

# The World Bank Group in Somalia

Fiscal Years 2013–23  
Country Program Evaluation



**IEG**  
INDEPENDENT  
EVALUATION GROUP

**WORLD BANK GROUP**  
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# Abbreviations

ASA	advisory services and analytics
CPE	Country Program Evaluation
CPF	Country Partnership Framework
DPF	development policy financing
DPO	development policy operation
ESF	Environmental and Social Framework
FCV	fragility, conflict, and violence
GEMS	Geo-Enabling Initiative for Monitoring and Supervision
HIPC	heavily indebted poor country
IDA	International Development Association
IDP	internally displaced person
IEG	Independent Evaluation Group
IFC	International Finance Corporation
IFI	international financial institution
IMF	International Monetary Fund
ISN	Interim Strategy Note
NGO	nongovernmental organization
OP	Operational Policy
PACG	Pre-Arrears Clearance Grant
PFM	public financial management
PIU	project implementation unit
PLR	Performance and Learning Review
SCD	Systematic Country Diagnostic
SNHCP	Safety Net for Human Capital Project
SNLRP	Safety Net for Locust Response Project
SURP	Somalia Urban Resilience Project
UN	United Nations
USR	Unified Social Registry

*All dollar amounts are US dollars unless otherwise indicated.*

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# Overview

This evaluation assesses the World Bank Group's support to Somalia between FY 2013 and FY23. It reviews the extent to which the Bank Group prepared for regularizing relations with Somalia and customized its support to align with the country's severely fragile situation and strategic objectives. It covers the decade since the Bank Group reengaged in 2012 and spans two country strategies. It informs the new Bank Group Country Partnership Framework for Somalia and has potential broader applicability for other engagements in fragile and conflict situations. In this evaluation, we address three questions: (i) to what extent the Bank Group has adapted its support to Somalia's evolving development challenges, risks, and fragile context; (ii) to what extent the Bank Group has contributed to building the capacity of the state to support Somalia's longer-term development, including for managing the government's resources and delivering services; and (iii) to what extent the Bank Group's modalities of engagement were appropriate for Somalia's situation of fragility and conflict.

In 2012, Somalia was considered a failed state characterized by multiple, protracted, and deeply rooted fragility and development challenges. After a decades-long civil war and recurrent droughts and floods, much of Somalia's human and physical capital had been destroyed, and a new government was struggling to establish basic state structures and control over its territory. Today, Somalia continues to be affected by numerous development constraints, including a continuing civil conflict and a still-evolving political-constitutional structure, and extreme poverty and susceptibility to climate change and natural disasters. It remains one of the poorest and most fragile countries in the world. The Federal Government of Somalia's authority is contested, and it has limited state capacity.

## World Bank Group Strategies Have Built Partnerships to Support Somalia's Transition

The Bank Group's engagement in Somalia was guided by the New Deal Compact for Somalia (2013) and enabled by the establishment of the Federal

Government of Somalia. The compact involved a new political, security, and development framework and paved the way for coordinated engagement with development partners and international financial institutions. The compact was anchored in the Federal Government of Somalia’s five Peacebuilding and Statebuilding Goals: (i) legitimate and inclusive politics, (ii) security, (iii) justice, (iv) economic foundations, and (v) revenue and services.

The Bank Group’s reengagement with Somalia was enabled by development partners and their funding. Because of Somalia’s arrears to the International Development Association (IDA) and other international financial institutions, the World Bank was unable to lend directly to the country during the initial phase of engagement (FY13–19), but it mobilized development partners’ resources through the World Bank–administered Multi-Partner Fund established in 2013. The Multi-Partner Fund was critical for the Bank Group’s reengagement and facilitated coordination among development partners.

Somalia successfully normalized its relationship with international financial institutions in 2023, with World Bank financing support and assistance, which was closely coordinated with the International Monetary Fund and other partners. Somalia cleared its arrears to achieve IDA eligibility in 2020, when it reached most of the required milestones for the Completion Point for Heavily Indebted Poor Countries. It met the Completion Point in late 2023, which enabled it to rejoin the global financial system after more than 30 years. The Heavily Indebted Poor Countries process has been effective in encouraging Somalia’s federal government and federal member states to agree on critical issues and reforms supported by the World Bank.

The Bank Group’s two strategies—an Interim Strategy Note covering FY14–16 and a Country Partnership Framework covering FY19–23—were relevant and appropriate to Somalia’s development and fragility challenges. They allowed the Bank Group to engage in a severe fragility, conflict, and violence (FCV) environment. The Bank Group prioritized assistance to institution building and citizen-centric service delivery in the immediate reengagement. In so doing, it operated in line with the objectives of the government and development partners and with its own analytic work and comparative advantage. Building institutions and capacity were critical prerequisites for engaging in other priority areas. The country strategies also anticipated

supporting job creation and economic opportunities, which have yet to see greater engagement by the World Bank.

During the FY13–23 review period, the World Bank delivered \$2.54 billion in financing through 53 operations. Annual lending volume rose from an annual average of \$69.1 million to \$513.5 million between FY13–19 and FY20–23, after IDA resources became available subsequent to the clearance of arrears. The portfolio started with a focus on improving public sector governance and gradually expanded to include citizen-centric projects. The International Finance Corporation’s support in Somalia focused mostly on advisory services, supporting investment climate reforms and institutional capacity building. However, its engagement remained limited compared with expectations.

The Bank Group strategies performed well in achieving their state- and institution-building objectives. The strategies have helped build country systems and capacity and have supported Somalia’s social safety net. Looking ahead, the government and all development partners will need to invest more effort into achieving results in promoting growth and economic opportunities.

## World Bank Contributions to Statebuilding Have Been a Critical Enabler

The World Bank has been a critical enabler for statebuilding and was the lead agency for strengthening governance systems and capacity in Somalia’s fragility context. The World Bank supported the statebuilding agenda by strengthening core governance systems and capacity, consistent with Somalia’s development priorities. It prioritized the Peacebuilding and Statebuilding Goals agreed with donors in the Somalia New Deal Compact, including building basic institutions and administrative capacity, developing revenue mobilization capacity, supporting intergovernmental relations, and building service delivery systems. The World Bank dedicated significant financial resources—totaling \$469.4 million in FY13–22—and analytic and advisory services to building state capacity and institutions. International Finance Corporation advisory services also supported capacity building of institutions and the regulatory framework to improve the business environment, including support for the Company Law, a company registry, and a framework for public-private partnerships.

The World Bank's statebuilding interventions in Somalia were relevant. We considered three dimensions for relevance—alignment with the Peacebuilding and Statebuilding Goals, addressing critical statebuilding needs, and identification of gaps in interventions. The lending and advisory activities of the country program aligned well with the Peacebuilding and Statebuilding Goals and their focus on revenue and services in addition to economic foundations, and, to a lesser degree, they considered inclusive politics. The World Bank portfolio dedicated to statebuilding targeted critical needs, including building public financial management (PFM), increasing domestic revenue mobilization, developing public administration capacity, and funding some core government functions. Furthermore, the World Bank's diagnosis of security sector expenditures was highly relevant but was followed up with limited operational support.

Considering the challenging circumstances, the results of the World Bank's contributions to statebuilding in Somalia have been commendable. The Somali state has been transformed over the past decade. Given the challenging starting point, the portfolio has had mixed results, with higher performance for operations focused on improving PFM, some traction in developing an intergovernmental fiscal system, and weaker performance for engagements to increase domestic revenue mobilization.

The World Bank's support to building public administration capacity, particularly through PFM interventions, established new systems, increased accountability and transparency, and improved human resource capacity. The World Bank's support also helped establish core laws, policies, and systems for economic management and service delivery, although evidence of their effective implementation is lacking. Regarding support to building the capacity for domestic revenue mobilization, although revenue mobilization has improved over the past decade, at 3 percent of GDP, it remains inadequate to support core state functions. World Bank support has contributed to the adoption of policies and improved systems for customs and inland revenue, reducing the government's dependence on trade taxes. Support for building an intergovernmental fiscal system had some tangible progress in developing a system between the federal government and federal member states, but this has been constrained by ongoing disputes over the

political-constitutional relationship between the federal government and federal member states on resource sharing.

Country program features contributed to the effectiveness of World Bank support to state- and institution-building. They included the approach of (i) programmatic deployment of PFM reforms; (ii) the use of the government's own country systems to channel Recurrent Cost and Reform Financing support as these country's systems were being built, rather than channeling resources through project implementation units; and (iii) procurement risk mitigation through technical assistance to the Financial Governance Committee. The Recurrent Cost and Reform Financing instrument has been an effective and context-appropriate tool to provide simultaneous budget and capacity-building support, based on disbursement-linked indicators targeting both the federal government and federal member states. Since Somalia achieved IDA eligibility (2020), the World Bank has shifted toward policy-based lending.

The Heavily Indebted Poor Countries process has been effective in encouraging the federal government and federal member states to agree on a range of issues related to fiscal federalism and other reforms supported by the World Bank. Now that the Heavily Indebted Poor Countries Completion Point has been reached (December 2023), a new framework to anchor the statebuilding agenda is needed.

However, the sustainability of the World Bank's statebuilding interventions in Somalia faces significant risks. To address sustainability risks, the World Bank program design focused on increased capacity and intentionally used the government's own country systems for providing support while putting in place guardrails on PFM and procurement. But significant risks remain, related to the turnover of high-level government staff and heavy reliance on technical assistance funded by development partners.

An assessment of higher-level outcomes of statebuilding support in Somalia indicates that progress remains tenuous and subject to reversals. Although great strides have been made over the past decade in building institutions and a federal structure, progress is not yet evident in higher-level governance indicators. The nature and functions of the Somali state are fluid, and statebuilding is a work in progress that will require persistent engagement

and time. The continuing FCV situation in Somalia renders progress fragile. Institutions remain weak, and the perception of trust in institutions has improved little. The sustainability of some achievements is at risk, and future lending will need to carefully consider the country's political dynamics.

## Support to Service Delivery Needed to Be Selective, Although Concerns Remain over Sustainability

The World Bank's support to service delivery to citizens has been relevant for the success of statebuilding. It helped demonstrate the ability of the government to succeed as the credible provider of state functions. Citizen-centric programs focused mainly on water and rural resilience, urban resilience, and a shock-responsive social safety net program, and less on health and education.<sup>1</sup> The use of trust funds enabled the World Bank to pilot and test the design of the water and rural resilience and the urban resilience programs, which were scaled up when Somalia became eligible for IDA financing.

