clan affiliation between the 3 districts.

Jubaland: Jammaame and Saakow dropped because of inaccessibility and replaced by Afmadow based on distress index and Luuq due to access. Doolow replaced with Badhaadhe due to high level of humanitarian assistance.

Puntland: maintained Laaqoray/Badhaan and Calula. Included Galdogob to ensure different clan affiliation in the selected districts.

Disputed areas: included new category with contested areas between Putland and Somaliland. Ceel Afweyne replaced by Talex as it has higher distress index.

South West: Baidoa replaced by new liberated area in KM 50 (Baidoa dropped due to high level of humanitarian assistance). Estimated population of KM 50 is 7,500hhs based on ICCG Protection updated report on 27th August 2019. No access in Bariire.

Somaliland: included 3 districts of Somaliland based on distress index (Zeylac and Lugayec) and Gebileyis prioritized due to presence of minorities groups.

**Selection of Communities for program roll-out and order of roll-out**

16. Within the identified districts, two main factors have been used to guide the pre-selection of potential communities. The first one is the presence and availability of nutrition services and partners by both WFP and UNICEF; the second is the presence of WFP partners able and accustomed to perform cash-based transfers on behalf of WFP.
17. Because the estimated number of people per district is currently approximate, the roll-out will be conducted gradually to communities within the districts. Proximity to the nutrition centers will be used to determine the order and ranking of villages for the roll-out, which will be gradual, from villages closest to, to villages furthest from, nutrition services, provided that partners are present.
18. During the initial discussion with the local authorities of selected communities, WFP will receive from them a more accurate estimate of the actual number of inhabitants, from which WFP will be able to deduce the approximate actual number of families with children under the age of five that reside there.
19. Communities will be included until the ceiling number for households for that district is reached.

**Selection of Households in the Selected Communities**

20. To ensure that the targeting process is inclusive and transparent, a consultative process will be undertaken using the community-based participatory targeting (CBPT) methodology. The Cooperating partner consults with the local authority and local leaders. This consultation is aimed at sharing information regarding the project. The information includes the project design; geographical target

location; target population; selection criteria and methodology, and feedback and complaints mechanisms. Specific attention is given to gender, accountability to affected populations, conflict sensitivity, protection and inclusion of persons with disabilities and the elderly. The steps outlined below traditionally used by WFP and its cooperating partners will be followed in the targeting process.

- (a) Sensitize community leaders (traditional, elected and religious) on the criteria of selection to ensure clarity and understanding, but also to seek feedback on the understanding of vulnerability, and agree on the modalities of the selection process.
  - (b) Hold consultative meetings with men, women, disabled, the elderly and the minority group representatives and share details of the project and selection criteria.
  - (c) Establish a selection committee with full membership drawn from the different stakeholders, including local traditional and religious leaders, representatives from local Government/municipality as well as village committee members and minority groups. A selection committee is formed through a nomination process. Names are proposed and discussed, and the final list of committee members is validated.
  - (d) The committee organizes village consultative meetings (VCM) within the target area. This is an open meeting where everyone is invited through the existing structures. The structures include mosques, local leaders, family heads and committee members. The committee shares project information on aim and objectives, coverage, target group, targeting criteria and entitlements, collaborations and targeting process.
  - (e) Based on the criteria, the committee records the names of proposed beneficiaries on paper. The list is then read publicly for confirmation and validation. Once validated, the list is signed by the committee and submitted to the CP. A window period of one week is given for any complaints or feedback.
  - (f) The CP scans and submits the list to WFP together with a letter from the local government indicating that they were part of the process and are satisfied with it.
  - (g) The CP then creates an excel sheet, a detailed narrative report on the targeting process, attaches photos and sends to WFP for final verification.
  - (h) WFP cross-checks the list both hand-written and excel sheet and randomly calls 1% of those in the list to confirm their involvement in the process.
  - (i) Once cleared, WFP sends back the list to the CP with queries, if any, or approval if no queries, for registration into SCOPE.
21. The most vulnerable and under-represented members of the communities will be encouraged to participate. Specific attention will be paid to age, gender, disability and clan representation from across the community.
22. The community group will be instructed to follow a number of criteria in the process of selection and ranking of households:
- (a) Include only households with children under 5;
  - (b) Give priority to households with:
    - (i) Malnourished children;
    - (ii) Malnourished pregnant and lactating women and girls
    - (iii) High dependency ratio to sole bread winner;
    - (iv) Child headed household; lack of a breadwinner;
    - (v) Disable member of the household;
    - (vi) Lack of or limited livelihood assets;



(vii) Other vulnerability indicators communities may regard as relevant to their specific area; this will be subject to WFP verification and approval and documentation.

