

Special Financing Facility for Local Development (P156257)

AFRICA | Somalia | Social, Urban, Rural and Resilience Global Practice Global Practice | Requesting Unit: AFCE1 | Responsible Unit: GSU19
Recipient Executed Activities | Investment Project Financing | FY 2016 | Team Leader(s): Dean A. Cira, Bernard Harborne

Seq No : 1 | ARCHIVED on 06-May-2016 | ISR23353 | Created by: Dean A. Cira on 19-Apr-2016 | Modified by: Dean A. Cira on 03-May-2016

1. STATUS & KEY DECISIONS


1.1 OBJECTIVE & RATINGS

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

To support the construction and reconstruction of infrastructure and the development of public service delivery capacity in targeted areas of Somalia and support the Federal Government and Interim Administration capacity to respond to an eligible crisis or emergency.

Disbursement Summary

Source of Funds	Net Commitment	Total Disbursed	Remaining Balance	Disbursed
Grants	4.00 M	0.20 M	3.80 M	 5%

Disbursement Ratio	0.0%
Disbursement Delay Flag	NONE
Effectiveness Delay Flag	NONE
Bank Approval Date	11-Jan-2016
Project Closing Date	31-Dec-2017
Overall Risk	● High
Overall Safeguard	● Satisfactory

Key Project Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	--	● Satisfactory
Overall Implementation Progress (IP)	--	● Satisfactory
Small-Scale Infrastructure:(Cost \$3.90 M)	--	● Satisfactory
Program Operations, Capacity Building, and Contingencies:(Cost \$2.10 M)	--	● Satisfactory
Emergency Contingency Component	--	● Satisfactory

Comments

This is the first ISR since Project approval, which was on January 6, 2016. Progress is ahead of schedule with the full contracting of the Project Implementation Unit. The PIU has also nearly completed selection of the design and supervision contract for sub-projects. The good implementation progress, if continued, will lead to satisfactory progress of the development objectives.



Other Project Ratings

Name	Previous Rating	Current Rating
Financial Management No FM Assessment under SPN Phase has been completed in PRIMA to date.	--	● Satisfactory
Project Management	--	● Highly Satisfactory
Procurement No Procurement Assessment under SPN Phase has been completed in PRAMS to date.	--	● Highly Satisfactory
Monitoring and Evaluation	--	● Satisfactory

Comments(required if change Other Project Ratings)

The rapid recruitment of the PIU and the efficient selection process for the design and supervision consultant reflects upon the highly satisfactory project management and procurement under the project to date.

Cumulative Disbursements

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Disbursement Lag

Original Disb. Lag:	Formally Revised Disb. Lag:	Disb. Estimate Last Formally Revised on:
Not Applicable	Not Applicable	--

Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
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P156257	TF-A1715	Effective	USD	4.00	4.00	0.00	0.00	4.00	0%
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Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P156257	TF-A1715	Effective	11-Jan-2016	25-Jan-2016	25-Jan-2016	31-Dec-2017	31-Dec-2017

1.2 KEY ISSUES & PROJECT STATUS

Key issues and Actions for Management Attention

Issues

1. The Project was approved on January 6th.
2. The Grant was signed on January 25th and became effective upon signing.
3. The Project Implementation Unit has been fully recruited and is in place. Salaries are in-line with the harmonized pay scales developed under the MPF financed Capacity Injection Project.
4. The selection process for the design and supervision consultants for the regional subprojects is nearly completed with the Bank having provided its no objection to the Technical Evaluation Report on April 19, 2016 and the Combined Evaluation Report. The PIU expects to negotiate and sign the contract by May 15, 2016.
5. The Bank (MPF) funding has leveraged an additional \$2.0 million of support from the United Nations through parallel financing which used the Bank structures to provide UN funding through the national window to SFF. This will allow for additional sub-projects to be financed over the next 20 months.
6. Elections planned for later this year pose a risk to continued effective implementation. This is a portfolio-wide risk, but one that potentially bears more heavily on this project due to its national coverage and physical outputs. This and other risks will continually be monitored.
7. The formal Project Launch Mission is planned for the first week of May, 2016, security and other logistical issues permitting. The focus will be on areas to strengthen the PIU such as in safeguards, M&E and citizen participation, as well as reach consensus on the project's approach to capacity building within the FGS and interim regional administrations.
8. The Client Connection registration has been completed and the government is waiting for the Bank to affect the first disbursement to the Special Account, which has been established.