Projects supporting service delivery objectives have mostly achieved their overall project objectives. These projects have built capacity for service delivery among government implementing agencies at the federal and state levels and among municipalities. Projects supporting the Baxnaano safety net program have benefited an estimated 1.6 million people in Somalia by targeting vulnerable groups, including poor people and rural and farming communities, with a strong focus on female beneficiaries. However, the projects do not provide evidence about higher-level outcomes for access to health and education services or for avoidance of displacement of rural households.

Crisis response funds allowed the World Bank to scale up existing mechanisms for urban and social protection programs and to disburse cash to vulnerable populations affected by disasters and crises such as locusts and floods. The World Bank support financed a response to and recovery from locust infestation, flooding, and the COVID-19 pandemic. Through Baxnaano, it benefited an additional 1.6 million Somalis affected by the locust emergency. It also demonstrated the World Bank's responsiveness, blending a focus on long-term development with short-term emergency financing when needed.

The sustainability of the social safety net program Baxnaano is uncertain. An estimated 14 percent of the government’s budget was allocated to safety net payments, which is not sustainable given low domestic resource mobilization. The expectation of development partner grant support to cofinance this World Bank–supported government program appears unrealistic, putting at risk the program’s sustainability.

The World Bank can engage more effectively with the active Somali private sector and nonprofit sector for the provision of services and to help create jobs and empower communities. While engagement with nonstate actors and international nongovernmental organizations occurred as part of third-party implementation, the evaluation did not find a systematic effort to leverage nonstate actors for providing basic services in the country. For many Somalis, the private and nonprofit sectors are the sole suppliers of basic services in health and education, traditionally provided by the state. These arrangements have grown in the absence of the state’s capacity to deliver such services and the continuing perceptions of weak government authority. Although the World Bank has engaged with other United Nations agencies, its engagement with the private sector or the nonprofit sector on the provision of basic services and to directly support income-generating opportunities has been more limited. This is a missed opportunity to address drivers of conflict while supporting statebuilding in Somalia.

## World Bank Group Modalities Have Adapted to Maintain Relevant Engagement

The Bank Group’s engagement has been well adapted to the FCV context, the institutional capacity, and the financial constraints of Somalia. The phased approach has been well suited to overcoming Somalia’s limited capacity, allowing for a gradual expansion of the portfolio to eventually include citizen-centric engagements. This deliberate iterative approach, involving piloting, testing, and careful scaling up based on robust monitoring and the ability to course correct, was appropriate, effective, and essential for adapting to the highly dynamic context of Somalia. Arrears clearance has removed the initial financing constraints, and the portfolio has increased significantly. Rapid portfolio growth, however, may risk overwhelming government absorptive capacity.

Many projects deployed adaptations to FCV challenges, such as the Recurrent Cost and Reform Financing series and the use of a third-party monitoring agent. The Recurrent Cost and Reform Financing was one adaptation to combine needed funding for the incipient government with disbursement-linked indicators that supported reforms and capacity building. A third-party monitoring agent was critical to collecting project data. Overall, 67 percent of lending projects were designed with adaptations to mitigate conflict risks and overcome conflict-related risks to achieving project objectives, including specific implementation modalities with United Nations agencies and nongovernmental organizations, or by incorporating beneficiary feedback. Challenges remain, however, including limited client capacity, implementation challenges for the Environmental and Social Framework, high fiduciary risks that demand strong mitigation, and a lack of identifying and capturing FCV-specific indicators across the portfolio.

Overall, the World Bank's adaptations to fragile contexts in Somalia have been effective in addressing the challenges posed by its FCV environment. The pragmatic application of Operational Policy 7.30 avoided a complete disengagement in 2021–22, demonstrating the flexibility and adaptability of the World Bank's operating model in response to the complex situation in Somalia. Continued flexibility in policies and processes and a more sustainable approach to financing and operating in fragile contexts could help ensure long-term success and impact.

The Multi-Partner Fund for Somalia has been instrumental in facilitating coordination among development partners and financing the capacity building, enhanced supervision budgets, and third-party monitoring that have been critical to the program's success. The fund has provided supplemental funding for project supervision and third-party monitoring, in addition to coordinating programs among partners. Additionally, the use of United Nations–supported project implementation has expanded the Bank Group's reach and helped overcome implementation challenges.

However, the Bank Group's operating model has been heavily dependent on Multi-Partner Fund financing for operating in Somalia. This reliance on external financing highlights the need for a sustainable and long-term funding approach to operating in fragile contexts.



## Lessons

The Bank Group's strategy and engagements over the past decade have relevantly and appropriately addressed key development constraints in Somalia. The Bank Group has also effectively adapted its operating model to the challenges posed by the severe FCV environment and weak government capacity. The World Bank's support has contributed to many achievements in building and strengthening institutions and building capacity for service delivery, but enormous challenges remain.

Notwithstanding Somalia's achievements in state and institution building and service delivery, significant risks remain. The nature and functions of the Somalia state remain fluid, and statebuilding is a work in progress. The government continues to be constrained by low domestic resource mobilization. The capacity of institutions remains weak, and the ability of the state to deliver basic services, including security, health, and education, is limited. Given the low level of service delivery, the social contract between citizens and the state remains weak. Overall, the progress in statebuilding is tenuous and there is a risk of reversals.

The Bank Group needs to systematically consider the incentives and absorptive capacity of the government when scaling up its portfolio. The limited fiscal space and capacity of the government is undermining the sustainability of service delivery supported by the Bank Group. Too fast an expansion of the lending portfolio risks overstressing the government's systems and capacity and may exacerbate risks. Future engagements will require continued selectivity, flexibility, a sustainable approach to funding the cost of operating in FCV environments, and careful consideration of the country's political economy and absorptive capacity.

This evaluation offers four lessons:

- » **Selectivity in statebuilding support.** Somalia's limited fiscal space and the contested authority of the state require selectivity in the World Bank's support for expanding state services. Growing the authority of the Somali state will need a focus on the most essential functions of the state and a gradual expansion that considers long-term sustainability.

- » **Calibrating lending with absorptive capacity.** With the availability of enhanced IDA resources, the World Bank should calibrate the growth of its lending portfolio with the absorptive capacity of the government, for example, through an incremental phased approach of piloting and then scaling up successes while closely monitoring implementation.
- » **Strategically engaging with different government entities.** The design of the World Bank lending program should more explicitly consider the incentives and needs of different government stakeholders at the federal and subnational levels to minimize tensions that may undermine statebuilding objectives.
- » **Maintaining partnerships and coordination.** In the post–heavily indebted poor country environment, leveraging partnerships and coordination of development assistance remains critical to anchor reforms and the statebuilding agenda. Even though the Multi-Partner Fund is no longer the main source of project financing, continued coordination among international finance institutions will be essential to focus the government’s limited capacity and avoid fragmentation of support.

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<sup>1</sup> While lending for social protection comprised 27 percent and for urban, resilience, and land 20 percent of World Bank financing during FY19–23, projects in the education and health sectors (initiated from FY21) accounted for 4 percent and 9 percent of the portfolio, respectively.

# Guudmar

Qiimeyntan waxay cabbiraysaa taageerada Kooxda Bangiga Adduunka ee Soomaaliya inta u dhexeysay sanad maaliyadeed (FY) 2013 iyo FY 23. Waxay dib u eegaysaa sida ay Kooxda Bangiga ugu diyaar garowday haggajinta xiriirka ay la leedahay Soomaaliya iyo sida ay taageeradeedii ugu habeysay si ay ula jaanqaado xaaladda aadka u jilicsan ee dalka iyo ujeedooyinka istiraatiijiyadeed. Waxay daboolaysaa tobanka sano ee laga soo bilaabo markii Kooxda Bangiga ay dib ugu soo laabatay Soomaaliya sanadkii 2012, waxayna ka koobantahay laba istiraatiijiyad qaran. Waxay xog ka bixinaysaa qaab-dhismeedka cusub ee barnaamijka dalka ee Kooxda Bangiga ee Soomaaliya, waxayna sidoo kale yeelan kartaa waxtar ballaaran oo lagu dabaqi karo howlaha kale ee la xiriira xaaladaha jilicsan iyo colaadaha. Qiimayntan, waxaan uga jawaabaynaa saddex su'aalood: (i) heerka ay Kooxda Bangiga u waafajisay taageeradeeda caqabadaha horumarka ee isbedbeddelaya, khataraha, iyo xaaladda jilicsan ee Soomaaliya; (ii) heerka ay Kooxda Bangiga uga qayb qaadatay xoojinta awoodda dowladda si ay u taageerto horumarka muddada-dheer ee Soomaaliya, oo ay ku jirto maareynta kheyraadka dowladda iyo bixinta adeegyada; iyo (iii) heerka ay hababka ay Kooxda Bangigu ula macaamileyso Soomaaliya ugu habboonaayeen xaaladda jilicsanaanta iyo colaadda ee dalka.

Sannadkii 2012, Soomaaliya waxaa loo arkayay dal fashilmay oo ay astaamihiisu yihiin jilicsanaan baahsan, caqabado horumarineed oo daba dheeraaday, iyo dhibaatooyin si qoto dheer u salka ku haya dalka. Ka dib dagaal sokeeye oo socday tobannaan sano iyo abaaro iyo fatahaado soo noqnoqday, inta badan hantidii bani'aadamka iyo tan aasaasiga ah ee Soomaaliya way burburtay, waxaana dowladda cusub ay ku dadaalaysay in ay dhisto hay'ado dowladeed oo aasaasi ah iyo in ay xakameyso dhulkeeda. Maanta, Soomaaliya weli waxaa saameyn ku haya caqabado horumarineed oo badan, oo ay ka mid yihiin colaadda sokeeye ee socda, qaab-dhismeedka siyaasadeed iyo dastuuriga ah oo weli sii kobcaya, faqriga ba'an, iyo nuglaanta ay u leedahay isbeddelka cimilada iyo masiibooyinka dabiiciga ah. Weli waa mid ka mid ah dalalka ugu saboolsan uguna jilicsan adduunka. Awoodda

Dowladda Federaalka Soomaaliya waa lagu muransan yahay, waxayna leedahay awood dowladeed oo xaddidan.

## Istiraatiijiyadaha Kooxda Bangiga Adduunka ayaa dhisay iskaashi si loo taageero kala-guurka Soomaaliya.

Ka-qaybgalka Kooxda Bangiga ee Soomaaliya waxaa hagayey Heshiiskii New Deal ee Soomaaliya (2013), waxaana suurtagal ka dhigay aasaaska Dowladda Federaalka Soomaaliya.