Selection criteria	Definition
<b>Malnutrition cases</b>	SAM and MAM currently enrolled in the programme with WFP/UNICEF; relapse cases during the last 6 months.
<b>High dependency ratio</b>	<p>More than 6 family members who are dependent on a sole bread winner. Must belong to the poverty ranking of Poor and Very Poor as defined by the community. High dependency ratio of children/elderly to sole bread winner is an age-population ratio of dependent part ages 0 to 14 not in the labour force and those typically in the labour force (the productive part ages 15 to 64<sup>2</sup>). It is used to measure the pressure on the productive population.</p> $\text{Child dependency ratio} = \frac{\text{number of people aged 0 to 14}}{\text{number of people aged 15 to 64}} \times$
<b>Child-headed household</b>	A child below the age of 14 years who is the sole breadwinner for her/his household. Must belong to the poverty ranking of Poor and Very Poor as defined by the community.
<b>Disabled dependant</b>	A household which has a disabled dependant. Must belong to the poverty ranking of Poor and Very Poor as defined by the community.
<b>Internally Displaced Person (IDP)</b>	Living in an IDP camp; dependent on humanitarian assistance; does not receive remittances; no formal education; no means of production like cattle or tools.

23. In each community, the community group will be asked to list households in need of assistance and group them in 4 categories: first (most needy), second, third, and fourth priority for inclusion into the program according to their level of vulnerability. This will allow for a clear and transparent decision-making for HHs prioritization when not all identified HHs can be enrolled due to the district threshold.
24. CPs will document the household selection process and outcome, which will be reviewed, verified and approved by WFP prior to HH enrolment. Documentations of these processes will be made available to MoLSA and the World Bank for auditing purposes.
25. MoLSA will be participating in community consultations and targeting exercises when and where feasible. WFP with partners will develop a schedule, which WFP will share with MoLSA in advance.

<sup>2</sup>The lack of clear policy guideline on the cut-off age for the elderly in Somalia has left some ambiguity to set the age of retirement from work to be either 60 or 64 years. Source of information from World Bank on Somalia considers 64 years old as the age for calculating dependency ratio. In 2018 average rate of dependency for Somalia was 96.37 percent, meaning that there is a high dependency ratio on the earning member of the household. Therefore, this may be a common prevalence and not a good indicator to include as a targeting criteria.

## **Annex 3: Procurement Guidelines and Procurement Plan Templates**

The PIU has overall responsibility for procurement under the project. The PIU will be responsible for completing their respective activities in due time with best possible performance and quality and using all resources of the ministry and support from the PIU. This Annex outlines the rules and guidelines to be followed by the PIU for all procurement activities.

### **1. Guidelines/Regulations**

Procurement will be carried out in accordance with the requirements in the World Bank's Procurement Regulations for Borrowers under IPF: Goods, Works, Non-Consulting Services, and Consulting Services dated July 1, 2016 (revised November 2017 and August 2018); Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants (revised as of July 1, 2016); and provisions stipulated in the Financing Agreement. Given Somalia's FCV country status, procurement will be processed under the special procurement arrangements referred to under paragraph 12 of Section III of the World Bank Policy on Investment Project Financing dated September 30, 2018.

### **2. The Systematic Tracking of Exchanges in Procurement (STEP)**

The World Bank's STEP system will be used to prepare, clear, and update PPs and conduct all procurement transactions for the project. The staff of the PIUs will be trained in using STEP.

### **3. Publication (Advertising)**

MoLSA will be required to prepare and submit to the Bank a General Procurement Notice (GPN). The GPN will contain information concerning the borrower; amount and purpose of the loan; scope of procurement under Open International Competitive Procurement and list of expected consulting assignments; the name, telephone (or fax) number, and address of the PIU; and the address of the website where specific procurement notices will be posted. The Bank will arrange for its publication in United Nation Development Business online (UNDB online) and on the Bank's external website. Specific Procurement Notices (SPN) for all procurement under Open International Competitive Procurement and Requests for Expressions of Interest for all consultancies shall be published in at least one newspaper of national circulation in the country, or in the official gazette, or on a widely used website (including MoLSA website) or electronic portal with free national and international access, and in UNDB online.

