

The Federal Government of Somalia  
Ministry of Labour and Social Affairs



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

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PROJECT OPERATIONS MANUAL

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October 2019

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## Abbreviations and Acronyms

|           |  |
|-----------|--|
| CBT       | Community-Based Targeting  |
| CPF       | Country Partnership Framework  |
| CT        | Cash Transfers   |
| EAFS      | External Assistance Fiduciary Section  |
| Eoi       | Expression of Interest   |
| FGS       | Federal Government of Somalia  |
| FM        | Financial Management   |
| FMS       | Financial Management Specialist  |
| GLSNWG    | Government-Led Safety Net Working Group  |
| GRM       | Grievance Redress Mechanism  |
| ICB       | International Competitive Bidding  |
| ICRR      | Implementation Completion Results Report   |
| IFR       | Interim Financial Report   |
| ISA       | International Standards on Auditing  |
| MAM       | Moderate Acute Malnutrition  |
| M&E       | Monitoring and Evaluation  |
| MEB       | Minimum Expenditure Basket   |
| MI        | Management Information System  |
| MoHADM    | Ministry of Humanitarian Affairs and Disaster Management                               |
| MoLSA     | Ministry of Labour and Social Affairs  |
| MoPIED    | Ministry of Planning, Investment and Economic Development                              |
| NCTP      | National Cash Transfer Program   |
| NGO       | Nongovernmental Organization   |
| OM        | Operational Manual   |
| PAD       | Project Appraisal Document   |
| PCA       | Procurement Capacity Assessment  |
| PDO       | Project Development Objective  |
| PIU       | Project Implementation Unit  |
| PP        | Procurement Plan   |
| PTF       | Program Task Force   |
| SAM       | Severe Acute Malnutrition  |
| SCALED-UP | Somalia Capacity Advancement, Livelihoods, and Entrepreneurship through Digital Uplift |
| SNHCP     | Shock Responsive Safety Net for Human Capital Project                                  |
| SR        | Social Registry  |
| TA        | Technical Assistance   |
| TAF       | Technical Assistance Facility  |
| TWG       | Technical Working Group  |
| UNICEF    | United Nations Fund for Children   |
| WA        | Withdrawal Application   |
| WFP       | World Food Programme   |

## 1 INTRODUCTION

### 1.1 Purpose and Content of the Operational Manual

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

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

### 1.2 Use and Update of the Operational Manual

The OM 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, as well as the World Bank, 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 OM 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:

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

It is anticipated that this manual will be updated as necessary to make modifications or additions which reflect changes in project implementation. These amendments will be jointly agreed by all the concerned parties, namely, Ministry of Labor and Social Affairs (MoLSA), UNICEF and WFP during the life of the project, and approved in the form of 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 operational 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 being developed as a National Cash Transfer Program (NCTP) aimed at increasing resilience of poor and vulnerable households through income support. Somalia is highly vulnerable to natural disasters, namely repeated cycles of droughts driven by climate change which occur on average once every four years, resulting in protracted humanitarian crisis. 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 are vulnerable to falling below the poverty line during a shock.

Few programs support the long-term shift from emergency relief to resilience building, and aid programs are mostly delivered outside government structures and lack a common strategic social protection vision. The FGS and development partners are increasingly supporting the adoption of a longer-term development approach that builds the Government's capacity to lead in policy formulation and delivery of social protection 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 safety net system that will help households to smooth 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 Program is supported by a SNHCP "Project" funded through a pre-arrear clearance Grant provided by the International Development Associations (IDA) of the World Bank group, to the federal Republic of Somalia. 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) 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 Somalia social protection 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) Operational manual of the national social registry developed and endorsed by the FGS

### 2.3 Communication

Project partners and contractors will ensure harmonization of principles and key messages for communication of the SNHCP objectives and activities. The agreed principles and strategic messages aim to facilitate the interaction of representatives of the FGS, WFP and UNICEF with and other stakeholders, particularly but not limited to: across FMS, with beneficiary communities and development partners. The aim of these principles is to build and maintain a clear understanding, good-will and support for the SNHCP amongst stakeholders, noting the fragile conflict environment and risks that may arise from poor communication between state and non-state actors. Central communication of the SNHCP principles are:

- The SNHCP is a Government Cash Transfer Program: All communication products and messages should make clear the government ownership and leadership of the project and the supporting role of the funding and implementing partners.
- Consideration of the political economy: Project partners recognize the critical importance of being conflict sensitive when communicating on the SNHCP at different levels and to different audiences.
- The SNHCP is not a humanitarian assistance: All communications will aim to present the SNHCP as building a bridge beyond the delivery of humanitarian assistance and lay the foundations for human capital and government systems building. Thus, messaging on SNHCP cash transfers will help clear any perceptions of the program as handouts or as a short-term relief intervention and, on the contrary, clarify its nature as a long-term government investment in vulnerable Somalis and social cohesion.
- Harmonization of communications: All media and public communications will need to be jointly agreed upon by the project partners.

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

This component will provide 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) support households to strengthen their resilience and avoid negative coping mechanisms in the short-term; and (ii) promote human capital investment in the medium to long-term by linking beneficiary households to complementary nutrition services and continuing to smooth 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 arrangement 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 cost 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 National Cash Transfer Program (NCTP) delivery system and strengthen institutional capacity of relevant government ministries to gradually take on direct implementation of the NCTP and form the foundation for a more comprehensive social protection 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; capacity building activities, training and related support for the Project Implementation Unit (PIU).

Activities under this component will be closely coordinated with the Donor Working Group's Technical Assistance Facility (TAF) supported by donors to support the design of the parameters of a NCTP, including transfer values and frequency, triggers for expansion and expansion modalities. The component will also coordinate with the Cash Working Group, as relevant. They will also benefit from several World Bank supported 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 cost 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, monitoring and evaluation of the project, strengthen MoLSA's coordination arrangements and promote learning and knowledge management through robust M&E. 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 and 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 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 state level, district level, community level and household level.

**State level communication:** MoLSA will communicate about the project to all Federal Member States 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 FMS.