Heshiiska waxaa ku jiray qaab siyaasadeed, amni, iyo qaab dhismeed horumarineed oo cusub, wuxuuna wadada u xaarey la shaqeynta iskaashi la leh la-hawlgalayaasha horumarinta iyo hay'adaha maaliyadeed ee caalamiga ah. Heshiiska waxaa ku jiray qaab siyaasadeed, amni, iyo qaab dhismeed horumarineed oo cusub, wuxuuna wadada u xaarey la shaqeynta iskaashi la leh la-hawlgalayaasha horumarinta iyo hay'adaha maaliyadeed ee caalamiga ah.

Dib u soo noqoshada Kooxda Bangiga ee Soomaaliya waxaa suurtagal ka dhigay bahwadaagta horumarka iyo maalgelintooda. Sababo la xiriirta deymaha Soomaaliya ay ku lahayeen Ururka Caalamiga ah ee Horumarinta (IDA) iyo hay'adaha kale ee maaliyadeed ee caalamiga ah, Bangiga Adduunka ma awoodin inuu si toos ah ugu amaahiyo dalka intii lagu jiray marxaladdii hore ee wada-shaqeynta (FY13–19). Si kastaba ha ahaatee, wuxuu abaabulay taageero horumarineed.

Wuxuu isku keenay kheyraadka bahwadaagta horumarineed iyadoo loo marayo Sanduuqa Wada-shaqeynta Badan ee uu maamulo Bangiga Adduunka, kaas oo la aasaasay 2013. Sanduuqa Wada-shaqeynta Badan wuxuu door muhiim ah ka ciyaaray dib u soo noqoshada Kooxda Bangiga wuxuuna fududeeyey isku-dubbaridka bahwadaagta horumarineed.

Soomaaliya waxay si guul leh u hagaajisay xiriirkeeda hay'adaha maaliyadeed ee caalamiga ah sanadkii 2023, iyadoo kaashanaysa maalgelinta iyo taageerada Bangiga Adduunka, taasoo si dhow loola jaanqaaday Sanduuqa Lacagta Adduunka (IMF) iyo bahwadaagta kale. Soomaaliya waxay bixinaysay deymihii lagu lahaa si ay u hesho u-qalmitaanka IDA sanadkii 2020, markaas oo ay gaartay inta badan shuruudihii loo baahnaa si loo gaaro marxaladda

dhammaystirka ee dalalka saboolka ah ee daymuhu saameeyeen. Waxay gaartay marxaladda dhammaystirka dabayaaqadii 2023, taasoo u suurtagelisyay inay dib ugu soo biirto nidaamka maaliyadeed ee caalamiga ah kadib in ka badan 30 sano. Hannaanka dalalka saboolka ah ee daymuhu saameeyeen wuxuu si wax ku ool ah ugu dhiirrigeliyay dowladda federaalka Soomaaliya iyo dowlad-goboleedyada inay ku heshiiyaan arrimo muhiim ah iyo isbeddello uu taageeray Bangiga Adduunka.

Labada istiraatiijiyadood ee Kooxda Bangiga—Qoraalka Istiraatiijiyadda KMG ah ee lagu daboolay FY14–16 iyo Qaab-dhismeedka Iskaashiga Dalka ee FY19–23—waxay khuseeyeen oo ku habboonaayeen caqabadaha horumarineed iyo jilicsanaanta Soomaaliya. Waxay u suurtageliyeen Kooxda Bangiga inay ku howlgalaan jawi ay ka jirto jilicsanaan ba’an, colaado, iyo rabshado (FCV). Kooxda Bangiga waxay mudnaanta siisay taageerada dhismaha hay’adaha iyo bixinta adeegyo diiradda lagu saarayo muwaadiniinta intii lagu jiray dib u soo kabashada. Iyadoo sidaas loo samaynayo, waxay u shaqeysay si waafaqsan yoolalka dowladda iyo bahwadaagta horumarineed, iyo sidoo kale cilmi-baaristeeda iyo faa’iidooyinkeeda tartan. Dhismaha hay’adaha iyo xoojinta awoodda waxay ahaayeen shuruudo aasaasi ah oo lagama maarmaan u ah ka shaqeynta meelaha kale ee mudnaanta leh. Istiraatiijiyadaha dalka waxay sidoo kale horey u saadaaliyeen taageerada abuurista shaqo iyo fursadaha dhaqaale, balse wali ma jiro ka-qaybgal ballaaran oo dhankaas ah oo ay Bangiga Adduunku sameeyay.

Intii lagu jiray muddadii dib-u-eegista FY13–23, Bangiga Adduunku wuxuu bixiyay maalgelin dhan US\$2.54 bilyan oo lagu fuliyay 53 mashruuc. Qaddarka amaahda sannadlaha ah wuu kordhay, iyada oo ka sara maray celceliskii US\$69.1 milyan sanadkii intii u dhaxeysay FY13–19 una kordhay US\$513.5 milyan intii u dhaxaysay FY20–23, ka dib markii khayraadka IDA la heli karo ka dib bixinta deymihii lagu lahaa. Mashruucyadu waxay markii hore diiradda saareen horumarinta maamul wanaagga hay’adaha dowladda, ka dibna si tartiib ah ayay u ballaarteen si ay u qabtaan mashaariic diiradda lagu saarayo muwaadiniinta. Taageerada Hay’adda Caalamiga ah ee Maaliyadda (IFC) ee Soomaaliya waxay inta badan diiradda saartay adeegyada la-talinta, taageeridda dib-u-habaynta jawiga maalgashiga, iyo xoojinta awoodda hay’adaha. Si kastaba ha ahaatee, ka-qaybgalkeedu wuxuu ahaa mid xaddidan marka la barbar dhigo filashada.

Istiraatiijiyadaha Kooxda Bangiga waxay si wanaagsan ugu guuleysteen gaarista yoolalkooda dhismaha dowladnimada iyo hay'adaha. Istiraatiijiyaduhu waxay gacan ka geysteen dhisidda nidaamyada iyo awoodda dalka, waxayna taageereen shabakadda badbaadada bulshadda ee Soomaaliya. Iyaga oo eeganaya mustaqbalka, dowladda iyo dhammaan bahwadaagta horumarineed waxay u baahan doonaan inay dadaal dheeraad ah galiyaan si loo gaaro natiijooyin la taaban karo oo ku saabsan korriinka iyo fursadaha dhaqaale.

## **Taageerada Bangiga Adduunka ee Dhismaha Dowladnimada Ayaa Ahaatay Xoog Dhiirrigelin Muhiim Ah.**

Bangiga Adduunku wuxuu ahaa suurtageliye muhiim ah oo dhismaha dowladnimada, wuxuuna hogaaminayey hay'adaha ka shaqeynayey Xoojinta nidaamyada maamul wanaagga iyo awoodda Soomaaliya ee xaaladda jilicsanaanta.

Bangiga Adduunku wuxuu taageeray qorshaha dhismaha dowladnimada isagoo xoojinaya nidaamyada maamul ee aasaasiga ah iyo awoodda, si waa-faqsan mudnaanta horumarineed ee Soomaaliya. Waxay mudnaanta siisay yoolalka nabad-dhisidda iyo dowlad-dhisidda ee lagu heshiiyey bahwadaagta deeq-bixiyeyaasha ee Heshiiskii New Deal ee Soomaaliya, oo ay ka mid yihiin dhisidda hay'ado aasaasi ah iyo awood maamul, horumarinta awoodda ururinta dakhliga, taageeridda xiriirka dowlad-dhexe iyo dowlad-goboleedyada, iyo dhisidda nidaamyada bixinta adeegyada. Bangiga Adduunku wuxuu u huray kheyraad maaliyadeed oo weyn—wadar ahaan US\$469.4 milyan intii u dhaxeysay FY13–22—iyo sidoo kale adeegyo falanqeyn iyo latalin si loo dhisso awoodda dowladnimada iyo hay'adaha. Adeegyada latalinta ee IFC waxay sidoo kale taageereen dhismaha awoodda hay'adaha iyo horumarinta qaab-dhismeedka sharciyeed si loo wanaajiyo jawiga ganacsiga, oo ay ku jiraan taageerada Xeerka Shirkadaha, diiwaangelinta shirkadaha, iyo qaab-dhismeedka iskaashiga dowlad iyo gaar loo leeyahay.

Faragelinta Bangiga Adduunka ee dhismaha dowladnimada Soomaaliya waxay ahayd mid khuseysa oo muhiim ah. Waxaan tixgelnay saddex dhinac oo la xiriira khuseynta—waafaqsanaanta yoolalka nabad-dhisidda iyo dowlad-dhisidda, wax ka qabashada baahiyaha muhiimka ah ee

dhismaha dowladnimada, iyo aqoonsiga meelaha ay ka jiraan farqi ama baahi dheeraad ah oo faragelin loo baahan yahay. Hawlaha amaahda iyo latalinta ee barnaamijka dalka waxay si wanaagsan ula jaanqaadeen yoolalka nabad-dhisidda iyo dowlad-dhisidda, iyadoo diiradda saaray dakhliga iyo adeegyada, iyo sidoo kale aasaaska dhaqaalaha. Si heer hoose ah, waxay ka loo tixgeliyeen siyaasadda loo dhan yahay. Mashruucyada Bangiga Adduunka ee dhismaha dowladnimada waxay diiradda saareen baahiyaha muhiimka ah, oo ay ka mid yihiin dhismaha maareynta maaliyadda dadweynaha (PFM), kor u qaadista ururinta dakhliga gudaha, horumarinta awoodda maamulka dowliga ah, iyo maalgelinta qaar ka mid ah shaqooyinka aasaasiga ah ee dowladda. Sidoo kale, qiimeynta Bangiga Adduunka ee kharashaadka waaxda amniga waxay ahayd mid aad u khuseysa, balse waxaa xigtay taageero hawl-gal oo xaddidan.

Iyadoo la tixgelinayo duruufaha adag, natiijooyinka ka dhashay taageerada Bangiga Adduunka ee dhismaha dowladnimada Soomaaliya waxay ahaayeen kuwo lagu ammaani karo. Dowladda Soomaaliyeed way isbeddeshay tobankii sano ee la soo dhaafay. Iyadoo la tixgelinayo heerkii adag ee laga soo bilaabay, mashruucyadu waxay yeesheen natiijooyin iskahorimaad leh waxqabadka ugu wanaagsan wuxuu ka muuqday howlaha diiradda saaraya horumarinta maareynta maaliyadda dadweynaha (PFM), horumar yar ayaa laga sameeyay dhismaha nidaamka maaliyadeed ee dowlad-dhexe iyo dowlad-goboleedyada, halka waxqabadka ugu liitana uu ka jiray dadaallada lagu kordhinayo ururinta dakhliga gudaha.