### **4. Procurement Selection Methods**

An open competitive approach to market will be the default method under the project to be used for all procurement.

For the procurement of goods and non-consultancy service, the Request for Proposals (RFP), Request for Bids (RFB), Request for Quotations (RFQ) and Direct Selection will be used as appropriate.

For the procurement of consulting services, Quality and Cost Based Selection (QCBS) will be the default method to be used under the project for selection of consultant firms under the project. Other methods

as seen appropriate for the assignments such as Consultant's Qualification Based Selection (CQS) and Least Cost Selection (LCS) method for the selection of an independent external auditor will be used. Individual consultants (IC) method shall be used as well. Whenever justifiable, single sourcing of firms and individuals can also be used.

In cases where the services of government-owned enterprises, universities, or institutes may be required for project-specific assignments, a justification — in accordance with paragraph 7.14 of the Procurement Regulations — will be presented to the World Bank for review on a case-by-case basis to determine eligibility.

## **5. Procurement Evaluation and Selection**

An Evaluation Committee for procurement will be established to oversee and assess the relevant process for the procurement of goods and selection of consultants. The Committee ensures results are correctly communicated to the PIU Project Manager and Social Policy Coordinator and the Procurement Officer in a timely manner and are consistent with the outlined World Bank policies and procedures and those in the project documents.

MoLSA will nominate Evaluation Committee members on a case-by-case basis. They will be responsible for evaluation of bids and proposals under the Project and, as the case may be, applications for prequalification, consultants' Eols and proposals, and recommendations of contract awards shall be done by the Evaluation Committee for each bidding process.

The committee should consist of at least three-to-five members for each procurement evaluation. Each member of the Evaluation Committee shall not be in a conflict-of-interests situation as per paragraph 1.9 (c) of the applicable Procurement and/or Consultant Guidelines and shall certify to that effect before participating in the evaluation. The membership shall include a technical responsible person with substantial technical-matter expertise. The Procurement Specialist will be the secretary of each evaluation committee and he/she will be responsible for the preparation of evaluation report and guidance of the committee on the applicable guidelines/regulations. A chairperson will also be designated among the Evaluation Committee Members.

The contract awards for goods and consulting services will be advertised on the MoLSA website in accordance with the provisions of the World Bank guidelines:

- (a) The contracts for goods and consultants' services required to be carried out during the first 18 months of the project;
- (b) The proposed methods of procurement for such contracts that are permitted under the Loan Agreement;
- (c) The World Bank review procedures.

MoLSA, through the PIU, will follow the World Bank's anti-corruption measures and will not engage services of firms and individuals debarred by the Bank.

## **6. Procurements Templates**

The World Bank's Standard Procurement Documents (SPDs) shall be used for procurement of goods, and non-consulting services under International Competitive Procurement. As there are no National Bidding documents, the Bank's SPDs may be used under National Procurement Procedures (NPP). Similarly, selection of consultant firms shall use the Bank's SPDs, in line with procedures described in the Procurement Regulations.

## **7. Recurrent Costs**

Project-related travel and subsistence, operation and maintenance costs for computer and other office equipment, office maintenance and supplies, and postage and advertising will be planned on the basis of annual budgets.

## **8. Preparation of Technical Specifications and Terms of References**

The PIU is the primary responsible agent for preparing the technical specifications, Bill of Quantities, and ToRs for the procurement activities that are conducted through the project and ensuring that they are in line with World Bank rules and guidelines/regulations.

## **9. Engagement of Consultants in the PIU and on the Project**

The Individual Consultant (IC) on the project, including the members of the PIU, that are carrying out any autonomous activity or craft, or company, have to provide the PIU with the relevant documents as a proof of their engagement before contract signing and with respect to future payments.

## **10. Training**

Training will include seminars, conferences, and workshops in connection with the activities included in the project and reflected in the Annual Training and Study Tour Plans that will be prior-reviewed by the World Bank. The Bank will provide a no-objection to the plan up-front while changes and additions to the plans will be reviewed separately as they occur and will cover the list of participants; agenda for training events and estimated budget; cost estimates to be provided — reasonable cost of travel (including airfare) — and accommodation in total; and seminar fees and total cost.