**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. At the issue of the district consultations, and 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 implemented partners, together with MoLSA where and when feasible, 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 through an open and transparent communication process with all community stakeholders. The communication methods and techniques will be cognizant 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 guide 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, (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*

Districts across the FMS have been selected, for a total of 21 districts. Selected districts meet the following selection criteria: predominantly rural districts with high distress rating, taking into account 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 of high distress index and located in disputed territories. 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 and (b) adjust the selection based on security and access, (c) review from a conflict-sensitivity and clan dynamics perspectives.

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.

Each of the indicators that constitute the distress index is coded on a scale from 1 to 5 such that the higher value of the indicator corresponds to the greater distress 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 enclosed 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 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 be exceeded in a given district. Pending approval by the relevant authorities, the selected districts are: Dhuusamarreeb, Hobyo, Cabudwaaq in Galmudug state; Bulo Burto/Maxaas, Belet Weyne/Matabaan, Balcad/Warsheikh in Hirshabelle state; Badhaadhe, Afmadow/Xagar, 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 and partners by both WFP and UNICEF; the second is the presence of WFP partners able and accustomed to performing cash-based transfers on behalf of WFP.

As data on village level vulnerability and accurate population data is not available, the roll out to communities within the selected districts will be done based on proximity to the nutrition centers and

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services, focusing on communities that can be reached by WFP 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 community-based participatory targeting (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 comprised of 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 selected as beneficiaries of the SNHCP. The partners will present the parameters to define those vulnerable households, which include:

- Households with children under 5.
- Priority to households with:
  - Malnourished children,
  - Malnourished Pregnant, lactating women and girls
  - High dependency ratio to sole bread winner;
  - Child headed household; lack of a breadwinner;
  - Disable member of the household;
  - Lack of or limited livelihood assets
  - 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 Rollout 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 never 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) is collected in addition to the biodata. Each household must provide a principal recipient, and up to two alternate recipients, who are responsible for collecting the cash assistance on behalf of the household in case the principal is unable to do so. 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 attributed in SCOPE a unique identifier number.

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 a future 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 HH member data collected**

5. First, middle and Last Name of each HH member
6. Gender
7. Date of birth
8. Marital status
9. Household role (e.g. husband, wife, daughter)
10. Recipient status (Principal/ alternate/ Not a recipient for the HH)
11. Physical disability (Yes/No), and level of disability (slight, moderate, severe)
12. Mental disability (Yes/No) and level of disability (slight, moderate, severe)
13. Malnutrition status
15. 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 the 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 all enrolled households, using an agreed SCOPE card design between MOLSA, the World Bank and WFP. Each household will have one SCOPE card. The SCOPE card shows the household 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, using their fingerprints on the POS devices, that they have received the SCOPE cards. 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 the household loses its SCOPE card, the household principal recipient must report the loss to the local authorities, 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 authorities, and asking for the reprinting of the lost SCOPE cards. WFP reprints the SCOPE card, which cancels the lost one, to ensure that each household only has 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 the social registry 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.

During 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 is only handled by authorized and trained staff; that the beneficiaries have been informed of how the data is used and that they have given their consent; that the data is only used for its intended purpose; and that it is 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 first collection will take place in December 2019 when eligible households will receive the payment accounting for October, November and December 2019. The payment distribution schedule for the one-year duration of the cash transfer is described in Table 1.

**Table 1: Payment delivery schedule**

| Disbursement number | Payment start date | Year 2019 |     |     | Year 2020 |     |     |     |     |     |     |     |     |     |
|---------------------|--------------------|-----------|-----|-----|-----------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|                     |                    | Oct       | Nov | Dec | Jan       | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct |
| Payment 1           | Oct-19             |           |     | C   | C         |     |     |     |     |     |     |     |     |     |
| Payment 2           | Jan-20             |           |     |     |           |     | C   | C   |     |     |     |     |     |     |
| Payment 3           | Apr-20             |           |     |     |           |     |     |     |     | C   | C   |     |     |     |
| Payment 4           | Jul-20             |           |     |     |           |     |     |     |     |     |     |     | C   | C   |

Notes:

|   |                               |
|---|-------------------------------|
|   | Month covered by disbursement |
| C | Collection takes place        |

#### **Payment Mechanisms**

WFP will deliver cash assistance through its Financial Service provider (Standard Chartered Bank) and its contracted payment agent based in Somalia, AMAL. Since 2017, WFP has been undertaking cash transfers through this service provider. A signed payment service agreement between Standard Chartered and AMAL Bank is already in place.

Each branch of service provider will be at a maximum distance of 8 kms from the household. In cases where the household is at a distance beyond 8 kms, the FSP will put in place mobile teams to reach the beneficiaries. Since the service provider works with different branches of the contracted payment agent (AMAL), each branch is equipped by WFP with Point of Sale devices and finger print scanners. WFP encodes Information for each of the branches in SCOPE to ensure that each transaction is mapped according to the specific branch. In this manner, WFP ensures that it reimburses the distributed amounts

to the correct branch. The key details encoded include: POS device Internet Protocol (IP) address, Branch name, GPS Location and Address, Contact Name, Telephone number, Email Address, Bank Account of the branch.

The SCOPE process is as follows:

- a) **Distribution Cycle Creation:** At the beginning of each quarter, WFP will create a distribution cycle in SCOPE, under each intervention (refer to the above section on Intervention creation). The distribution cycle defines the transfer value, transfer validity period (start and end dates), and the beneficiaries entitled to receive the transfer by location, as well as associated responsible Financial Service Provider information.
- b) **Creation and verification of Distribution Lists.** 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 only includes enrolled households with an active SCOPE card. If any of the enrolled households does use its SCOPE card, WFP verifies the reasons for non-utilization.
- c) **Creation and verification of Payment list:** After the WFP programme staff verifies the distribution list, WFP finance creates and verifies a payment list. A payment list commits funds to the beneficiaries and links each enrolled beneficiary household's unique SCOPE card 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. This ensures that once the distribution is complete, resources are available to reimburse the financial service provider accordingly.
- d) **Approval of payment list:** 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) **Top Up of Beneficiary Cards:** WFP contacts every relevant CP and instructs them to download the e-tokens and top up the beneficiary household SCOPE cards. WFP equips the CPs with Point of Sale devices that they will use for this process. Each household representative (principal/alternate recipient) brings the household SCOPE card and inserts it into the point of sale machine. The POS verifies the card and displays the amount that the beneficiary household is entitled to receive (US\$60). A successful top-up updates the set value into the SCOPE card, which the beneficiary can then redeem from any branch of the financial service provider. In order to avoid overcrowding at the distribution points of the FSP, CPs will agree with them on a maximum number of cards to be topped up daily.
- f) **Authentication for Redemption:** Once the top up is done, beneficiaries go to the nearest AMAL bank branch for authentication and redemption of the assistance. The bank staff also use the Point of Sale devices provided by WFP; and insert the beneficiary cards to check if they have been topped up and the amounts credited; and asks the beneficiary principal/alternate recipient(s) to press their fingerprints on the scanners to confirm their identity. Only people successfully authenticated are able to receive the cash assistance.
- g) **Redemption:** After authentication, the bank teller hands over the cash, either the entirety of the sum or part of it depending on the beneficiary's preference. Beneficiaries can also opt to receive all or some of the amount on their mobile phone. For each transaction, the teller