Taageerada Bangiga Adduunka ee *dhismaha awoodda maamulka dowliga ah*, gaar ahaan iyada oo loo marayo faragelinta PFM, waxay horseeday abuurista nidaamyada cusub, kordhinta isla xisaabtanka iyo daahfurnaanta, iyo horumarinta awoodda kheyraadka aadanaha. Taageerada Bangiga Adduunka sidoo kale waxay gacan ka geysatay dejinta sharciyo, siyaasado, iyo nidaamyada aasaasi ah oo lagu maareeyo dhaqaalaha iyo bixinta adeegyada, hase yeeshee, caddaymo muujinaya hirgelintooda waxtarka leh ayaa weli yar. Marka loo eego taageerada lagu xoojinayo awoodda ururinta dakhliga gudaha, inkastoo horumar laga sameeyay tobankii sano ee la soo dhaafay, haddana dakhliga oo ah 3 boqolkiiba GDP-ga wali kuma filna taageeridda howlaha aasaasiga ah ee dowladda. Taageerada Bangiga Adduunka waxay gacan ka geysatay meelmarinta siyaasadaha iyo horumarinta nidaamyada



kastamada iyo dakhliga gudaha taasoo hoos u dhigtay ku tiirsanaanta dowladda ee cashuuraha ganacsiga. Taageerada lagu dhisayo nidaamka maaliyadeed ee *dowlad-dhexe iyo dowlad-goboleedyada* waxay keentay horumar la taaban karo oo lagu sameeyay habka wadaagga maaliyadeed, balse horumarkaas waxaa xaddidayey colaadaha socda ee ka taagan xiriirka siyaasadeed iyo dastuuriga ah ee u dhexeeya dowladda federaalka iyo dowlad-goboleedyada ee la xiriira wadaaga kheyraadka.

Astaamaha barnaamijka dalka waxay gacan ka geysteen waxtarka taageerada Bangiga Adduunka ee dhismaha dowladnimada iyo hay'adaha. Waxay ku jireen habab ay ka mid yihiin: (i) hirgelinta dib-u-habaynta maareynta maaliyadda dadweynaha (PFM) si nidaamsan, (ii) adeegsiga nidaamyada dowladeed ee dalka si loo mariyo taageerada Maalgelinta Kharashaadka Joogtada ah iyo Dib-u-habaynta, maadaama nidaamyadan la dhisayay, halkii kheyraadka lagu marin lahaa unugyo fulinta mashaariicda, iyo (iii) yareynta khataraha la xiriira qandaraasyada iyada oo loo marayo caawinta farsamo ee Guddiga Maamulka Maaliyadda. Qalabka Maalgelinta Kharashaadka Joogtada ah iyo Dib-u-habaynta wuxuu ahaa hab wax ku ool ah oo ku habboon xaaladda, kaas oo bixiyay taageero isku mar ah oo ku aaddan miisaaniyadda iyo dhisidda awoodda, iyadoo lagu saleynayo tilmaamayaasha lacag-bixinta ku xiran, kuwaas oo bartilmaameedsanaya dowladda federaalka iyo dowlad-goboleedyada. Tan iyo markii Soomaaliya heshay u-qalmitaanka IDA (2020), Bangiga Adduunku wuxuu u wareegay amaahda ku saleysan siyaasadaha.

Hannaanka Dalalka Saboolka ah ee Deymuhu Saameeyeen wuxuu si wax ku ool ah ugu dhiirrigeliyay dowladda federaalka iyo dowlad-goboleedyada inay ku heshiiyaan arrimo la xiriira federaaleynta maaliyadda iyo dib-u-habeyno kale oo uu taageerayo Bangiga Adduunka. Hadda oo la gaaray marxaladda dhammaystirka ee Hannaanka Dalalka Saboolka ah ee Deymuhu Saameeyeen (Diseembar 2023), waxaa loo baahan yahay qaab-dhismeed cusub oo hagaya qorshaha dhismaha dowladnimada.

Si kastaba ha ahaatee, joogtaynta faragelinta Bangiga Adduunka ee dhismaha dowladnimada Soomaaliya waxay wajahaysaa khataro waaweyn. Si loo xalliyo khataraha la xiriira joogtaynta, naqshadeynta barnaamijka Bangiga Adduunku waxay diiradda saartay kor u qaadista awoodda, iyadoo si ula kac ah u adeegsatay nidaamyada dowladeed ee dalka si loo bixiyo taageero, isla

markaana la dhigay xayndaabyada xakameynaya maareynta maaliyadda dadweynaha (PFM) iyo habraacyada qandaraasyada. Hase yeeshee, weli waxaa jira khataro waaweyn oo la xiriira isbeddelka joogtada ah ee shaqaalaha sare ee dowladda iyo ku-tiirsanaanta xad-dhaafka ah ee caawinta farsamo ee ay maalgelinayaan bahwadaagta horumarineed.

Qiimeynta natiijooyinka sare ee taageerada dhismaha dowladnimada Soomaaliya waxay muujinaysaa in horumarku weli yahay mid aan degganeyn oo u nugul dib u dhac. Inkasta oo horumar ballaaran laga sameeyay tobankii sano ee la soo dhaafay dhismaha hay'adaha iyo qaab-dhismeedka federaalka, haddana wali lama arko horumar cad oo ku saabsan tilmaamayaasha sare ee maamul-wanaagga. Dabeecadda iyo shaqooyinka dowladda Soomaaliyeed way isbedbeddelayaan, waxaana dhismaha dowladnimadu weli yahay hawl socda oo u baahan dadaal joogto ah iyo waqti. Xaaladda sii socota ee jilicsanaanta, colaadaha, iyo rabshadaha (FCV) ee Soomaaliya waxay ka dhigeysaa horumarka mid jilicsan oo aan degganeyn. Xaaladda sii socota ee jilicsanaanta, colaadaha, iyo rabshadaha (FCV) ee Soomaaliya waxay ka dhigeysaa horumarka mid jilicsan oo aan degganeyn. Joogtaynta qaar ka mid ah guulaha la gaaray waxa ay wajahaysaa khatar, waxaana lama huraan ah in amaahda mustaqbalka si taxaddar leh loogu miisaamo isbeddellada siyaasadeed ee dalka.

## Taageerada Adeeg Bixinta Waxay U Baahan Tahay In Ay Noqotaa Mid Xulashada, Inkastoo Walaacyo Ka Jiraan Joogtaynta

Taageerada Bangiga Adduunka ee bixinta adeegyada muwaadiniinta ayaa muhiim u ah guusha dhismaha dowladda. Waxay gacan ka geysatay muujinta awoodda dowladda si ay ugu guuleysato inay noqoto bixiye lagu kalsoonaan karo ee howlaha dowladda. Barnaamijyada muwaadiniinta diiradda lagu saaray waxay diiradda saareen biyaha iyo adkeysiga miyiga, adkeysiga magaalooyinka, iyo barnaamijka shabakadda badbaadada bulshada ee ka jawaab celinta naxdinta, iyo wax ka yar caafimaadka iyo waxbarashada.<sup>1</sup> Isticmaalka lacagaha kalsoonida ayaa Bangiga Adduunka u sahlay inuu tijaabiyo oo tijaabiyo naqshadda barnaamijyada biyaha iyo adkeysiga miyiga iyo barnaamijyada adkeysiga magaalooyinka, kuwaas oo la ballaariyay markii Soomaaliya ay u qalantay maalgelinta IDA.

Mashaariicda taageeraya ujeedooyinka bixinta adeegga ayaa inta badan gaaray ujeedooyinkooda guud ee mashruuca. Mashaariicdaas waxay dhiseen awooda adeeg bixinta ee hay'adaha fulinta ee dowladda heer federaal iyo heer gobol, iyo sidoo kale degmooyinka. Mashaariicda taageeraya barnaamijka badbaadada Baxnaano waxay ka faa'iideysteen qiyaastii 1.6 milyan oo qof oo ku nool Soomaaliya iyagoo bartilmaameedsanaya kooxaha nugul, oo ay ku jiraan dadka saboolka ah, miyiga iyo beeraleyda, iyadoo diiradda la saarayo haweenka ka faa'iideystayaasha ah. Si kastaba ha ahaatee, mashaariicdu ma bixiyaan caddeyn ku saabsan natiijooyinka heerka sare ah ee helitaanka adeegyada caafimaadka, waxbarashada, ama ka hortagga barakaca qoysaska reer miyiga ah.

Lacagaha wax ka qabashada dhibaatooyinka waxay u oggolaadeen Bangiga Adduunka inuu ballaariyo hababka jira ee barnaamijyada ilaalinta bulshada iyo magaalooyinka iyo inuu lacag kaash ah u siiyo dadka nugul ee ay saameeyeen masiibooyinka iyo dhibaatooyinka sida ayaxa iyo daadadku. Taageerada Bangiga Adduunka waxay maalgelisay wax ka qabashada iyo ka soo kabashada cudurka ayaxa, daadad, iyo COVID-19. Iyada oo loo marayo Baxnaano, waxay ka faa'iideysatay 1.6 milyan oo Soomaali ah oo ay saameeyeen xaaladda degdegga ah ee ayaxa. Waxay sidoo kale muujisay awoodda Bangiga Adduunka ee wax ka qabashada, isku darka diiradda horumarinta muddada-dheer iyo maalgelinta degdegga ah ee muddada-gaaban marka loo baahdo.

Joogtaynta barnaamijka badbaadada bulshada ee Baxnaano waa mid aan la hubin. Qiyaastii 14 boqolkiiba miisaaniyadda dowladda ayaa loo qoondeeyay lacagaha shabakadda badbaadada bulshadda, taasoo aan ahayn mid sii waari karta, maadaama ururinta dakhliga gudaha ay weli hooseyso. Rajada ah in deeqaha bahwadaagta horumarineed ay maalgelin kaabis u noqdaan barnaamijkan ay taageerayso Bangiga Adduunku waxay u muuqataa mid aan suurtagal ahayn, taasoo halis gelinaysa joogtaynta barnaamijka.