Action	Due Date	Status
Finalize selection of the design and supervision consultants	31-May-2016	In Progress
Undertaken first Implementation Support Mission/Project Launch	02-May-2016	Not Yet Due

Implementation Status and Key Decisions (Public Disclosure)

This is the first ISR for this Project. The Project was approved on January 6, 2016 and became effective upon signing of the Grant Agreement. Implementation progress has been good. As of March 30, 2016 the full Project Implementation Unit (PIU) has been established with all positions having been recruited successfully and in line with the Harmonized Pay Scales established for donor funded programs. The Client Connection has been completed and the government is waiting for the Bank to affect the first disbursement to the Special Account, which has been established. The PIU has also completed the technical and financial evaluations for the selection of the firm to prepare sub-project designs and undertake construction supervision and hopes to sign the contract by mid-May. The good implementation progress bodes well for the project to meet its objectives, though upcoming national elections may pose a risk later this year to implementation.



2. Missions

Mid-Term Review Information for the Project

Planned Date	23-Jan-2017	Actual Date	--
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Does this ISR cover a Mid Term Review? No

ISR Sequence No.	Mission Type	Actual Date
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3. Compliance

Safeguards

Current Environmental Assessment Category: B - Partial Assessment

Environment Assessment Date: 30-Sep-2015

Name	Previous Rating	Current Rating
Overall Safeguards Rating	--	● Satisfactory
Environmental Assessment (OP) (BP 4.01)	--	● Satisfactory

Comments

These are initial ratings. No safeguards work has yet commenced.

Legal Covenants

Loan/Credit/TF	Description	Status
TF-A1715	Finance Agreement :Hiring of Project Implementation Unit Staff Description :Within three months of the effectiveness date, the Project Implementation Unit shall be fully staffed with a Project Coordinator, a Deputy Project Coordinator, at least one Engineer, a Procurement Specialist, a Financial Management Specialist, a Monitoring and	Complied with



	Evaluation Specialist, a Communications Specialist, and an Administration Officer. Due Date :15-Apr-2016	
TF-A1715	Finance Agreement :Immediate Response Mechanism Description :The Recipient shall, prior to implementation of the Immediate Response Mechanism: (a) prepare and furnish to the World Bank for its review and approval an operations manual which shall set forth detailed implementation arrangements for the Immediate Response Mechanism. Due Date :30-Jun-2016	Not yet due
TF-A1715	Finance Agreement :Development of a Project Operations Manual Description :Within three months of the effective date the Project Operations Manual will be finalized and adopted by the Project Steering Committee. Due Date :15-Apr-2016	Complied with
TF-A1715	Finance Agreement :A Project Steering Committee Description :The Recipient shall establish not later than sixty (60) days after the Effective Date and thereafter maintain throughout project implementation, a Project Steering Committee with terms of reference satisfactory to the World Bank and with adequate resources to carry out its functions. Due Date :15-Apr-2016	Partially complied with

Comments

A Project Steering Committee existed under the predecessor project and is still in place. During the Project launch the Bank Team will review in detail the existing TORs for the Steering Committee and assess the availability of resources to fund the Committee.

4. Risks

Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	● High	--	● High
Macroeconomic	● Substantial	--	● Substantial
Sector Strategies and Policies	● Substantial	--	● Substantial
Technical Design of Project or Program	● Moderate	--	● Moderate
Institutional Capacity for Implementation and Sustainability	● Substantial	--	● Substantial
Fiduciary	● High	--	● High
Environment and Social	● Moderate	--	● Moderate
Stakeholders	● Substantial	--	● Substantial
Other	● High	--	● High
Overall	● High	--	● High

Comments

Security risk also remains high in many parts of the country. This may increase as the political election process nears. This will continue to be monitored both under the project and as part of the overall portfolio.