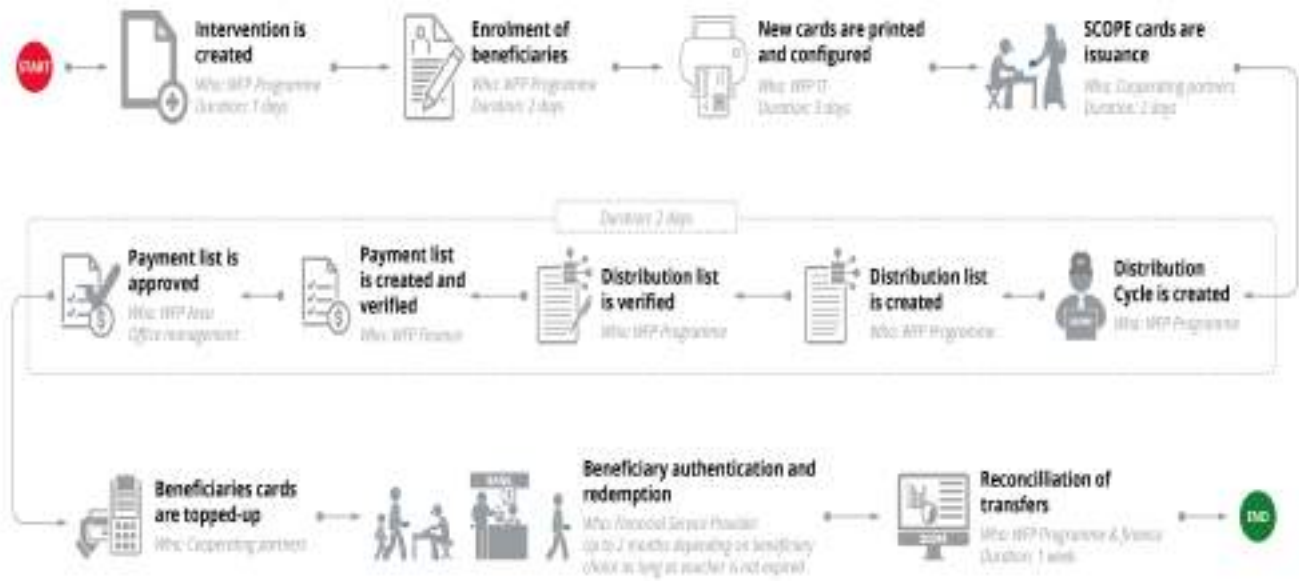
prints a receipt showing the transaction details. Cash withdrawal data from the POS device is instantly recorded on the SCOPE card, even if the transaction is done offline. This prevents multiple withdrawals by the same household. The same data is recorded into SCOPE once the POS machines are synchronized online.

- h) **Synchronization of POS machines:** After each redemption, depending on internet availability, the bank branches synchronize the point of sale machines, in order to update the transaction information in SCOPE. This transaction information is linked to a specific AMAL bank, which facilitates the reimbursement by WFP to the different branches in accordance with what they have distributed. In case of breakdown of the POS machine, WFP provides the CPs/FSP with new POS machines. Damaged or broken machines are returned to WFP, who recovers the data from the POS. In rare cases where the data might not be recovered, the FSP presents the receipts (z-reports) which are used as evidence of distribution.
- i) **Reconciliation:** At the issue of the redemption, WFP reconciles accounts in SCOPE in order to match the approved payment lists with amounts actually redeemed by the households. On a monthly basis, WFP also performs bank reconciliation to track all advances paid to the FSP, using the statements from the FSP and the WFP records. WFP follows up with the Bank in case of any discrepancy.

WFP is currently exploring additional transfer solutions including mobile money, which will be agreed with MoLSA and the World Bank for possible future implementation under the SNHCP. Pending finalization of these additional options, the methodology described above will be used for payments under the SNHCP.

Figure 1 traces the steps in SCOPE in a payment delivery flowchart highlighting timelines and accountabilities.

Figure 1: SCOPE Payment delivery Flow chart



### 3.6 Grievance, Redress, and Citizen Engagement

WFP's Complaints and Feedback Mechanism (CFM) or Grievance and Redress Mechanism (GRM) will be used to allow any member of the public to file a grievance at any step of the programme implementation, or ask questions related to the programme.

To complement field monitoring visits and in line with the IASC principles on accountability to affected populations (AAP), WFP Somalia has a complaint and feedback mechanism (CFM), or a hotline, that handles complaints and feedback from all stakeholders involved in the assistance process. The CFM not only aims at strengthening accountability to communities but also to identify a range of protection, fraud and diversion.

The hotline is managed by WFP through a call center located in Somalia (Puntland), which is open from Sunday through Thursday from 8.30 am to 5 pm. The call center hosts 14 WFP staff, and can be reached through four different phone numbers from several operators so that it can be accessed from all over Somalia.

WFP Somalia hotline numbers:

Hormud: 0617 140164

Golis: 0907 053722

Telesom: 0633 228003

Somtel: 0627 795373

The information on WFP's hotline numbers is widely available through posters, as well as printed on the back of SCOPE cards.