Bangiga Adduunku wuxuu si wax ku ool ah ula shaqeyn karaa qaybaha gaarka loo leeyahay iyo kuwa aan faa'iido doonka ahayn ee Soomaaliya si loo horumariyo bixinta adeegyada, loo aburo shaqooyin, loona xoojiyo awoodda bulshada. Inkastoo wadashaqeyn lala yeeshay dhinacyada aan dowliga ahayn iyo hay'adaha caalamiga ah ee aan dowliga ahayn ay ka mid ahayd

hirgelinta dhinac saddexaad, haddana qiimeyntu ma helin dadaal nidaamsan oo si buuxda looga faa'iideysanayo dhinacyada aan dowliga ahayn si loo bixiyo adeegyada aasaasiga ah ee dalka. Dad badan oo Soomaaliyeed, qaybaha gaarka loo leeyahay iyo kuwa aan faa'iido donka ahayn ayaa ah kuwa kaliya ee bixiya adeegyada aasaasiga ah ee caafimaadka iyo waxbarashada, kuwaasoo dhaqan ahaan ay dowladdu bixin jirtay. Qaab-dhismeedyadan ayaa kobcay maadaama ay jirto baahida loo qabo bixinta adeegyada ayadoo aan dowladdu lahayn awood ku filan, iyo weliba aragtida sii socota ee ah in xukunka dowladda uu weli daciif yahay. Inkastoo Bangiga Adduunku uu la shaqeeyay hay'adaha Qaramada Midoobay, haddana ka-qaybgalkiisa la xiriira qaybaha gaarka loo leeyahay ama kuwa aan faa'iido donka ahayn ee bixinta adeegyada aasaasiga ah iyo taageerada tooska ah ee fursadaha wax-soo-saarka dhaqaale ayaa aad u xaddidnaa. Tani waa fursad luntay oo lagu xallin karay sababaha keena colaadaha, iyadoo la taageerayo dhismaha dowladnimada Soomaaliya.

## Hab-maamuusyada Kooxda Bangiga Adduunka ayaa la jaanqaaday si loo sii wado ka-qaybgal khuseeya

Ka-qaybgalka Kooxda Bangiga wuxuu si wanaagsan ula jaanqaaday xaaladda jilicsanaanta, awoodda hay'adaha, iyo xaddidaadaha maaliyadeed ee Soomaaliya. Hannaanka wajiyada kala duwan leh wuxuu si wanaagsan ugu habboonaa ka gudbidda xaddidaadaha awoodda Soomaaliya, isagoo suurtageliyay ballaarin tartiib ah oo mashruucyada ah, si ugu dambeyn loo daro ka-qaybgalka diiradda saaraya muwaadiniinta. Hannaankan iskuduwidda ah ee si kas ah loo adeegsaday, oo ka kooban tijaabin, qiimeyn, iyo ballaarin taxaddar leh oo ku saleysan la socod adag iyo awoodda sixitaanka jihada, wuxuu ahaa mid ku habboon, wax ku ool ah, lagana maarmaan u ah la jaanqaadka xaaladda isbeddelaysa ee Soomaaliya. Bixinta deymihii la lahaa waxay meesha ka saartay xaddidaadyadii hore ee maalgelinta, waxaana si weyn u kordhay mashruucyada maalgelinta. Si kastaba ha ahaatee, kobaca degdegga ah ee mashruucyada wuxuu halis gelin karaa awoodda dowladda ee qaadashada iyo maareynta maalgelinta.

Mashaariic badan ayaa la jaanqaaday caqabadaha FCV, sida taxanaha Maalgelinta Kharashaadka Joogtada ah iyo Dib-u-habaynta iyo adeegsiga hay'ad saddexaad oo kormeerta. Maalgelinta Kharashaadka Joogtada ah iyo

Dib-u-habaynta waxay ahayd hab la jaanqaaday xaaladda, iyadoo isku daraaysa maalgelin lagama maarmaan u ah dowladda cusub iyo tilmaamayaal ku xiran lacag-bixinta, kuwaas oo taageerayay dib-u-habaynta iyo dhisidda awoodda. Kormeere dhinac saddexaad ah ayaa door muhiim ah ka ciyaaray ururinta xogta mashaariicda. Guud ahaan, 67 boqolkiiba mashaariicda amaahda ayaa loo dejiyay qaab wax ka taraya yareynta khataraha colaadaha iyo ka gudbidda caqabadaha la xiriira colaadaha si loo gaaro yoolalka mashaariicda. Tani waxay ku jirtay adeegsiga habraacyo gaar ah oo ay la shaqeynayaan hay'adaha Qaramada Midoobay iyo NGOs, ama ku darista jawaab-celinta ka faa'iideystayaasha. Si kastaba ha ahaatee, caqabadaha weli way jiraan, oo ay ka mid yihiin awood xaddidan oo ay leeyihiin macaamiisha, caqabado ku saabsan hirgelinta Qaab-dhismeedka Deegaanka iyo Bulshada, khataro maaliyadeed oo sareeya oo u baahan xakameyn adag, iyo daldaloolo ku jira aqoonsiga iyo cabbiridda tilmaamayaasha gaar ahaaneed ee FCV guud ahaan mashruucyada.

Guud ahaan, hababka uu Bangiga Adduunku la jaanqaaday xaaladaha jilicsan ee Soomaaliya waxay si wax ku ool ah uga jawaabeen caqabadaha ka dhashay deegaanka FCV. Dhaqangelinta suurtagalka ah ee Xeerka Hawlgalka (OP) 7.30 waxay ka hortagtay in Bangiga Adduunku gabi ahaanba hakiyo ka-qaybgalka Soomaaliya intii u dhaxeysay 2021–22, taasoo muujinaysa dabacsanaanta iyo la jaanqaadista habka hawlgalka ee Bangiga Adduunka marka laga jawaabayo xaaladda cakiran ee dalka. Dabacsanaanta joogtada ah ee siyaasadaha iyo habraacyada, iyo sidoo kale qaab maalgelin iyo hawlgal oo waara oo ku habboon xaaladaha jilicsan, waxay gacan ka geysan karaan xaqiijinta guul iyo saameyn waarta mustaqbalka fog.

Sanduuqa Wada-shaqeynta Badan ee Soomaaliya wuxuu door muhiim ah ka ciyaaray fududeynta isku-dubaridka bahwadaagta horumarineed iyo maalgelinta dhisidda awoodda, kordhinta miisaaniyadda kormeerka, iyo kormeera saddexaad oo muhiim u ahaa guusha barnaamijka. Sanduuqu wuxuu bixiyay maalgelin dheeraad ah oo lagu kormeero mashaariicda iyo kormeerka dhinac saddexaad, iyadoo sidoo kale la isku dubbaridayo barnaamijyada bahwadaagta horumarineed. Intaa waxaa dheer, adeegsiga hay'adaha Qaramada Midoobay taageeray hirgelinta mashaariicda ayaa ballaariyay saameynta Kooxda Bangiga wuxuuna gacan ka geystay ka gudbidda caqabadaha hirgelinta.

Si kastaba ha ahaatee, habka hawlgal ee Kooxda Bangiga wuxuu si weyn ugu tiirsanaa maalgelinta Sanduuqa Wada-shaqeynta Badan si uu uga howlgalo Soomaaliya. Ku-tiirsanaanta maalgelinta dibadda waxay muujinaysaa baahida loo qabo hab maalgelin oo waara oo muddo-dheer ah si loogu shaqeeyo xaaladaha jilicsan.

## Casharro laga bartay

Istiraatiijiyadda iyo ka-qaybgalka Kooxda Bangiga Adduunka tobankii sano ee la soo dhaafay waxay si khuseeya oo habboon u wax ka qabteen caqabadaha horumarineed ee ugu waaweyn Soomaaliya. Kooxda Bangiga Adduunku sidoo kale waxay si wax ku ool ah ula jaanqaaday habka hawlgalkeeda, iyada oo la tacaalaysa caqabadaha ka dhashay xaaladda adag ee FCV iyo awoodda dowladeed ee daciifka ah. Taageerada Bangiga Adduunku waxay gacan ka geysatay guulo badan oo lagu dhisay laguna xoojiyay hay'adaha, sidoo kalena lagu horumariyay awoodda bixinta adeegyada, balse wali waxaa jira caqabado waaweyn.

Inkasta oo Soomaaliya horumar ka sameysay dhismaha dowladnimada, hay'adaha, iyo bixinta adeegyada, haddana wali waxaa jira khataro waaweyn. Dabeecadda iyo shaqooyinka dowladda Soomaaliya weli way isbeddelayaan, waxaana dhismaha dowladnimadu yahay hawl wali socota. Dowladdu weli waxaa xaddidaya ururinta dakhliga gudaha oo hooseeya. Awoodda hay'aduhu wali way daciif tahay, waxaana xaddidan kartida dowladda ee bixinta adeegyada aasaasiga ah, oo ay ku jiraan amniga, caafimaadka, iyo waxbarashada. Maadaama heerka bixinta adeegyada uu hooseeyo, heshiiska bulsho ee u dhexeeya muwaadiniinta iyo dowladda wali wuu daciif yahay. Guud ahaan, horumarka dhismaha dowladnimada waa mid aan degganayn, waxaana jirta khatar dib u dhac ah.

Kooxda Bangiga Adduunku waxay u baahan tahay inay si nidaamsan u tixgeliyo dhiirrigelinta iyo awoodda dowladda ee qaadashada maalgelinta marka ay ballaarinayso mashruucyadeeda. Xaddidaadda miisaaniyadda iyo awoodda dowladda waxay wiiqaysaa joogtaynta bixinta adeegyada ay taageerto Kooxda Bangiga Adduunka. Ballaarinta degdegga ah ee amaahda waxay halis gelin kartaa daallinta nidaamyada iyo awoodda dowladda, taasoo sii kordhin karta khataraha jira. Ka-qaybgalka mustaqbalka wuxuu u baahan doonaa

xulasho taxaddar leh, dabacsanaan, hab maalgelin oo waara si loo daboolo kharashaadka hawlgalka ee xaaladaha jilicsan (FCV), iyo tixgelin xeel dheer oo ku saabsan dhaqaalaha siyaasadeed ee dalka iyo awoodda uu u leeyahay qaadashada maalgelinta.