In cases of 'non-intellectual' type of training or services which are offered by several providers (for example, IT training for standard office applications and language training), contracting of such providers will follow the procedures outlined in the Procurement Regulations. Any other customized training of an intellectual and advisory nature will be procured following the Procurement Regulations.

The purpose of the training is to support the implementation of the project components and activities of the respective project beneficiary.

Coverage of training; study tours, symposiums, forums, conferences, meetings, presentations, exhibition, among others; certificates, accreditations, among others, and other training shall fall under the overall training budget.

## 11. Bank's Prior Review and Post Review

All ToRs will be subject to the World Bank's prior-review regardless of the contract amount. All contracts not subject to the Bank's prior-review will be subject to *ex-post-facto* review on a selective basis. Thresholds can be changed in agreement with the Bank.

## 12. Thresholds for Procurement approaches and methods:

**Table A3.1: Thresholds for procurement approaches and methods**

<b>Thresholds for Procurement Approaches and Methods (US\$ millions) – Goods, Works, and Non-Consulting Services</b>				
<b>Category</b>	<b>Prior Review (US\$ millions)</b>	<b>Open International</b>	<b>Open National</b>	<b>Request for Quotation (RfQ)</b>
Works	≥ 0.2	≥ 5.0	<5.0	≤ 0.2
Goods, IT, and non-consulting services	≥ 0.1	≥ 0.5	<0.5	≤ 0.1
<b>Thresholds for Procurement Approaches and Methods (US\$, millions) – Consulting Services</b>				
<b>Category</b>	<b>Prior Review (US\$, millions)</b>	<b>Short List of National Consultants</b>		
		<b>Consulting Services</b>	<b>Engineering and Construction Supervision</b>	
Consultants (Firms)	≥ 0.1	≤ 0.1	≤ 0.2	
Individual Consultants	≥ 0.05	n.a.	n.a.	

### 13. Goods Procurement Plan Template

S. No.	Package/ Reference No.	Description of Goods/Works	Estimated Cost (in US\$)	Review by Bank (Prior/Post)	Method of Selection	Bid Document to Bank	Bank's No-objection to Bidding Document	Issue Bid Advertisement	Bid Submission Deadline	Bid Evaluation Report to Bank	Bank No-objection to Bid Evaluation Report	Contract Signature
1	G-001	300 computers, printers, and laptops	286,000	Prior	ICB	30-May-15	7-Jun-15	14-Jun-15	14-Jul-15	14-Aug-15	21-Aug-15	1-Sep-15

### 14. Consulting Firm Procurement Plan Template

SL No.	Package/ Reference No.	Description of Services	Estimated Cost USD	Review by Bank (Prior/Post)	Method of Selection	Advertising EOI for Short listing	ToR/ Shortlist to be Finalised	Send RFP to Bank	Bank No Objection on RFP	Issue RFP	Proposal Submission Deadline	Technical Evaluation Report to Bank	Bank No Objection to Technical Evaluation Report	Combined Evaluation Report to Bank	Bank No Objection on Combined Evaluation Report	Contract Signed (Date)
1	CF-001	MIS (MIS system design, training)	562,500	Prior	QCBS	30-Mar-15	15-May-15	15-May-15	22-May-19	29-May-15	15-Jul-15	15-Aug-15	22-Aug-19	15-Sep-15	22-Sep-15	10-Oct-15

**15. Individual Contractor Procurement Plan Template**

SL No.	Package/ Reference No.	Description of Services	Estimated Cost USD	Review by Bank (Prior/ Post)	Method of Selection	Advertising EOI for Short listing	ToR/Shortlist to be Finalised	Send Evaluation Report and Draft Contract to Bank	Bank No Objection on Evaluation Report and Draft Contract	Contract Signed (Date)
1	IC-001	Program director	56,000	Prior	IC	30-Apr-15	15-Apr-15	21-May-15	28-May-15	1-Jun-15

## Annex 4: Financial Reporting Guidelines

In line with financial management requirements outlined in part 5 of this document, this annex details the process requirements for financial management under the SNHCP.