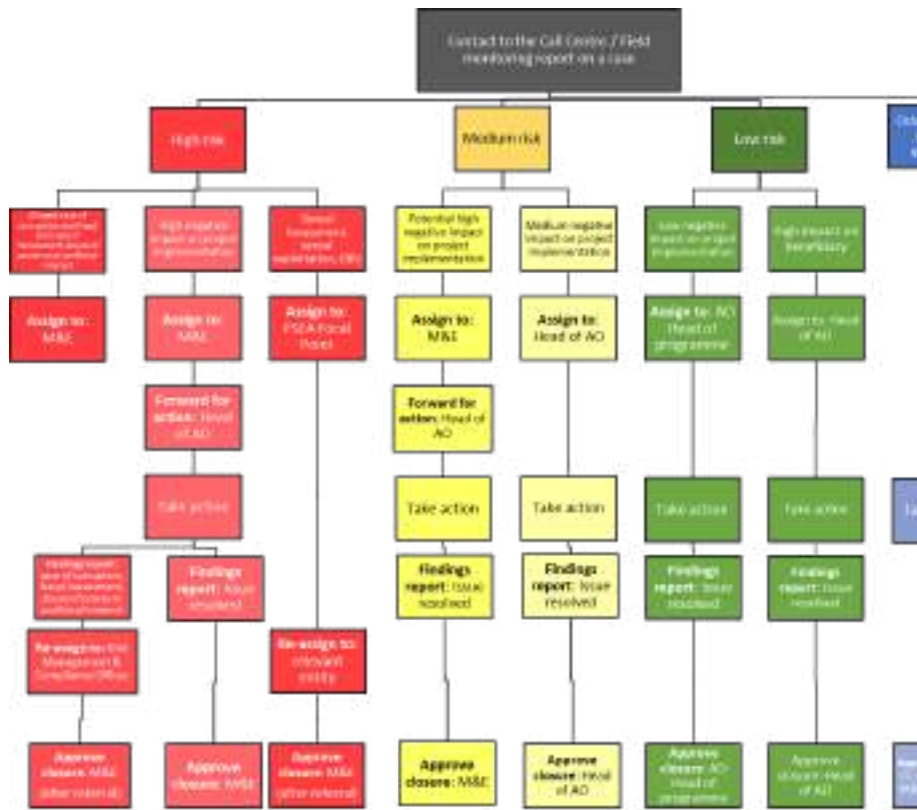
The Call Center operators receive complaints through the CFM, record them and log them in the WFP online case management system. All information related to a case is recorded in the online system, including: case description, complainant information (name, phone where the person can be called back, location, etc.), date, location, activity, CP. Operators classify the cases according to their risk level (high, medium, low and residual risk), as per the flowchart below.

Cases are assigned to specific WFP staff, who receive an automatic notification by email for follow up – for instance the Head of Programme in a specific WFP office. The staff responsible for taking action records his/her actions in that same system to close the loop, after which the call operators call back the complainants and inform them of the resolution of their issue.

Different risk levels have different process flows and time limits for action, with high risk cases (suspicion of fraud for instance having a shorter timeline for action). WFP's monitoring unit monitors case resolution closely, to ensure that cases are addressed within the defined timeframes. Cases can be closed in the system only after the complainant has confirmed that the issue was actually solved.

In case of reports of conflict of interest, abuse of power or harassment by WFP or WFP CP staff, cases are escalated through the Risk Management and Compliance officer. Reports of sexual exploitation and sexual harassment are referred to WFP PSEA focal points on onward to WFP investigation unit located at its headquarters. Such sensitive cases, in line with the WFP's case management standard procedures, are treated with adherence to strict guidelines of beneficiary data protection and/or anonymity.

Figure 2: Grievance redress flow chart for cases of different risk levels



## 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 NCTP.

**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 NCTP, 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 FMS and inform them of the objectives of the NCTP 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 NCTP.

**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 NCTP. 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 social protection system through the preparation of a social protection policy with the support of UNICEF and WFP funded by the Italian Cooperation. The policy was finalized in July 2019 and launched in September 17, 2019, and a road map has been drafted to guide its implementation. MoLSA, with technical assistance from UNICEF, will further its implementation under the SNHCP by strengthening the governance structure supporting the policy. These activities are comprised of: (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 social protection 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) issue SP policy decisions. The SPSC would be chaired by Deputy Prime Minister or another high-ranking government official above minister level. The SPSC 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 of the SPSC, highlighting its mission, 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 safety net working group (SNWG) led by MoLSA and including representation for relevant sectoral ministries (MoF, MoP, other line ministries, development and humanitarian partners, among others). The group will provide technical and institutional guidance to specific issues and contribute to the social protection related dialogue and activities, as well as provide a platform for coordination, cross learning and alignment to the Government's social protection policy.

The Project Implementation Unit (PIU) at MoLSA will be responsible for the logistics and organization of meetings of the SP working group. UNICEF will support the following activities:

- 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 Somalia SP Donor Working Group (DWG) and the EU-supported Technical Assistance Facility (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 SPWG and compile the minutes of the meetings. The agenda of the meetings will be proposed by MoLSA and Meeting Minutes circulated to the SPWG by the PIU who will also host the secretariat of the SPWG.

SPWG meetings will be held quarterly and will be chaired by MoLSA and held 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 meeting 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)

#### 4.3.1 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; at the same time (b) a transitional targeting methodology will also be proposed that will serve as a bridge from SCOPE to the optimal targeting approach.

UNICEF will undertake the following tasks in support of the finetuning the targeting methodology:

- (a) Facilitate and cover the cost of meetings and workshops with federal member states, relevant ministries and other stakeholder 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.