Qiimeyntani waxay soo jeedinaysaa afar cashar:

- » Xaddidaadda miisaaniyadda Soomaaliya iyo awoodda dowladda oo lagu muransan yahay waxay ka dhigan tahay in Bangiga Adduunku uu si taxaddar leh u xusho taageeradiisa ballaarinta adeegyada dowladeed. Qorsheynta maaliyadeed waxay u baahan tahay in la tixgeliyo maalgelinta bahwadaagta horumarineed ee muddada dhexe iyo tan dheer, oo ay ku jirto muhiimadda sanduuqyada aaminaadda.
- » Kooxda Bangiga Adduunku waxay u baahan tahay inay la jaanqaado koritaanka mashruucyadeeda si ay ugu habboonaato awoodda dowladda. Habka wajiyeedka iyo kobaca tartiib tartiibka ah ee loo adeegsaday ka-qaybgalka Soomaaliya wuxuu ku habboon yahay xaaladda dalka, wuxuuna si wax ku ool ah uga caawiyay ka gudbida...caqabadaha awoodda ee Soomaaliya.
- » Marka la naqshadeynayo taageerada Kooxda Bangiga Adduunka, waa in la tixgeliyo dhiirrigelinta iyo baahiyaha dhinacyada kala duwan ee dowladda, heerka federaalka iyo dowlad-goboleedyada.
- » Ka faa'iideysiga iskaashiga iyo isku-dubaridka gargaarka horumarineed ayaa weli muhiim u ah marxaladda kadib bixinta deynta dalalka saboolka ah ee daymuhu saameeyeen. Inkasta oo Sanduuqa Wada-shaqeynta Badan uusan mar dambe ahayn isha ugu weyn ee maalgelinta mashaariicda, haddana isku-dubaridka sii socda ee hay'adaha maaliyadeed ee caalamiga ah ayaa muhiim u noqon doona in la mideeyo awoodda xaddidan ee dowladda iyo in laga fogaado kala go'idda taageerada.

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<sup>1</sup> Intii lagu jiray FY19–23, amaahda loo qoondeeyay ilaalinta bulshadda waxay ka koobnayd 27 boqolkiiba, halka maalgelinta magaalada, adkeysiga, iyo dhulka ay ahayd 20 boqolkiiba. Dhanka kale, mashaariicda waxbarashada iyo caafimaadka (oo la bilaabay FY21) waxay ka ahaayeen 4 boqolkiiba iyo 9 boqolkiiba mashruucyada guud, siday u kala horreeyaan



# 1 | Background and Context

## Highlights



This evaluation assesses the evolution and performance of the World Bank Group's support during FY 2013–23, including the evolution and relevance of its strategy and engagement, contributions to statebuilding in Somalia, and adaptations of support to Somalia's fragility context.



Somalia—characterized as a failed state at the beginning of the evaluation period—continues to be affected by some of the most severe development challenges related to conflict and fragility, extreme poverty, governance, and climate change.



The federal government is competing for authority with nonstate actors and subnational entities. It struggles to perform core state functions and to provide basic services while being highly dependent on development partner grants. Unsettled political and constitutional disputes among different layers of government and an overlap with coexisting traditional structures impede progress on statebuilding.

# Introduction: Purpose of the Evaluation

The Somalia Country Program Evaluation (CPE) assesses the performance of the World Bank Group's support during FY 2013–23. It reviews the extent to which the Bank Group adequately prepared for a regularization of relations with Somalia and customized its support to the country's conflict and fragility situation and the nation's development objectives while drawing on lessons from program implementation experience. It covers the decade since reengagement in Somalia started in 2012 and spans two Bank Group strategies: the Interim Strategy Note (ISN; FY14–16) and the Country Partnership Framework (CPF; FY19–23). It informed the preparation of the Somalia CPF FY24–28 and may also be relevant to reengagement in other situations of fragility, conflict, and violence (FCV) and to the implementation of the Bank Group's FCV strategy (2020–25).

The CPE evaluates the relevance and effectiveness of Bank Group engagement with Somalia. It assesses the sequencing of support activities and coordination with development partners, and addresses three questions:

1. To what extent has the Bank Group adapted its support to Somalia's evolving development challenges, risks, and fragility context?
2. To what extent has the Bank Group contributed to building the capacity of the state to support Somalia's longer-term development, including for managing the government's resources and delivering services?
3. To what extent were the Bank Group's modalities of engagement and program design appropriate for Somalia's situation of fragility and conflict?

The evaluation is based on the triangulation of evidence from reviews of Bank Group documents and literature, its advisory services and analytics (ASA) and lending portfolios, semistructured interviews, and analysis of available data and surveys and geocoded project locations. The Independent Evaluation Group (IEG) conducted a mission to Somalia and Kenya in June 2023. The mission interviewed more than 100 Bank Group staff; officials from the Federal Government of Somalia and several federal member states; development partners; implementation agencies; and representatives of civil

society, academia, and think tanks. Details on the approach and methodology are in appendix A.

## Country Context and Main Development Challenges

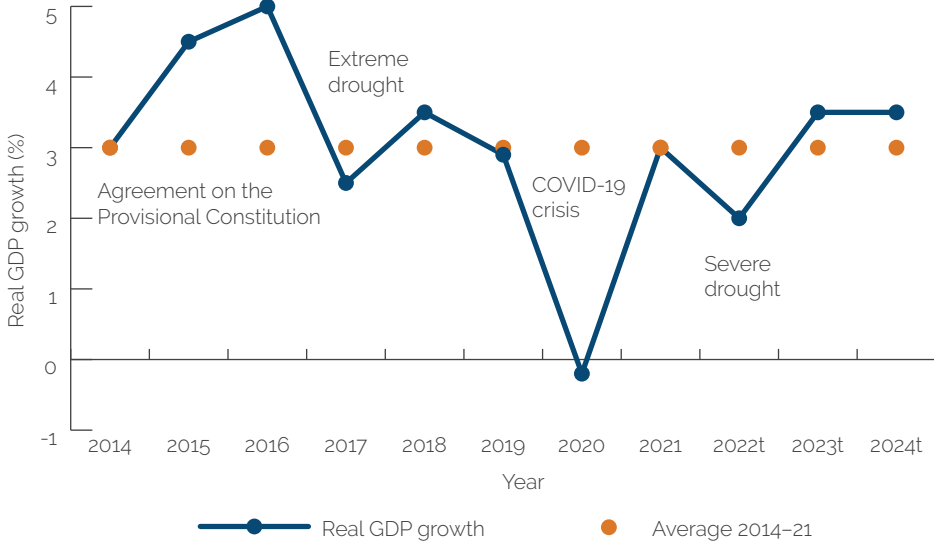
By 2012, much of Somalia’s human and physical capital had been destroyed after a decades-long civil war, and the country was considered a failed state. At the start of the evaluation period, in 2013, Somalia remained mired in conflict, burdened by internal displacements, and split into competing jurisdictions, in addition to experiencing daunting economic and environmental challenges. Much of the country was under the control of the Al-Shabaab insurgency group.<sup>1</sup>

Multiple overlapping development and fragility constraints have challenged Somalia. These include (i) regional instability related to its geopolitical location at the Horn of Africa; (ii) high insecurity and high levels of conflict and violence; (iii) a protracted statebuilding process and power contestation from different actors; (iv) high and increasing poverty; (v) limited institutional capacity for service delivery that is fracturing citizen trust and the social contract; (vi) susceptibility to natural disasters and effects of climate change, and related food insecurity and citizen displacement; (vii) low growth and lack of economic opportunities; (viii) discrimination against women; and (ix) a large youth bulge.

Somalia is among the poorest and most fragile countries in the world. The country ranks near the bottom (162 out of 166) in achieving the Sustainable Development Goals. Overlapping crises related to the COVID-19 pandemic, a prolonged drought, and macroeconomic shocks from rising food and fuel costs have over time worsened socioeconomic conditions (World Bank 2022c). Poverty has been increasing as a result of multiple shocks, with 54 percent of Somalis living below the national poverty line in 2022, compared with 28 percent for Sub-Saharan Africa (Somalia 2023b). Economic growth has lagged behind population growth in recent years, resulting in negative per capita GDP growth (figure 1.1). A per capita income of \$592 puts Somalia among the five poorest countries in the world. In terms of gender equity, Somalia scores consistently low on the Women, Business and

the Law indicator (46.9 out of 100) compared with the regional average for Sub-Saharan Africa (74.0; World Bank n.d.).

**Figure 1.1.** Economic Growth in Somalia



Source: World Bank 2024c.

Note: t = estimated growth rates.

The country also has some of the weakest human development indicators in the world (table 1.1). Somalia scored last (193 out of 193 countries) in the 2022 Human Development Index value. Average life expectancy in 2021 was 55 years, and maternal mortality stood at 621 for every 100,000 births (World Development Indicators database). Population displacements have resulted in rapid urbanization, with about 75 percent of the 2.6 million internally displaced persons (IDPs) living in urban centers in 2018.<sup>2</sup> This unplanned urban growth has led to slum expansion and environmental degradation in Somali cities (World Bank 2020g). In addition, Somalia has one of the highest fertility rates (6.2 in 2022) in the world, with 80 percent of its population below age 35. The country faces a large youth bulge, which, combined with a high youth unemployment rate (27 percent), especially in urban areas, is a key driver of fragility (World Bank 2018b).

**Table 1.1.** Somalia: Selected Economic, Social, and Fragility Indicators

Indicator	Source	2012	2014	2016	2018	2020	2022
Population (millions)	WDI	12.4	13.3	14.3	15.4	16.5	17.6
<b>Economic</b>							
GDP growth (annual %)	WDI	—	7.53	6.42	2.99	-2.56	2.43
GDP per capita growth (annual %)	WDI	—	3.84	2.49	-0.66	-5.83	-0.66
GDP per capita (current US\$)	WDI	—	491	517	537	557	592
General government final consumption expenditure (% of GDP)	WDI	—	4.88	5.29	5.98	6.46	7.28
Grants and other revenue (% of revenue)	WDI	—	—	—	35.10	72.45	—
<b>Poverty</b>							
Poverty headcount ratio at national poverty lines (% of population)	WDI	—	—	—	—	—	54.40
<b>Human capital</b>							
Literacy rate, adult total (% of people ages 15 and above)	WDI	—	—	—	—	—	41.03
Fertility rate, total (births per woman)	WDI	7.20	7.06	6.89	6.63	6.31	6.20
Prevalence of severe food insecurity in the population (%)	WDI	—	—	—	—	41.70	—
Life expectancy at birth, total (years)	WDI	53.16	54.28	55.04	56.38	55.97	56.11

*(continued)*

Indicator	Source	2012	2014	2016	2018	2020	2022
Women, Business and the Law Index score (scale 1–100)	WDI	46.88	46.88	46.88	46.88	46.88	46.88
<b>Access to infrastructure services</b>							
Mobile cellular subscriptions (per 100 people)	ITU	18.49	41.32	46.55	49.66	53.48	50.26
Access to electricity (% of population)	WDI	51.76	51.38	51.12	50.73	49.86	48.9
<b>Conflict</b>							
Violence against civilians (number of events) <sup>a</sup>	ACLED	412	585	579	618	452	409
Fatalities (number of fatalities)	ACLED	3,364	4,469	5,950	5,703	3,341	6,521
Conflict-related internal displacements (number of displaced persons)	IDMC	185,000	89,000	175,000	578,000	293,000	621,000

Sources: ACLED (<https://acleddata.com/data/>), IDMC (<https://www.internal-displacement.org/database/displacement-data/>), ITU (<https://datahub.itu.int/data/?e=SOM>), and WDI (<https://databank.worldbank.org/reports.aspx?source=2&country=ARE>).