### 1. Financial Controls

The PIU FMS is responsible for initiating all payments under the project. For all contracts, the FMS must check the financial details of each contract before its signature. The FMS should verify that:

- (a) The total amount of the contract is within the allowed thresholds of the government budget for the appropriate period;
- (b) The tax part is clearly defined;
- (c) The financial part of the contract is calculated correctly and contains the tax estimate;
- (d) The financial part is set up in a way that it is feasible to track the performance and there is an appropriate delivery schedule and a payment schedule that match;
- (e) The details regarding reimbursables in consultant services contract are appropriate and feasible;
- (f) Appropriate measures are included in the contract to prevent payment without appropriate portion of delivery;
- (g) There is an appropriate timeframe for invoice payment (minimum 30 days from the receipt of the invoice); and
- (h) The exchange rate calculation where applicable is appropriately contracted.

The FMS maintains a register of all signed contracts, including the contract number, the supplier's name, the contracted amount financed by the IDA pre-arrears clearance grant (in U.S. dollars), total amount, and status of payments. These shall be part of the IFR to be submitted to the World Bank 45 days after the end of the quarter. The contracts listing/inventory shall be extracted from the SFMIS.

The PIU FMS maintains a register for each contract which contains all relevant data to track the contracted figures in line with the approved and paid invoices.

#### **The contract coordinator has to ensure that:**

- (a) Only eligible and executed items are stated in the invoice;
- (b) The invoice is supported with relevant documents in accordance with the contract (reports, time sheets, and original receipts for reimbursable expenditures);
- (c) A written approval that all items charged in the invoice correspond to the contracted requirements is issued and that they have been delivered or executed.

#### **The invoice control includes checking whether:**

- (a) The invoice has all relevant data (name and address of the supplier with the tax number, appropriate address of the receiver of the invoice, invoice number, date of issuance, detailed description of the goods or services, unit price, total amount, any withheld amount for the utilization advance, taxes, the total amount to be paid, the contractor's or supplier's bank account to which payment should be made, and signature of the contractor's or supplier's authorized representative);
- (b) The quantities and prices correspond to the contract;
- (c) The totals, taxes, and contributions are correctly calculated;
- (d) The delivery was done according to the agreed time schedule;



- (e) The appropriate portion of advance payment was withheld (if paid);
- (f) There is appropriate bank guarantee (if necessary, according to the contract);
- (g) The confirmation of delivery is supported by appropriate documents and signed by an authorized person;
- (h) The minutes on quantity and quality check of purchased goods, signed by an authorized committee, is attached to the invoice;
- (i) The appropriate exchange rate was used in calculation;
- (j) The invoice amount does not exceed the total unpaid amount of the contract.

## **2. Financial Procedures**

The PIU FMS maintains a register of invoices, including internal invoice number, invoice number, issuance date, contract number, supplier's name, Bank amount (U.S. dollars), and payment dates (Bank). Only the original invoice is acceptable.

Each invoice has to have written confirmation of:

- (a) Services and goods delivery;
- (b) Invoice checking;
- (c) Invoice payment approval.

The above should be signed by the authorized persons as mandated in the EAFS manual. No invoice shall be paid without these confirmations:

- (a) Authorization for confirmation of services and goods delivery by the person mentioned in the contract;
- (b) Authorization for invoice checking by the financial management officer, by default;
- (c) Authorization for invoice payment approval by the loan manager or his or her substitute.

### **(i) Invoice Payments**

After the invoice check, the PIU FMS prepares payment orders and submits them for payment at the EAFS unit. Preparation of payment order for the eligible amount to be paid from the loan account or the DA:

- Direct payments from the loan account are approved by the person(s) from MoLSA and submitted to the Accountant General and authorized for signing as per the ASL;
- Payments from the DA are approved by the MoLSA person(s) and submitted to the Office of the Accountant General as per ASL;
- Before signing payment orders, they are entered in the registers of the loan cash flow; these registers provide an overview of all already-issued payment orders by account number in relation to the allowed budget thresholds;
- Upon receiving the payment and bank statements, payments are recorded in the evidences of the loan account and the DA; the date of payment is also recorded in the invoice register and on the related invoice.

## **(ii) Advance Payments**

No advance payment to the suppliers should be made if appropriate and authenticated bank guarantee is not received. The PIU FMS will set up tracking of advance payments to ensure that they are deducted from suppliers' charges according to the contract. The FMS will ensure that advance payment guarantees do not expire before the advance payment is cleared.

Goods purchased for beneficiary agencies (including MoLSA and others) have to be recorded in the fixed asset register in the SFMIS for MoLSA. When the contracted goods are delivered and paid in total, the PIU prepares the contract to transfer the goods to MoLSA's ownership. The contract (signed) is supported by copies of the Acceptance Report, invoices, warranty certificates, and other documents as required in the contract.

