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Report No: PIDIAF0065

Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 24-Oct-2024



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**BASIC DATA****A. Product Information****Main: Barwaqo - Somalia Water for Rural Resilience Project (P177627)**

Operation ID	Product/Financing Instrument
P177627	Investment Project Financing (IPF)
Beneficiary Country/Countries	Geographical Identifier
Somalia	Somalia

Practice Area (Lead)

Water

Borrower(s)	Implementing Agency
Federal Republic of Somalia	Ministry of Planning Investment and Economic Development

Additional Financing Request 1

Estimated Appraisal Date	Estimated Board Date
28-Oct-2024	26-Nov-2024

Development Objective

Original Development Objective (Approved as part of Approval package on 08-Dec-2022)

To develop water, agriculture, and environmental services for rural communities in Somalia's drylands.

Components

Development of Multiuse Water Sources

Development of Agriculture and Livestock Services Around Water Points

Development of Environmental Catchment Services in Project Areas

Project Management, Community-Driven Development and Enhancing Livelihoods Planning

COSTS & FINANCING (US\$, Millions)**SUMMARY**

	Last Approved	Proposed



		Addition	Total
Total Operation Cost	70.00	18.30	88.30
Total Financing	70.00	18.30	88.30
Of which IBRD/IDA	70.00	0.00	70.00

FINANCING DETAILS

World Bank Group Financing	Last Approved	Additional Financing	Total
International Development Association (IDA)	70.00	0.00	70.00
IDA Grant	70.00	0.00	70.00
Non-World Bank Group Financing			
Trust Funds	0.00	18.30	18.30
Trust Funds ^{NEW}	0.00	18.30	18.30
IDA Resources			
Other Decision (as needed)			

B. Introduction and Context

Country Context

1. **Somalia has been facing a protracted humanitarian crisis due to consecutive seasons of low rainfall, leading to widespread crop failure, population displacement, and reduced livestock productivity¹.** The country is also undergoing a stabilization process after nearly two decades of conflict and political instability. Somalia's economy is heavily dependent on water and is sensitive to climate changes, with over half of the rural population relying on pastoralist and agro-pastoralist livelihoods. The livelihoods of these communities are vulnerable to recurrent droughts and floods, exacerbated by years of conflict. The agriculture sector, particularly the livestock production subsector, accounted for 75 percent of the GDP through export earnings but has been in decline, with estimated livestock losses

¹ Somalia multi-partner technical release, March 2023



of US\$2 billion in 2018 due to the recurrent droughts². The economy also relies heavily on diaspora remittances (estimated at US\$1.4 billion in 2017) and foreign aid transfers (estimated at US\$1.75 billion in 2018³).

2. **A World Bank Group's Systematic Country Diagnostic (SCD) identified the drivers of Somalia's fragility, conflict, and violence as vulnerability to climatic shocks, constrained government service delivery systems, and limited economic opportunities.** Recurrent droughts, famine, and floods eroded livelihoods, drives unsustainable exploitation of natural resources, and caused extreme food insecurity and population displacement⁴. The formation of a federal state provides an opportunity for stable governance and improved service delivery but also created uncertainties regarding representation, power, and resource distribution. To overcome these challenges, the SCD recommended sustaining the federation reform process, strengthening public institutions, and expanding economic opportunities, particularly for rural agro-pastoralist households. This requires a strategy that strengthened community-based institutions and placed citizens at the center of service delivery planning and monitoring.

Sectoral and Institutional Context

3. The livestock and crop subsectors in Somalia have been experiencing a rapid decline in productivity due to more erratic and unreliable annual rainfall, leading to a shortening of historical cycles of recurrent droughts. This decline has been exacerbated by severe environmental degradation, demographic pressures, and unsustainable exploitation of rangelands and forests, further straining the ecosystem's capacity to support livestock production and crop farming. Additionally, agro-pastoralist communities in rural drylands lack the knowledge and extension support to modify and diversify their traditional livestock and crop production methods to be more climate-resilient⁵. Access to livestock extension services to improve animal health is low, and the frequent droughts have resulted in a sharp decrease in soil moisture. Furthermore, dryland agro-pastoralists' access to potable water and water for livestock and agricultural production is low, with only about 35 percent of rural households using improved water sources. This lack of adequate water sources remains a binding constraint to achieving the full potential of crop farming and livestock productivity. Nomadic households are forced to move longer distances in search of water and pasture, exacerbating conflicts with other communities.
4. The *Barwaqo* project remains consistent with and relevant to the Somali government's current development strategy, particularly the ambitious goals outlined in the 9th National Development Plan (2020-2024) for a just, stable, and prosperous Somalia. The project directly supports two key pillars: Priority Pillar 3 for "Economic Development" and Pillar 4 for "Social Development." By focusing on strengthening rural resilience through water harvesting and sustainable land management, the Barwaqo project aligns perfectly with strategies to achieve the targets set in these pillars. These strategies aim for sustainable and resilient recovery, improved capacity to respond to shocks, and addressing underlying vulnerabilities to climate change. The proposed Additional Financing (AF) directly contributes to the National Development Plan (NDP) and the "Greening of Somalia" initiative by expanding the scale of water harvesting infrastructures, and nature-based solutions for ecosystem

² Heritage Institute, June 2024. Somalia's Livestock Sector: Improving Trade Standards, Regulatory Frameworks and Insurance Options.