Note: ACLED = Armed Conflict Location and Event Data; IDMC = Internal Displacement Monitoring Centre; ITU = International Telecommunications Union; WDI = World Development Indicators; — = not available.

a. ACLED defines "violence against civilians" as violent events where an organized armed group inflicts violence on unarmed noncombatants.

Existing crises are compounded by the country's high vulnerability to natural disasters. Somalia contributes just 0.08 percent of global greenhouse gas emissions but is ranked the second-most climate-vulnerable country in the world (ICRC 2021). Many Somalis are nomadic or seminomadic herders, and livestock production provides income to 60 percent of the population (Famine Early Warning Systems Network 2020). These traditional rural livelihoods are highly vulnerable to drought, which in 2021 alone displaced about 1 million additional people in Somalia (UNHCR and NRC 2022). The number

of people in Somalia facing crisis hunger levels was subsequently expected to rise to more than 7 million (44 percent of the population). In 2021, almost half the population required humanitarian assistance (World Bank 2022c).

Weak domestic revenue mobilization hinders the federal government's ability to restore and supply basic services, which have been fragmented and privatized. With little ability to finance core state functions and services, Somalia has been highly dependent on external assistance. The average ratio of official development aid to GDP reached 23 percent between 2020 and 2022. However, 82 percent of 2022 official development aid was off budget (World Bank 2024l). Domestic revenue mobilization is extremely low, with a tax-to-GDP ratio of 3.2 percent, compared with an 18 percent average in Sub-Saharan Africa.<sup>5</sup> On-budget external grants accounted for 64 percent of federal government revenue (Somalia 2021). As a result, the federal government has very limited capacity for service delivery, further undermining citizen trust and authority.

A key challenge to statebuilding is that the federal government, armed nonstate actors (primarily Al-Shabaab but also the Islamic State and local militias), and semi-independent subnational governments compete for authority in the eyes of the people. As a result, security and politics remain highly volatile. The country continues to face high levels of conflict and violence, mainly because of the armed insurgency of Al-Shabaab, which controls wide swathes of the country and has frequently perpetrated violence in urban centers (Faruk 2022). In addition, Somalia's strategic geopolitical location in the Horn of Africa and abutting the Red Sea and the Gulf of Aden subject it to the competing interests of international actors.

Political and constitutional disputes remain unsettled among different layers of government, and between government and traditional governance structures. Under the 2012 Provisional Constitution, Somalia is a federal republic, and the federal member states enjoy a degree of autonomy over regional affairs. However, significant tensions exist between the federal government and the federal member states, and among the federal member states, because of competition for authority and resources, including security sector management and the control of key economic assets and revenue-generating infrastructure and aid distribution (Heritage Institute 2013, 2021).

Despite considerable challenges, Somalia also has significant sources of resilience. The weakening or absence of a central state since 1991 has increased the importance of personal networks as a source of resilience. Strong intragroup support and family relations across the Horn of Africa have often provided a safety net to stave off the most severe impacts of drought, conflict, and displacement. Somalia's private sector provides many basic services and is another source of resilience.



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<sup>1</sup> Al-Shabaab, a fundamentalist group, assumed control over much of southern and central Somalia after the Somalia War (2006–09).

<sup>2</sup> In 2022, 3.86 million people were internally displaced in Somalia, according to the World Development Indicators database.

<sup>3</sup> Data from the Federal Government of Somalia and the United Nations University World Institute for Development Economics Research.

## 2 | Evolution and Performance of the World Bank Group's Strategies

### Highlights

The World Bank Group's reengagement with Somalia was enabled by the New Deal Compact for Somalia of 2013, the availability of development partner funding through the Multi-Partner Fund, and partnerships with other international financial institutions.

The two subsequent Bank Group strategies—an Interim Strategy Note (FY 2014–16) and a Country Partnership Framework (FY19–23)—were relevant and appropriate to Somalia's development under the fragility, conflict, and violence environment. A focus on statebuilding was consistent with the priorities of development partners, the government's objectives, and the Bank Group's own analytic work and comparative advantage.

The World Bank delivered financing totaling \$2.54 billion during FY13–23. Although initially focused on public sector governance projects, it shifted to citizen-centric projects during the Country Partnership Framework period. Annual lending volume was scaled up significantly after the clearance of International Development Association arrears in 2020.

The Bank Group made critical contributions to the arrears clearance and helped Somalia regularize its relationships with international financial institutions and attain International Development Association eligibility while closely collaborating with the International Monetary Fund and other partners. Reaching the Heavily Indebted Poor Countries Completion Point in 2023 enabled Somalia to rejoin the global financial system after more than 30 years.



The Bank Group's strategies performed well in achieving statebuilding and institution-building objectives, helping to build country systems and capacity, and supporting the building of a social safety net. The strategies, however, have so far had few tangible results in promoting private sector-led growth and opportunities.

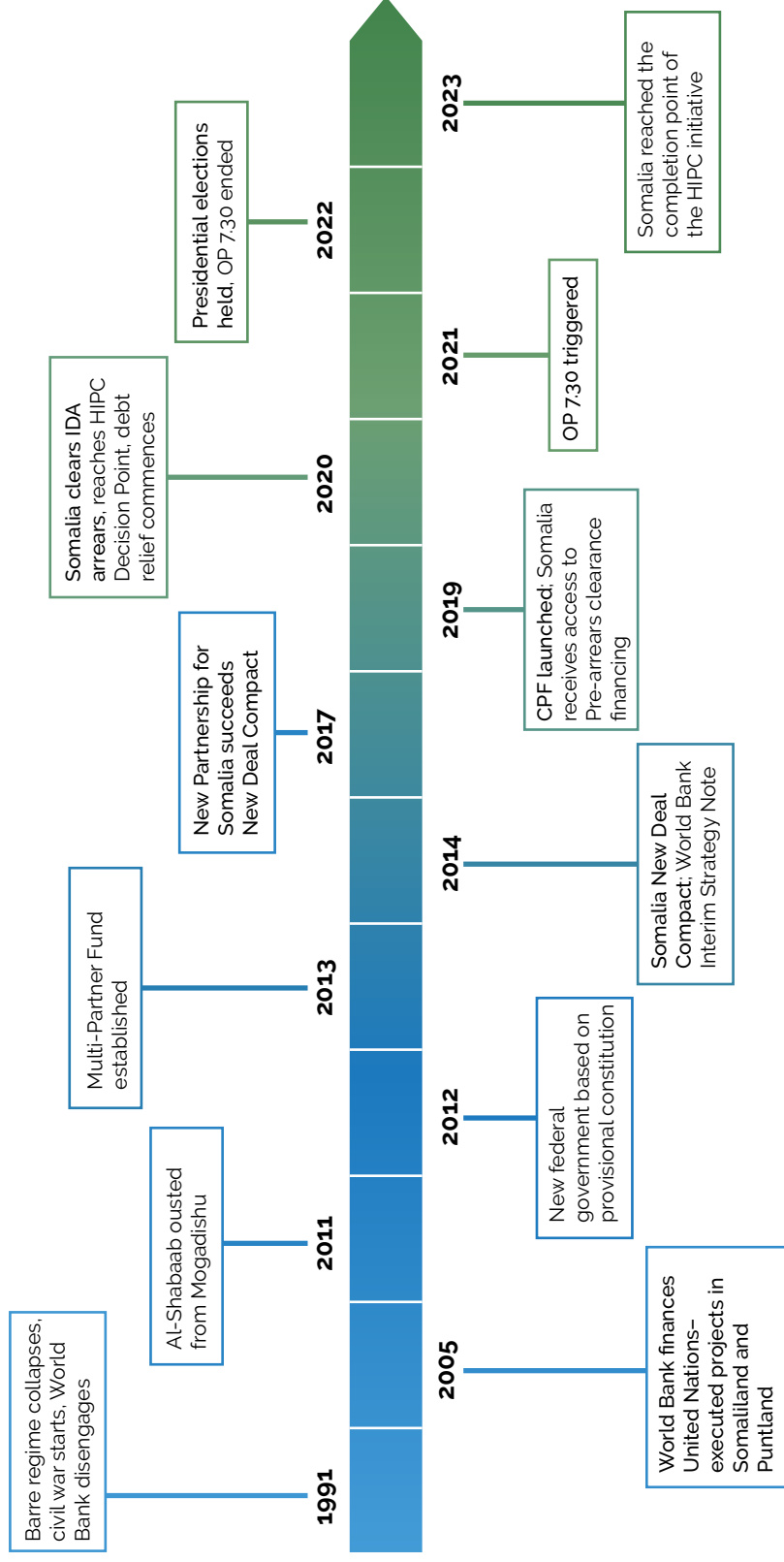
This chapter discusses the evolution, relevance, and performance of the Bank Group's approach and strategies to support Somalia (figure 2.1) and the operationalization of those strategies during the evaluation period FY13–23 (figure 2.2).