#### 4.3.2 Unified Social Registry

The aim of this activity is to support the development 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) Facilitate dialogue and consultation workshops for developing the concept of the social registry. The ASA will provide TA support to this process. The concept note will outline
  - a. The objectives of the registry, e.g. identification of poor, identification of other characteristics of households
  - b. Which program will (potentially) use the registry,
  - c. Which data need to be collected to meet the above objectives;
  - d. How the data will be collected
- (b) Hire an international firm or consortium to develop a **social registry design note** using the social registry concept note as an input. The design note will present:
  - a. Approach for unique identification of individuals and households
  - b. Approach for compiling registry from existing databases (if feasible). In developing its approach, the consultant will use the results of a previous review of different humanitarian databases (stock taking exercise conducted in 2018-2019)
  - c. Means of collecting these data in the short and medium terms and procedures that need to be adopted, including (a) procedures for standardization of data collection by different

- entities; (b) actual forms for collecting additional data or modifying data collection in support of the data
- d. Data security protocols to safeguard the sensitive data after the different contributors share them.
  - e. Institutional arrangement to support the implementation and governance of the registry.
- (c) UNICEF will organize technical consultations on the proposed registry design note.
- (d) Based on the approved social registry design note, the social registry design consultant will:
- a. Prepare a Social Registry operations manual.
  - b. Develop TORs for the procurement of a firm to design and implement a social registry software.
- (e) UNICEF will procure firm to develop a social registry software according to the TORs. The software development firm will be expected to undertake the following tasks:
- a. Develop software for the social registry that supports all the functions outlined in the design note.
  - b. Work closely with data contributors to develop data sharing protocols, standardization of data collection and processing, implementation of data update procedures; develop CAPI data collection forms to support social registry as required by different contributors;
  - c. Test and pilot the social registry software to ensure it performs according to the expectations
  - d. Produce a social registry user manual.
  - e. Prepare the TOR for the procurement of social registry hardware and support MoLSA in the procurement process.
  - f. Install social registry software on the MoLSA-procured hardware.
  - g. Conduct training to relevant MoLSA and PIU staff on the use of the social registry software.

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

UNICEF will contract a consultancy firm or a consortium to develop the full operations manual for the national SNHC Program, while working closely with MoLSA, FMS, and cooperating with implementation partners and the development partners. The manual will be informed by (a) the experience of implementing of component one, (b) discussions with MoLSA, WB, implementation partners and other stakeholders.

The manual will include the following components: (a) communication strategy, (b) intuitional arrangement, (c) beneficiary selection (based on the targeting methodology); (d) registration and



enrolment processes, (e) payment delivery mechanism, (f) Grievance Redress Mechanism (GRM), (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 to relevant MoLSA staff (PIU and non-PIU) on the POM. UNICEF will facilitate the training activities and cover the costs associated with them.

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

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

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

**4.3.3.2 Institutional Arrangement.** The manual will contain a section on the institutional arrangement that defines roles and responsibilities of different national actors (federal, FMS, districts, etc.) in the management, implementation and monitoring of the national program, as well as across the business processes. The manual will also outline any partnership arrangement (e.g. NGOs, private sector, etc.) established for the purpose of the implementation of the program.

**4.3.3.3 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.

**4.3.3.4 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.

**4.3.3.5 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.

**4.3.3.6 Grievance Redress and Social Accountability Mechanism.** Given the comparative advantage of UNICEF-Somalia's understanding of political economy of the country, UNICEF will develop the GRM system, which will be incorporated into the operations manual. The GRM itself will outline the procedures and protocols for receiving, recording, and responding to complaints received through various GRM channels. The GRM system will enable the monitoring of compliance with social safeguards.

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 FMS and other stakeholders to propose suitable options for the composition of the mechanism.

**4.3.3.7 Monitoring and Evaluation.** The POM will detail 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.

**4.3.4 Management Information System (MIS)**

The MIS will enable the automation of business processes of the NCTP as will be described in the NCTP operations 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 the building an MIS according to the specification outlined in the TOR; (c) supervise all the activities related to the development of the MIS.

The software development firm’s TOR will include, but not limited to, 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 of 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 NCTP and lead relevant policy dialogue.

**4.4.1 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 with the development and implementation of the government’s CTs delivery systems, and (c) capacity building through structures training courses, study tours, conferences, etc.

|  |  |
|--|--|
| Operational Processes of the CTs under Component 1 | Capacity building will be through participation and/or knowledge sharing of relevant aspects of CT delivery by WFP with additional targeted workshops dedicated to specific topics related to the business cycle (e.g. registration, payment delivery, grievance handling, etc.). The focus will be on the operational modalities used by WFP, their critical assessment, and identification of their strengths and weakness. The primary objective of these |
|--|--|

|   |   |
|---|---|
|   | <p>capacity building activities would be to accumulate operational knowledge and experience in CT delivery. As relevant, alternative modalities of implementing key business processes can be explored, for instance alternative payment delivery mechanisms used by other agencies.</p> <p>UNICEF, under Comp 2, will cover the cost of holding the workshops (e.g. venue, etc.), while WFP will prepare and deliver the content of these activities.</p>  |
| Capacity building linked to the establishment of NCTP delivery systems                | <p>This will consist of training through learning-by-doing and shadowing of the international consultants supporting the different elements and processes of developing the CTs delivery systems and processes. The target group is the relevant PIU team and other MoLSA staff, as relevant. Area of learning/training will include: targeting, the social registry, an MIS, payment delivery mechanisms, communications, and grievance handling. The training will NOT center on the way these are done under SCOPE, but on different options and experiences of other countries. Such training will be followed by having PIU team members and possibly other MoLSA staff, work closely with the technical experts (consultants provided under output 2) on the development of the government delivery system. Each relevant PIU/MoLSA staff will act as a technical counterpart to the respective consultant. The training would include specialized training to registry/MIS officer, payments officer, grievance officer, communication and M&amp;E officer.</p> <p>UNICEF, under Comp 2, will cover the cost of workshops, facilitation, etc. while the content of such activities will be delivered by the consultants hired for the system delivery.</p> |
| Capacity Building through structures training courses, study tours, conferences, etc. | <p>This activity will consist of structured training courses delivered by specialized institutions in areas of relevance to the SP agenda in general and SSN in particular. It will also include study tours, participation in relevant conferences and policy fora.</p> <p>UNICEF, under Comp 2, will cover the cost of the courses, travel, workshops, and any other associated costs.</p>  |

#### 4.4.2 Knowledge management and learning

UNICEF will 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 SNHDP is the first project that attempts 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 that the project's adaptability. To this end UNICEF will:

- (a) Support knowledge-building meetings on a monthly basis. The discussion will be informed by reports from the field, findings of M&E, grievances, etc. The meetings will be coordinated by a designated member of the PIU (e.g. M&E or communication officer). Key participants will include representatives from PIU, MoLSA, WFP and UNICEF, and other government officials where applicable (e.g. Ministry of Health, etc.). 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.