³ World Bank Group. 2019. Somalia - Shock Responsive Safety Net for Human Capital Project (English). 2019. Washington, D.C. <http://documents.worldbank.org/curated/en/989731565575232490/Somalia-Shock-Responsive-Safety-Net-for-Human-Capital-Project>.

⁴ World Bank. 2018. *Somalia - Systematic Country Diagnostic (English)*. 2018. Washington, D.C. Group. <http://documents.worldbank.org/curated/en/554051534791806400/Somalia-Systematic-Country-Diagnostic>.

⁵ World Bank. 2018. Rebuilding Resilient and Sustainable Agriculture in Somalia. Washington, DC.



restoration through a comprehensive watershed-scale sustainable land and water management planning as the basis for subsequent water development and future investment in watershed management.

5. **Relationship to Country Partnership Framework (CPF) 2024–2028.** In March 2024, the World Bank adopted a new five-year Country Partnership Framework (CPF) for Somalia, covering fiscal years 2024-2028. The Project is in line with High Level Objective three (HLO3) of the CPF: ‘Greater resilience to climatic and other shocks.’ The PDO contributes to objective 3.2 of the CPF; ‘Strengthen rural resilience focused on access to water and food security’. The project also contributes to the CPF’s foundational objectives, specifically by enhancing government effectiveness, transparency, and accountability. This is achieved by supporting capacity building for the FMS and communities through the CIPs process with the aim of strengthening public resource management, public service delivery, and ultimately trust building between the government and its citizens.
6. **The scale-up activities proposed for the Somalia Water for Rural Resilience project (Barwaqa) will target and benefit the poorest households in Somalia, particularly those facing severe vulnerability to climate shocks.** The proposed activities to expand access to improved water sources, implement nature-based solutions for ecosystem restoration, and develop long-term sustainable land and water management plans in rural dryland areas are designed to enhance the resilience of rural communities against recurring climatic events such as droughts and floods, improve agricultural productivity, and bolster environmental services. This is especially crucial for the most vulnerable households that heavily rely on natural resources for their livelihoods and are most susceptible to climate-related disruptions.

C. Proposed Development Objective(s)

Original Development Objective

7. To develop water, agriculture, and environmental services for rural communities in Somalia’s drylands.

Current Development Objective

8. To develop water, agriculture, and environmental services for rural communities in Somalia’s drylands.

Proposed New Development Objective

9. To develop water, agriculture, and environmental services for rural communities in Somalia’s drylands.

D. Project Description

10. **This Project Paper seeks the approval of the management on a proposed additional financing (AF) in the amount of US\$18.3 million from a standalone multi-donor trust fund (MDTF)⁶ being established for the Somalia Water for Rural Resilience project (Barwaqa⁷ – P177627).** The purpose of the AF is to expand the scope of the project, keeping the project development objective unchanged. The project was approved on December 9, 2022, with financing of US\$70 million from International Development Association (IDA), became effective on January 20, 2023, and is currently scheduled to close on February 29, 2028.

⁶ A Trust Fund Proposal (TFP) No. TFP03067- *Somalia Climate Adaptation Program*” is currently under processing.

<https://ibrdtf.worldbank.org/portal/tfp/TFP03067/basic-data/information>

⁷ The project is locally known as the Barwaqa project (in Somali “Barwaqa” means prosperity).