## **(iii) Fixed Assets**

MoLSA will nominate a committee that will accept fixed assets based on counting and checking and will confirm that the purchased fixed assets comply with the contract stipulations. The committee issues and signs the Acceptance Report.

Goods purchased have to be recorded in the fixed asset register in the SFMIS. The Fixed Assets Register (FAR) from SFMIS shall be part of the IFR package to the World Bank. When the contracted goods are delivered and paid in total, the PIU prepares the contract to transfer the goods to MoLSA's ownership (for example, MoLSA or any relevant agency that has worked/benefited from the project). The contract is signed by MoLSA only. The contract is supported by copies of the Acceptance Report, invoices, warranty certificates, and other documents as required in the contract.

## **(iv) Operating Costs Payments**

The PIU is responsible for:

- Preparing a quarterly operating cost forecast to be submitted to the TTL for No Objection;
- Procuring eligible operating costs in accordance with the local regulations;
- Ensuring that the related procurement operations are transparent, accurate, timely, eligible, and legal;
- Enabling segregation of duties;
- Keeping eligible operating costs within the approved budgets;
- Timely budget change requests;
- Keeping and justifying all relevant documentation and evidences;
- Paying the government's administrative fees for the application and issuance of national ID cards for beneficiaries without appropriate identification.

## **(v) Trainings Payments**

For the trainings from the Training Plan (with the exception of the customized trainings which will be procured following the Consultants Guidelines) the PIU is responsible for:

- Procuring eligible training costs in accordance with the local regulations and WB procurement rules,
- Ensuring that the related procurement operations are transparent, accurate, in time, eligible, legal and to enable segregation of duties,
- Keeping eligible training costs within the approved budgets,
- Timely budget changes requests;
- Keeping and justifying all relevant documentation and evidences;
- Obtaining the No Objection from the World Bank through the Project TTL.

Upon the Bank no-objection, the PIU procures and pays eligible training costs in accordance with the Country regulations and submits the invoice for the training refund of the paid eligible expenditures. The invoice is supported with (a) the training specification sorted by the training activity, and (b) a statement that the requested amount is eligible for financing training according to the agreed procedures.

The financial management officer enters the invoice in the invoice register and training register; checks if the training amounts fit the approved budgets and if the invoice is supported with the training specification and statement that the requested amount is eligible for financing training according to the agreed procedures; and continues the invoices payment procedure.

The usage of training funds is reported in total in the IFRs. The IFRs will provide information on project disbursements by component and by project activities at a level of detail acceptable to the Bank. Disbursements under Component 1 will also be part of the reporting.

### **3. Project Accounting**

Project accounting records will be maintained on a cash basis with disclosure of commitments and in accordance with the IPSAS. The Somali Financial Management Information System (SFMIS) has been designed to comply with Country regulations regarding accounting, budget accounting, and auditing.

The EAFS unit and the Directorate of SFMIS are responsible for the project accounting system, including setting up the structure of data, and operating, maintaining, and securing the accounting data. The project staff (PIU) will be supported by the EAFS and SFMIS units and be inducted and given appropriate user rights and other credentials to enable them process financial transactions through the system.

### **4. Archiving the Accounting Documentation**

The PIU FMS will file the original financial documentation:

- (a) Suppliers' invoices chronologically by internal number from the invoice register;
- (b) Bank statements by the bank statement number;
- (c) Other relevant financial documents chronologically by a numbering system.

All documents evidencing the project expenditures (contracts, orders, invoices, receipts, and other documents) shall be retained for at least one year after the World Bank has received the final audit report for the financial year in which the last withdrawal from the loan account was made.