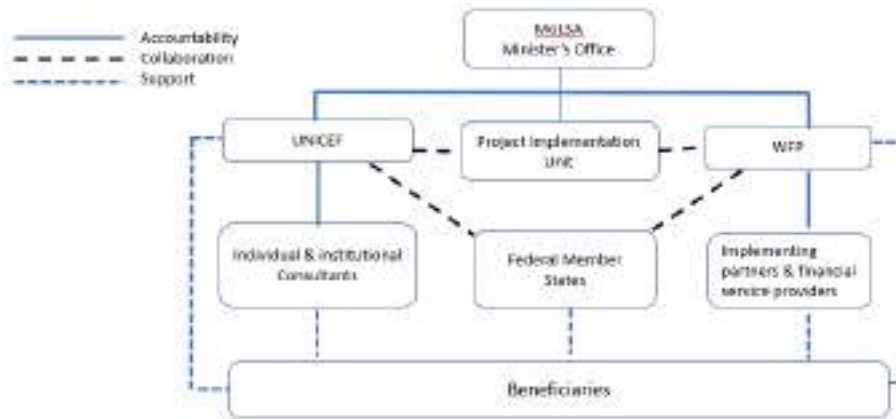
## 5 PROJECT INSTITUTIONAL ARRANGEMENTS AND ADMINISTRATIVE RESPONSIBILITIES

### 5.1 Institutional and Implementation Arrangements

#### 5.1.1 Project Management

The SNHCP is housed within MoLSA, which is responsible for the overall project management, implementation, monitoring and coordination with other ministries and federal member states. 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 during implementation for having such arrangement. 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



#### 5.1.2 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, a M&E Officer, Financial Management Officer, and Procurement Officer.

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



The PIU is responsible for:

- 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;
- Ensuring activities are carried out according to principle of do no harm and in compliance of the established fiduciary, social and environmental safeguards requirements;
- Compliance with financial management responsibilities and processes, including reporting and auditing obligations;
- Timely completion of project reporting on activities, spending, monitoring to MoLSA and the project steering committee; and
- Facilitation and management of monitoring, auditing and evaluation processes.
- Monitoring of progress of the components implemented with WFP and UNICEF support and provide timely feedback and support as needed.
- Support MoLSA with the efforts to coordinate within government, with FMS and with development partners engaged in the SP agenda.

### **5.1.3 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 workplans for the delivery of services, which will align with the Project Appraisal Document and with this Operations Manual. Service providers (e.g. NGOs, consultants, 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.

## **5.2 Procurement Arrangements**

### **5.2.1 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 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. 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 those cases of debarred firms and individuals, and Bank's Client Connection website and/or other sources of information that the Bank may make available for listing of suspended firms or individuals.

#### **5.2.2 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 the 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, brief description of the activities/contracts, and so on. 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 World Bank's approval. All PPs will be publicly disclosed in accordance with World Bank Group disclosure policy.

The project envisages procurement of the following main contracts:

- (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 of the project, which will be offered specialized UN agencies, namely to 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.

## 5.3 Financial Management

### 5.3.1 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; and
- 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:

- Planning and budgeting and preparing financial forecasts;
- Implementing accounting controls and bookkeeping and reconciliation of accounts;
- Ensure segregation of duties for all financial activities;
- Contracts management with various vendors to the project;
- Disbursements of funds for project activities;
- Invoice payments and tax control and reporting;
- Keeping records of fixed assets, as well as evidence of all invoices, payments, status of contracts, and status of categories;
- Financial reporting to the Bank and in accordance with the Financing Agreement and FGS reporting requirements;
- Proper documentation and adequate preparation for the project audit by the Office of the Auditor General; and
- 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.

### 5.3.2 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 (U.S. dollars), amount debited (U.S. dollars), and balance (U.S. dollars). The Cashbook will be updated immediately upon the receipt of bank or upon receipt of proofs of payments.

### **5.3.3 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 Components 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).

### **5.3.4 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 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 draw down. Such reports should be prepared as per the format agreed with the Bank and set out in the Disbursement Letter. Templates for financial reporting are included in Annex 4 of this manual.

### 5.3.5 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 carry 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 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 auditing 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 will be appointed to review the entire cash transfer mechanisms, controls and other oversights.

## 5.4 Social Management Plan & 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 include:

- 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 would result in attempts to capture the benefits of the project by elites or clans for a particular group;
- 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 of MoLSA, for mitigating adverse social impacts and redress of these impacts is limited;
- f) **Difficulty 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; and
- g) **Inward Migration:** As the project will initially only operate in a small number of districts in the FMS 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 on 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: the 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 as well as 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 as well as the Cooperating Partners and payment service providers.

The **SEP** elaborates on 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 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 World Bank's website.

## 6 PROJECT MONITORING AND EVALUATION

### 6.1 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. They will review the following distribution processes:

- Overall functioning of the distribution centers and verification processes;
- Effective communication the project rules to the beneficiaries;
- Verifying accurate distribution of the entitlement of beneficiaries and beneficiary family members, as listed in the beneficiary lists;
- Accessibility and function of processes for updating beneficiary information; and
- 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:

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

### 6.2 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.

## **7 PROJECT REPORTING**

### **7.1 Reporting Arrangements 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 a 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.

- Project overall progress towards the project development objectives and against the outcome indicators;
- Project progress since last reporting;
- Project activities performed during the reporting period;
- Feedback and reporting from the TPM;
- Major events and challenges during the reporting period;
- How challenges were addressed or resolved;
- Risks that materialized during the reporting period and how they have been mitigated;
- Summary of issues raised through the GRM system and how they have been addressed;
- Update of the project's results framework; and
- Action plan & 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 and 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.

### **7.2 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:

- Project overall progress towards the project development objectives and against the outcome indicators;
- Overall project implementation progress, including financial management, procurement, safeguards and disbursement status;
- Specific progress against all project activities across the three components
- Advance technical discussions with regards to the cash transfers delivery systems and agree on issues as relevant;
- Undertake policy dialogue with the FGS, FMS and development partners;
- Review and discuss implementation risks, including those related to social safeguards and fiduciary risks; and review, discuss and agree on the mitigation measures.