11. **The primary reason for the AF is to scale up and expand on-going activities and to strategically use the AF to mobilize more resources from other partners for the development of water, agriculture, and environmental services for rural communities in Somalia's drylands.** The World Bank's water interventions in rural Somalia since 2015 have primarily focused on addressing localized water-related needs at the community level, targeting specific sites, this has been an acceptable foundational strategy for localized service delivery and the time is now right to engage in a wider long-term cohesive water resources management strategy. The identification of water points was conducted without considering a broader, interconnected basin-level water development plan. However, the realities of climate change demand a more strategic and far-reaching approach to water resource management. To this end, the AF seeks to support the client to transition from investing in isolated water points and environmental management activities to implementing an integrated watershed investment framework. This framework will integrate existing water points and ensure that additional water points supported through the AF, as well as ongoing and planned ecosystem restoration efforts are prioritized from a future-looking portfolio based on a comprehensive, long-term sustainable soil and water management plans.
12. **The scale-up ambition of the proposed AF is to drive a strategic shift towards long-term, basin-wide planning within well-defined hydronomic zones.** This shift will establish the foundation for a series of strategic water harvesting and nature-based solutions (NbS) interventions, all of which will be carefully designed with a long-term vision and integrated into broader macro-level plans. This deliberate and thoughtful planning is essential for the phased financing and implementation of projects that promote comprehensive water storage, conservation, and sustainable land management practices.
13. **Changes in Beneficiaries and Target Areas:** The project will benefit rural households living in the dryland areas of Somalia. The scaled-up activities will enhance the development of water, agriculture, and environmental services for approximately 100,000 additional people in the rural dryland areas of Somalia across the 5 FMS and in Somaliland. At least half of the beneficiaries are expected to be female.
14. **Changes in the Project's Results framework:** The project Results Framework has been revised to reflect scaled-up activities, notably in terms of the end targets and additional intermediate results indicators. The project closing date is however retained as the original closing date of February 29, 2028. The proposed adjustments to the results framework include the following:
 - a. Increasing the end target of PDO indicator 'People provided with access to improved water sources (CRI, Number)' from 500,000 to 600,000 to include the additional number of people provided with access to improve from new water sources financed through the AF.
 - b. Increasing the end target of PDO sub-indicator 'People provided with access to improved water sources - Female (RMS requirement) (CRI, Number)' from 150,000 to 180,000.
 - c. Increasing the end target of the PDO indicator 'Land area under sustainable landscape management practices (CRI, Hectare (Ha))' from 8,000 to 10,000.
 - d. Increasing the end target of the intermediate results indicator 'New water points constructed to reduce the risk of water shortages in drought-prone rural areas (Number))' from 100 to 130.
 - e. Add a new intermediate results indicator "number of sustainable land and water management plans prepared" under component 1 and set the end target as 6, one for each FMS and one for Somaliland.



- f. Add a new intermediate results indicator “Degraded land area (Ha) implemented with nature-based solutions for ecosystem restoration’ under component 3 and set the end target as 2,000.

Legal Operational Policies

Policies	Triggered?
Current	
Projects on International Waterways OP 7.50	Yes
Projects in Disputed Area OP 7.60	No

Summary of Screening of Environmental and Social Risks and Impacts

The potential environmental and social risks and impacts remain the same as with the ongoing parent Project and are mostly associated with small-scale civil works and water extraction, which are expected to be negligible, site specific, and of a scale that can be locally managed by the beneficiary communities. Thus, the Environmental and Social Management Framework (ESMF) including SEA/SH action plan, Resettlement Planning Framework, Labour Management Plan are still applicable and do not need to be revised. The Stakeholder Engagement Plan (SEP), will be updated following consultations. The Project has put in place a comprehensive Environmental and Social Commitment Plan (ESCP) and implementation arrangements and guidelines that have been updated as needed to incorporate lessons learned.

E. Implementation

Institutional and Implementation Arrangements

15. The institutional and implementing arrangements of the proposed AF remain the same as the Parent Project and the implementation support system under the Parent Project will also support this AF.
16. The Barwaqo is executed through a cooperative intergovernmental strategy involving the Federal Government of Somalia (FGS) and the five Federal Member States (FMS)—Puntland, Jubaland, Galmudug, Southwest, HirShabelle—as well with Somaliland. A Federal Inter-Ministerial Steering Committee, in conjunction with a National Project Coordination Unit (NPCU) situated within the Ministry of Planning, Investment and Economic Development (MoPIED), ensures the overarching coordination of the project's activities across the FMSs, reflecting its integrative role across the domains of water, agriculture, and the environment. At the FMS level, different state ministries are responsible for the implementation of the specific components but under the overall coordination of a state Project Implementation Unit (PIU) established within the FMSs ministries of Planning. The FMSs ministries of water, ministry of agriculture and ministries of Environment are responsible for delivery of Component 1: Development of Multiuse Water Sources at the state level, Component 2: Development of Agriculture and Livestock Services around Water Points, and Component 3: Development of Environmental Catchment Services respectively. Each FMS prepares an FMS Annual Workplan and Budget that consolidates individual workplans of each state ministry. The FGS PCU then submits the Annual Work Plan (AWP) for each FMS, alongside their own overall coordination workplan.

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APPROVAL

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Barwaaqo - Somalia Water for Rural Resilience Project (P177627) – Additional Financing Request 1

Approved By

Practice Manager/Manager:	Francis Ghesquiere	13-Sep-2024
Country Director:	Kristina Svensson	24-Oct-2024