5. Results

Project Development Objective Indicators

► Direct project beneficiaries (Number, Core)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	--	1000000.00
Date	09-Nov-2015	--	--	29-Dec-2017

▲ Female beneficiaries (Percentage, Core Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	--	51.00

► Financed sub-projects that are functioning/ delivering services to communities three months after completion (#) (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	--	3.00
Date	09-Nov-2015	--	--	29-Dec-2017

► Perceptions of Regional Administrations or federal government performance on sub-project activity (%) (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	--	60.00
Date	09-Nov-2015	--	--	29-Dec-2017

► Sub-projects for which community/ or local authority engagement in post-project sustainability and/ or O&M plan is established (#) (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	--	--	--	5.00
Date	--	--	--	29-Dec-2017



►Beneficiaries under the activated crisis response component (#) (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	--	--	--	--
Date	--	--	--	--

Overall Comments

Intermediate Results Indicators

►Local Project Oversight Committees established (#) (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	--	5.00
Date	09-Nov-2015	--	--	29-Dec-2017

►Grievances registered related to project are addressed (%) (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	--	100.00
Date	09-Nov-2015	--	--	29-Dec-2017

►Interim Regional Administrations accompanying project design and implementation (consultation, identification, procurement and implementation processes) (#) (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	--	5.00
Date	09-Nov-2015	--	--	29-Dec-2017



► Roads rehabilitated, Non-rural (Kilometers, Core)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	--	--	--	--
Date	--	--	--	29-Dec-2017

► Sub-projects completed as planned and within budget (#) (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	--	--	--	5.00
Date	--	--	--	29-Dec-2017

► Government officials participating in capacity building measures under the project (#) (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	--	--	--	--
Date	--	--	--	29-Dec-2017

► Work days created for short term employment in the sub-projects (of which female) (#) (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	--	--	--	--
Date	--	--	--	29-Dec-2017



▲Work days created for short term employment in the sub-projects for women (%) (Number, Custom Breakdown)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	--	--	--	--
Date	--	--	--	29-Dec-2017

▶Specific POM for the contingency component (Component 3) has been adopted (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	--	--	--	--
Date	--	--	--	29-Dec-2017

Overall Comments

6. Clearance History

Person	Comments & Actions
Idrissa Dia (PMGR) Practice Manager, GSU19 WASHINGTON, DC (IBRD)	<i>Disclosed and Archived on 06-May-2016 at 17:31:53</i>
Idrissa Dia (PMGR) Practice Manager, GSU19 WASHINGTON, DC (IBRD)	Many thanks <i>Approved on 06-May-2016 at 17:31:48</i>
	Thank you for taking CMU comments on board.
Preeti Arora (CD) Country Program Coordinator, AFCTZ WASHINGTON, DC (IBRD)	<i>Advice Provided on 06-May-2016 at 15:11:50</i>
Dean A. Cira Lead Urban Specialist, GSU19 NAIROBI, KENYA (IBRD)	The ISR has been revised to take into account the CMU comments. <i>Recommended on 03-May-2016 at 13:43:27</i>
Idrissa Dia (PMGR) Practice Manager, GSU19 WASHINGTON, DC (IBRD)	I also commend the Team again for the great work done so far on this project despite the complex context. I am returning the ISR just to incorporate further comments as requested by the CMU. best regards



Returned for revision on 29-Apr-2016 at 15:42:05

- We commend the task team for the significant progress made thus far with the project only 3 months after project approval and effectiveness – PIU in place and contracting of firm to conduct design and supervision contract of sub-projects
- Under Key Issues and Project Status, it would be useful for the task team to outline steps following the Bank’s No Objection to the Technical Evaluation report – specifically the estimated timeframe for final award and mobilization.
- Please elaborate on Issue 5 –Bank funding (MPF) leveraging an additional \$2 M from the UN through parallel financing. What does this mean and what implications does it have for the project?
- Under the public disclosure ISR, there is mention of the government waiting on the Bank to effect the first disbursement to the Special Account established. Please include this information under Key issues and Actions and indicate when the Bank expects to make the first disbursement to government and if any delays are anticipated (and if so, what can be done to mitigate it).
- The legal covenant on project steering committee mentions ToR and adequate resources to carry out the functions of the steering committee, which has been partially complied with. The comments section only focuses on the ToR and doesn’t mention financial resources or other tools needed for the functionality of the steering committee.