**Midterm 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 midterm review project. The MTR will perform an in-depth review of project implementation, progress towards achieving the outcome indicators, its relevance at the midterm point, challenges and the 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 report will be prepared for the purpose of evaluating the project achievements, performance, reflect on the experience and identify lessons learned. The World Bank is responsible for the preparation of the ICR, in discussion with and 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 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**

| <b>Indicator Name</b>  | <b>Definition/Description</b>  | <b>Frequency</b> | <b>Datasource</b> | <b>Methodology for Data Collection</b>              | <b>Responsibility for Data Collection</b> |
|--|--|------------------|-------------------|---|---|
| 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 and (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 from 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 3.1 details the assignment of scores for the indicators comprising the index based on the value of underlying variables.

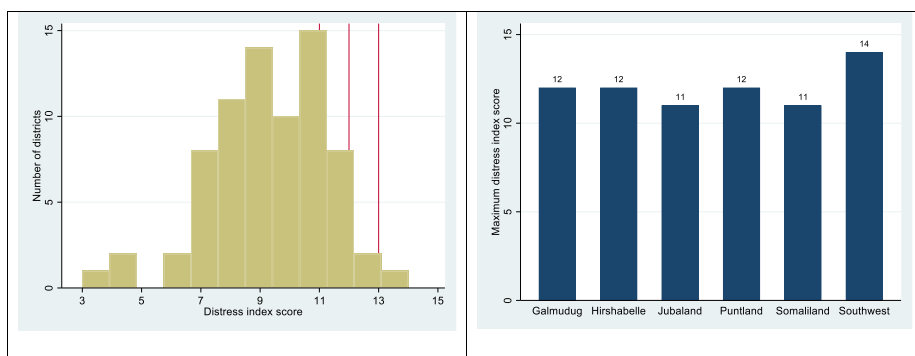
**Table 2. Assignment of Scores to Index Component Indicators**

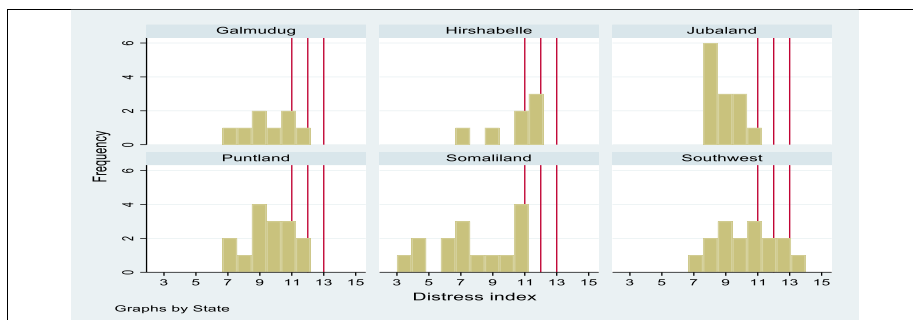
| Score | Percentage of Rural Residents in Total Population, 2014a | Number of IPC3 and IPC4 Rankings Since December 2012b | Percentage of SAM and MAM Cases Relative to the Total Number of Children Under Five Yearsc |
|-------|--|---|--|
| 1     | ≤20%   | 0 or 1  | ≤30%   |
| 2     | >20% and ≤40%  | 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 3.1 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 5: Distribution of distress index scores for Somalia’s member states**





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

**Table 3. 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   |
|             | Bulo Burto/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  |
|             | Belet Weyne/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  |
|            | Belet Xaawo               | 8                        | 41.1  | 16,053   | 83,116                  | 8,713   | 8,974  |
|            | Garbahaarey/Buur Dhuubo   | 8                        | 38.8  | 30,089   | 76,952                  | 16,331  | 16,821   |
|            | Bardheere                 | 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   |
|            | Waajid                    | 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  |
| Rab Dhuure | 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   |
|                   | Buur Hakaba        | 11                       | 36.5  | 25,641   | 197,198                 | 13,769  | 14,182   |
|                   | Kurtunwaarey       | 10                       | 40.5  | 51,456   | 262,315                 | 29,598  | 30,486   |
|                   | Qansax Dheere      | 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  |
| Wanla Weyn        | 7                  | 37.5                     | 21,102  | 113,035  | 12,138                  | 12,502  |  |
| Disputed areas    | Ceel Afweyn        | 11                       | 40.0  | 23,838   | 99,950                  | 13,425  | 13,828   |
|                   | 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 on Tables 3: (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 instead.

#### **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 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, i.e. in proportion of district's share in total population of the targeted 21 districts.



**Table 4. 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       | Bulo Burto/Maxaas    | 12                       | 15,340   | 10,347                            | 25%   | Restricted                    | Yes                   | Yes                                 |
| Hirshabelle       | Belet Weyne/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                       | 6143   | 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 Gebiley is 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-select of potential communities. The first one is the presence and availability of nutrition services and partners by both WFP and UNICEF; the second, the presence of WFP partners that are able and accustomed to performing cash-based transfers, on behalf of WFP.
17. Because the estimated number of people per district is currently approximate, the rollout 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 villages furthers from nutrition services, provided that partners are present.
18. During the initial discussion with the local authorities of a selected communities, WFP will receive from them a more accurate estimate of the actual number of inhabitants, from which WFP will be able to deduct 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 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 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; feedback and complaints mechanisms. Specific attention is given to gender, accountability to affected populations, conflict sensitivity, protection and inclusion of persons with disability and the elderly. The following steps traditionally used by WFP and its cooperating partners will be followed in the targeting process.

- 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. Agree on the modalities of the selection process.
- Hold consultative meetings with men, women, disabled, the elderly and the minority group representatives. Share details of the project and selection criteria.
- Establish a selection committee with full membership drawn from the different stakeholders, including local traditional leaders, 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.
- 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.
- 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.
- 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 satisfied with it.
- The CP then creates an excel sheet, a detailed narrative report on the targeting process attaches photos and sends to WFP for final verification.
- 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.
- Once cleared WFP sends back the list to the CP with queries if any or approved 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, 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:

- Include only households with children under 5.
- Give priority to households with:
  - Malnourished children,
  - Malnourished Pregnant, lactating women and girls
  - High dependency ratio to sole bread winner;
  - Child headed household; lack of a breadwinner;
  - Disable member of the household;
  - Lack of or limited livelihood assets

- 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>1</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 and IDP camp; dependent on humanitarian assistance; does not receive remittances; No formal education; No means of production like cattle or tools.   |

- 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.
- 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.
- 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>1</sup> The lack of clear policy guideline on the cut-off age for 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) as well as Direct Selection will be used as appropriate.