### **5. Financial Reporting Forms**

The formats of the reports have been configured in the SFMIS, and below is a table of the full listing of the reports:

S/N	Description of the required package	Detailed contents in the IFR
1.	Statement of Sources and Uses of Funds	a) Showing Revenue and Expenditure by Component; b) By Object Code.
2.	Designated bank Account and Direct Payment Transactions Listing	Mandatory fields: date, description, payee, amount, object code, totals, tax paid amount, status, period, EV ID.
3.	Bank reconciliation	Properly dated and approved
4.	Copy of bank statement	Stamped by the issuing bank
5.	Contract disbursement report	<b>Fields:</b> ID, vendor, ref no., component, start date, end date, contract value, previous period payments, current period payment, disbursements to date, contract balance.
6.	Trial balance	a) Reporting period Trial Balance(TB); b) Cumulative (since inception TB).
7.	Budget Utilization report by Object Code	<b>Fields:</b> Code, description, original budget, viaments, total budget allocation, available budget, commitments, YTD totals, available allocation.
8.	Physical progress report	Description of physical outputs
9.	Fixed Assets Register - generated from SFMIS	<b>Fields:</b> serial no., identification, name of the asset, purchase date, purchase cost of the asset, location, among others
10.	Outstanding advances - generated from SFMS	<b>Fields:</b> date, description, payee amount
11.	Signed and dated forwarding letter	

**SAMPLE FORMS TO BE USED**

Sources and Uses of Funds	Actual			Planned			Variance			PAD Life of Project
	Current Quarter	Year -To Date	Cumulative to Date	Current Quarter	Year -To Date	Cumulative to Date	Current Quarter	Year -To Date	Cumulative to Date	
<b>Opening Cash Balances</b>										
Local Account for Govt. cost Share										
Designated Account (DA) WB loan #...										
<b>Sources of Funds</b>										
WB-Funds Loan No:										
<b>Total</b>										
<b>Uses of Funds by category</b>										
<b>Category 1: Total</b>										
<b>Cash Transfers</b>										
<b>Category 2: Total</b>										
Goods										
Non consultancy services										
Consultants' services -firms										
Consultantantss services -individuals										
Training										
Operation Cost										
<b>Closing Cash Balances</b>										
DA for WB Loan #.....										
<b>Total</b>										

**Uses of Funds by Project Activity for Quarter Ending**

Project Activities (By Component)	Actual			Planned			Variance			PAD Life of Project
	Current Quarter	Year -To Date	Cumulative to Date	Current Quarter	Year -To Date	Cumulative to Date	Current Quarter	Year -To Date	Cumulative to Date	
Component 1*										
Component 2										
Component 3										
<b>Total Project Expenditure</b>										
<b>For Component 1:</b>										
Value of DLI(s) achieved during the period										
Expenditures during the operiod										
Expenditures amount to be replenished/reimbursed*										
*Amount not to exceed the value of DLI(s) achieved										

## Project Cash Forecast:

Cash Forecast		IN USD						In USD		
Disbursement	Category	(a)	(b)	(c) = (a) + (b)	(d)	(e)	(f)	(g) = (e) x (f)	(h)	(i)
Number Description		Cash Requirement for Quarter ending	Cash Requirement for Quarter ending	Total Cash Requirement for six mos. ending	100% Gov't Financed Expenditures	Gov't & IBRD Financed Expenditures	IBRD Eligible %	IBRD Eligible Cash Requirement for six mos. Ending	Total Gov't & IBRD Cash Requir. For six mos. Ending	IBRD Eligible Cash Requirement for six mos. Ending
		03/31/20XX	03/31/20XX	06/30/20XX				06/30/20XX	06/30/20XX	06/30/20XX
<b>Category 1-Cash transfers</b>										
<b>Category 2-Parts B and C</b>										
1)	Goods									
2)	Non consulting services									
3)	Consultancy Services-Firms									
4)	Consultancy services-Individuals									
5)	Training									
6)	Operating costs									
	<b>Total</b>									

## DA Statement:

Bank Reconciliation			
1	Opening Balance as of 10/01/20XX	0	0
2	Add: Cumulative Discrepancy explained below*	0	0
3	IBRD Advance during the Quarter (10/01/20XX - 12/31/20XX)	0	0
		0	0
4	Less: Refund to IBRD from DA		0
5	Present Outstanding Amount advanced to DA		0
6	DA Closing Balance as of 12/31/20XX carried forward to next period		0
7	Add: Amount of eligible expenditures paid during Quarter	0	
8	Service Charges (if debited into DA)	0	0
		0	0
9	Less: Interest earned (if credited into DA)		0
10	Total Advance Accounted for		0
11	Discrepancy (5)-(10) to be explained**		0
*			
**			

## Variance Explanation Sheet:

Category	Actual for the quarter	Planned for the quarter	Variance	Explanation
Goods				
Non consultancy services				
Consultancy Services - Firms				
Consultancy services - Individuals				
Training				
Operating Costs				