Preeti Arora (CD)
Country Program Coordinator, AFCTZ
WASHINGTON, DC (IBRD)

Advice Provided on 26-Apr-2016 at 11:50:47

Please find attached the initial ISR for the Special Financing Facility for Local Development Project for your review.

Dean A. Cira
Lead Urban Specialist, GSU19
NAIROBI, KENYA (IBRD)

Kind Regards,

Dean Cira

Recommended on 20-Apr-2016 at 05:39:26

PROJECT INFORMATION

7. Key Dates

Key Project Dates

Bank Approval Date:11-Jan-2016

Effectiveness Date:25-Jan-2016



Planned Mid Term Review Date:23-Jan-2017

Actual Mid-Term Review Date:--

Original Closing Date:31-Dec-2017

Revised Closing Date:31-Dec-2017

Related Project(s)

Project	Relationship	Status	Product Line	Team Leader	Country
--	--	--	--	--	--

8. Team Composition

Bank Staff

Name	Specialization	Title	Unit	Phone No.	Location
Dean A. Cira	--	Team Leader	GSU19	5327+6015 /	NAIROBI, KENYA
Bernard Harborne	--	Team Leader	GSUGL	458-0806	WASHINGTON, DC
John F. A Etidau	--	Procurement Specialist	GGODR	5327+6812 /	NAIROBI, KENYA
Leonard Mutuku Matheka	--	Financial Management Specialist	GGODR	5327+6114 /	NAIROBI, KENYA
Aidah Bunoro Makokha	Team Assistant	Team Member	AFMSO	--	NAIROBI, KENYA
Diego Garrido Martin	--	Team Member	GCFDR	5327+6041 /	NAIROBI, KENYA
Edith Ruguru Mwenda	Counsel	Counsel	LEGAM	458-8725	WASHINGTON, DC
Geoff Handley	--	Team Member	GGO19	--	NAIROBI, KENYA
Ibrahim Khalil Dajani	--	Peer Reviewer	GTI05	5366+6541 /	GAZA, WEST BANK AND GAZA
John Bryant Collier	Environmental Safeguards	Team Member	GEN01	473-8551	WASHINGTON, DC
Joseph A. Gadek	--	Team Member	GSU13	--	WASHINGTON, DC
Matthias Mayr	--	Team Member	AFMSO	--	WASHINGTON, DC
Rildo Santos	Team Assistant	Team Member	GSU13	202-458-0457	WASHINGTON, DC
Salome Awuor Aganda	Team Assistant	Team Member	AFMSO	5327+6067 /	NAIROBI, KENYA
Santa Maria Aguti	--	Team Member	AFMSO	5327+6523 /	NAIROBI, KENYA
Sean Bradley	--	Peer Reviewer	GSUGL	473-6591	WASHINGTON, DC
Stavros George Stavrou	--	Peer Reviewer	GSU03	473-4100	WASHINGTON, DC
Stephen Mugendi Mukaindo	--	Counsel	LEGAM	5327+6345 /	NAIROBI, KENYA
Verena Phipps-Ebeler	Social Safeguards	Team Member	GSU07	1-202-458-72	WASHINGTON, DC
Verena Phipps-Ebeler	Social Safeguards and Gender	Safeguards Specialist	GSU07	1-202-458-72	WASHINGTON, DC



Zishan Faiza Karim	Social Development	Team Member	GSU19	5345+3016 /	JUBA, SOUTH SUDAN
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Extended Team

Name	Title	Organization	Office	Location
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9. Organizations

Name	Role	Contact	Title	Office Phone	Email
Federal Government of Somalia Republic	Borrower/Recipient	Mohamed Aden Ibrahim	Minister of Finance	2525404240	farkeeti@hotmail.com
Ministry of Finance	Implementing Agency	Ali Haji Aden	Head of TIU	252617219999	mofsfpiu@gmail.com

10. Financial Management

Overdue Reports

	< 4 months	> 4 months	> 9 months
Financial Statement - Audit	--	--	--
	< 30 days	31 - 60 days	> 61 days
Interim Financial Reports	--	--	--

Overdue Issues

	< 30 days	31 - 60 days	> 61 days
Audit Issues	--	--	--
IFR Issues	--	--	--
General Supervision Issues	--	--	--