For the procurement of consulting service, 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 Consultant’s Qualification Based Selection (CQS), 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 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 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 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-interest 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 to 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 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; and
- (c) the Bank review procedures.

MoLSA, through the PIU, will follow the Bank’s anticorruption measures and will not engage services of firms and individuals debarred by the Bank.

## **6. Procurements Templates**

The 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 ToR for the procurement activities that are conducted through the project and ensuring that they are in line with 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, craft, or company have to provide the PIU with the relevant document 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 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 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, etc; certificates, accreditations, etc.; other training shall fall under the overall training budget.

**11. Bank’s Prior Review and Post Review**

All ToR will be subject to the 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 review on a selective basis. Thresholds can be changed in agreement with the Bank.

**12. Thresholds for Procurement approaches and methods:**

**Table 6: 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 responsible for initiating all payments under the project. For all contract, the FMS must check the financial details of each contract before its signature. The FMS should verify that:

- the total amount of the contract is within the allowed thresholds of the government budget for the appropriate period;
- the tax part is clearly defined;
- the financial part of the contract is calculated correctly and contains the tax estimate;
- 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;
- the details regarding reimbursables in consultant services contract are appropriate and feasible;
- appropriate measures are included in the contract to prevent payment without appropriate portion of delivery;
- there is an appropriate time frame for invoice payment (minimum 30 days from the receipt of the invoice); and
- 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. dollar), total amount, and status of payments. These shall be part of the IFR to be submitted to the Bank 45 days after the end of the quarter. The contracts listing/inventory shall be extracted from the SFMIS.

The 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:**

- only eligible and executed items are stated in the invoice;
- the invoice is supported with relevant documents in accordance with the contract (reports, time sheets, and original receipts for reimbursable expenditures); and
- 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:**

- 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);
- the quantities and prices correspond to the contract;

- the totals, taxes, and contributions are correctly calculated;
- the delivery was done according to the agreed time schedule;
- the appropriate portion of advance payment was withheld (if paid);
- there is appropriate bank guarantee (if necessary, according to the contract);
- the confirmation of delivery is supported by appropriate documents and signed by an authorized person;
- the minutes on quantity and quality check of purchased goods, signed by an authorized committee, is attached to the invoice;
- the appropriate exchange rate was used in calculation; and
- the invoice amount does not exceed the total unpaid amount of the contract.

## 2. Financial Procedures

The FMS maintains a register of invoices, including internal invoice number, invoice number, issuance date, contract number, supplier's name, Bank amount (U.S. dollar), 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; and
- (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.

- Authorization for confirmation of services and goods delivery by the person mentioned in the contract
- Authorization for invoice checking by the financial management officer, by default
- Authorization for invoice payment approval by the loan manager or his substitute

### i. Invoice Payments

After the invoice check, the 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 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 Bank. When the contracted goods are delivered and paid in total, the PIU prepares the contract to transfer the goods to MoLSA's ownership (e.g. 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; and
- 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, and
- keeping and justifying all relevant documentation and evidences.
- obtaining the No Objection from the 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, operating, maintaining, and securing the accounting data. The project staff (PIU) will be supported by the EAFS and SFMIS units to 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 FMS will file the original financial documentation:

- suppliers' invoices chronologically by internal number from the invoice register
- bank statements by the bank statement number
- other relevant financial documents chronologically by 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 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;<br>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);<br>b) Cumulative (since inception TB).  |
| 7.  | Budget Utilization report by Object Code                        | <b>Fields:</b> Code, description, original budget, virements, 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 etc   |
| 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<br>Life of<br>Project |
|---------------------------------------|--------------------|------------------|-----------------------|--------------------|------------------|-----------------------|--------------------|------------------|-----------------------|---------------------------|
|                                       | Current<br>Quarter | Year -To<br>Date | Cumulative<br>to Date | Current<br>Quarter | Year -To<br>Date | Cumulative to<br>Date | Current<br>Quarter | Year -To<br>Date | Cumulative<br>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<br>Life of<br>Project |
|---|--------------------|------------------|-----------------------|--------------------|------------------|-----------------------|--------------------|------------------|-----------------------|---------------------------|
|   | Current<br>Quarter | Year -To<br>Date | Cumulative<br>to Date | Current<br>Quarter | Year -To<br>Date | Cumulative<br>to Date | Current<br>Quarter | Year -To<br>Date | Cumulative<br>to Date |                           |
| Component 1*                                      |                    |                  |                       |                    |                  |                       |                    |                  |                       |                           |
| Component 2                                       |                    |                  |                       |                    |                  |                       |                    |                  |                       |                           |
| Component 3                                       |                    |                  |                       |                    |                  |                       |                    |                  |                       |                           |
| <b>Total Project Expenditure</b>                  |                    |                  |                       |                    |                  |                       |                    |                  |                       |                           |
| <b>For Component 1:</b>                           |                    |                  |                       |                    |                  |                       |                    |                  |                       |                           |
| Value of DL(s) achieved during the period         |                    |                  |                       |                    |                  |                       |                    |                  |                       |                           |
| Expenditures during the operiod                   |                    |                  |                       |                    |                  |                       |                    |                  |                       |                           |
| Expenditures amount to be replenished/reimbursed* |                    |                  |                       |                    |                  |                       |                    |                  |                       |                           |
| *Amount not to exceed the value of DL(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 03/31/20XX | Cash Requirement for Quarter ending 03/31/20XX | Total Cash Requirement for six mos. ending 06/30/20XX | 100% Gov't Financed Expenditures | Gov't & IBRD Financed Expenditures | IBRD Eligible % | IBRD Eligible Cash Requirement for six mos. Ending 06/30/20XX | Total Gov't & IBRD Cash Requir. For six mos. Ending 06/30/20XX | IBRD Eligible Cash Requirement for six mos. Ending 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 | 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                    |                        |                         |          |             |