## Evolution of the World Bank Group's Strategies and Core Diagnostics

Between 2006 and 2012, the Bank Group gradually began to reengage with Somalia. After a prolonged absence due to civil war and the collapse of state institutions, the World Bank approved 10 small lending operations and 27 nonlending activities between those years, supported by trust funds and focused on emergency or disaster response.<sup>1</sup>

The adoption of the New Deal Compact for Somalia in 2013 was a turning point for relations with the international community (figure 2.1). The compact created a new development framework for cooperation among the international community, the internationally recognized Federal Government of Somalia, and Somali society.<sup>2</sup> It paved the way for coordinated engagement by the international community and international financial institutions (IFIs), including the Bank Group, the African Development Bank, and the United Nations (UN). The compact recognized that traditional approaches to development assistance had failed to build public trust in domestic government institutions, which undermined their ability to increase the capacity of these institutions to deliver services (Diop 2013; Hearn and Zimmerman 2014). The compact's five Peacebuilding and Statebuilding Goals covered legitimate and inclusive politics, security, justice, economic foundations, and revenue and services.<sup>3</sup>

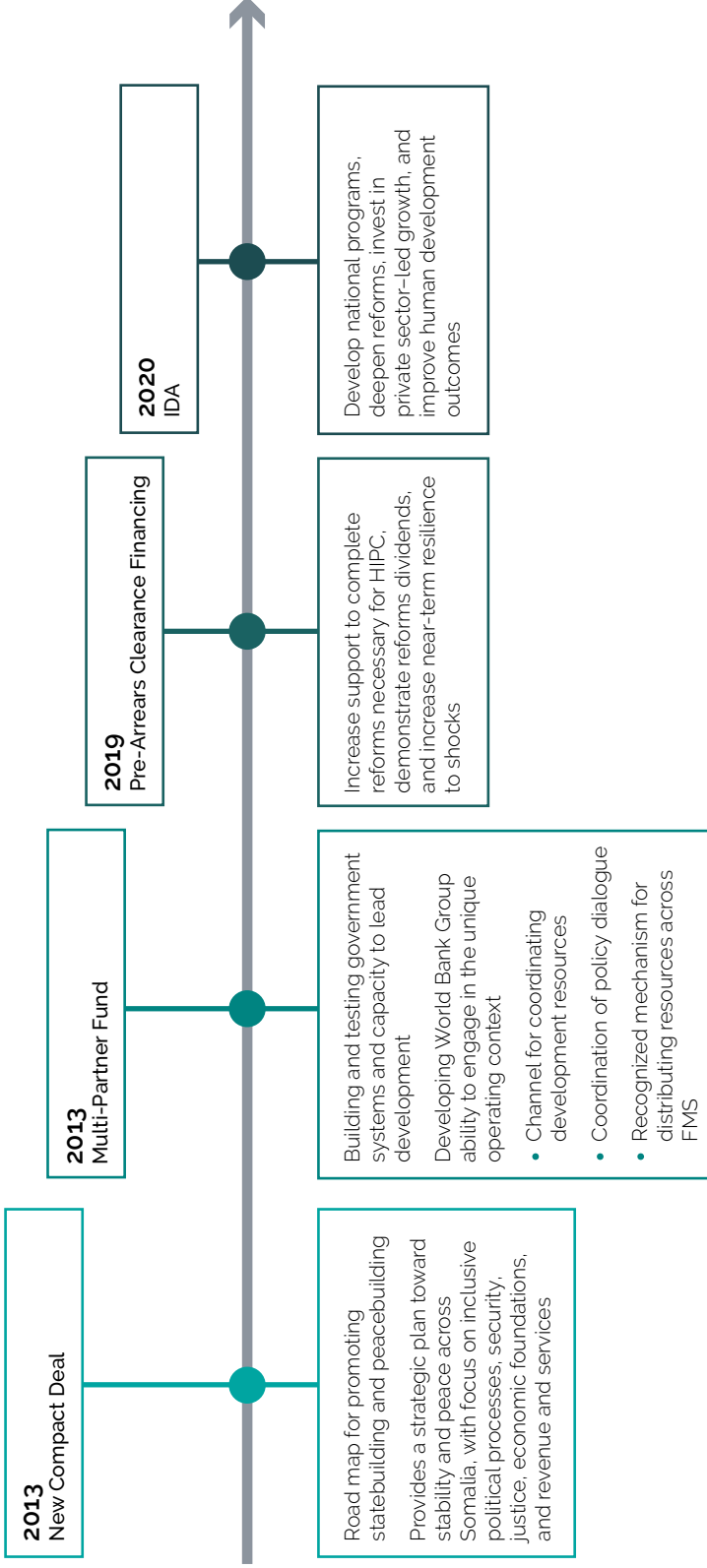
**Figure 2.1. Timeline of Events in Somalia**



Source: Independent Evaluation Group.

Note: CPF = Country Partnership Framework; HIPC = Heavily Indebted Poor Countries; IDA = International Development Association; OP = Operational Policy.

**Figure 2.2. Evolution of the World Bank Group Modalities of Engagement in Somalia**



Source: Adapted from Aleph Strategies 2019, supported by the World Bank Group.  
Note: FMS = federal member states; HIPC = Heavily Indebted Poor Countries; IDA = International Development Association.
















The Bank Group mobilized development partner resources in support of the New Deal Compact through the establishment of the Multi-Partner Fund. The World Bank–administered Multi-Partner Fund was set up in 2013 to support government-led statebuilding, economic growth, and urban development, and was supported by Denmark, the European Union, Finland, Germany, Italy, Norway, Sweden, Switzerland, the United Kingdom, the United States, and the previously established (in 2008) State and Peacebuilding Fund, which involved many of the same donors.<sup>4</sup> The use of government systems was a core component of the compact, and the Multi-Partner Fund provided a channel for the donor partners to deliver aid through the government’s budget while building and testing core government systems with important guardrails in place. The fund was also designed to coordinate development resources and policy dialogue to ensure consistency and coherence of support from IFIs. The advisory engagements of the International Finance Corporation (IFC) were supported by a Private Sector Development Trust Fund for Somalia, established in 2017–22 to address barriers to private sector investment.

In the first phase from the endorsement of the New Deal Compact, the World Bank’s engagement and program design was guided by an ISN (FY14–16). During FY14–19, the World Bank was unable to use its own resources to support Somalia because of the large-scale arrears to itself, the International Monetary Fund (IMF), and other external creditors. During this phase, support was financed by the State and Peacebuilding Fund,<sup>5</sup> the Somalia Multi-Partner Fund,<sup>6</sup> and International Development Association (IDA) Pre-Arrears Clearance Grants (PACGs). Inspired by the *World Development Report 2011* on conflict, security, and development (World Bank 2011), the ISN emphasized strengthening core institutional capacity and legitimacy, renewing the social contract, and supporting private sector development as key to supporting the country’s transition out of fragility. It had two priorities: strengthening core economic institutions and expanding economic opportunity (figure 2.3).

In line with the ISN, during FY14–19, the World Bank delivered a limited portfolio with the help of trust funds. Financing came from \$19.5 million committed under the State and Peacebuilding Fund and IDA PACGs, with additional resources mobilized from international partners through the

Multi-Partner Fund. In this phase, financing primarily focused on governance, public financial management (PFM), and institutional capacity building, starting in 2014 with the Somalia PFM Capacity Strengthening Project, the Recurrent Cost and Reform Financing project, and the Somalia Capacity Injection Project.

**Figure 2.3.** Alignment of the World Bank Group's ISN, SCD, and CPF with the Somalia New Deal Compact's Peacebuilding and Statebuilding Goals

Goals of the New Deal Compact 2013	FY14–16 Interim Strategy Note	FY18 Systematic Country Diagnostic	FY19–23 Country Partnership Framework
PSG 1: Inclusive politics	 Cross-cutting: Government dialogue, vulnerability, and capacity injection		 Focus area 1: Resource sharing, urban resilience
PSG 2: Security		 Improve governance: Security and justice	
PSG 3: Justice		 Improve governance: Security and justice, gender inclusion	 Focus area 1: Institutional effectiveness
PSG 4: Economic foundations	 Priority 1: Strengthening core economic institutions Priority 2: Expanding economic opportunity	 Build resilience: Agricultural value chains Provide opportunities: Access to finance, regulations Improve governance: Grow tax base	 Focus area 1: Public financial management, disaster risk management Focus area 2: Business environment, access to finance
PSG 5: Revenue and services		 Build resilience: Water management, safety nets, health services Provide opportunities: Education, electricity	 Focus area 1: Social services, resource sharing Focus area 2: Financial services, water access and management

Source: Independent Evaluation Group based on analysis of World Bank 2013c, 2018a, and 2018b.

Note: CPF = Country Partnership Framework; ISN = Interim Strategy Note; PSG = Peacebuilding and Statebuilding Goal; SCD = Systematic Country Diagnostic; > = consistency of PSG issues or constraints with Bank Group SCD and strategies; / = PSGs not covered in Bank Group SCD and strategies.



The World Bank also delivered core analytic activities, including a 2018 fragility assessment. The 2018 assessment, which informed the 2018 Systematic Country Diagnostic (SCD; World Bank 2018b), identified weak domestic revenues and vulnerability to environmental degradation and climate change as key drivers of fragility that exacerbated the federal government’s inability to provide basic services and contributed to Somali citizens’ mistrust of the state. A subsequent 2023 assessment (described in World Bank 2024g) added the failure to establish a stable political settlement between central and subnational elites and deep-seated intercommunal divisions to the list of fragility drivers (box 2.1).

### Box 2.1. The 2018 and 2023 Risk and Resilience Assessments

In 2018, the World Bank prepared a fragility assessment for Somalia,<sup>a</sup> which defined two fragility traps: a political-fiscal trap and a longer-term vulnerability-resilience trap. It identified weak domestic revenues as a key driver of fragility, a weakness that exacerbated the federal government’s inability to provide basic services (such as education and policing), which contributed to Somali citizens’ mistrust of the state. The political-fiscal trap was connected to the vulnerability-resilience trap, in which environmental degradation and climate change led to the degradation of livelihoods, displacement, unsustainable urbanization, and land conflict. In the absence of government capacity, humanitarian intervention was required, further weakening institutions and markets, and increasing the long-term vulnerability of Somali citizens.

A subsequent 2023 assessment of fragility (described in World Bank 2024g) further categorized the complex, wide-ranging, overlapping, and often reinforcing fragility drivers in Somalia into three broad drivers:

- » **The state-state driver.** The failure to establish a stable political settlement between central and subnational elites and to reach consensus on the division of responsibilities and resources in a federal system, driven by a zero-sum approach to the accumulation of authority and the spoils of government and exacerbated by external actors
- » **The state-society driver.** The protracted absence and subsequent weakness and exploitation of nascent state institutions through entrenched corruption and elite

*(continued)*

## Box 2.1. The 2018 and 2023 Risk and Resilience Assessments (cont.)

capture, undermining their ability to deliver basic services, including security, justice, and social services, and resulting in a fractured social contract that provides space for competing forms of statebuilding, including Al-Shabaab

- » **The society-society driver.** Deep-seated intercommunal divisions, characterized by clan dynamics and social power structures that entrench systemic exclusion, stoke intersocietal contestation and consolidate the marginalization of groups that may be prepared to use violence to achieve political aims

Both assessments facilitated greater focus on addressing the structural drivers of fragility in World Bank operations. The recognition of the multidimensional and inter-related drivers of fragility also influenced Somalia's own ninth National Development Plan (Somalia, Ministry of Planning, Investment and Economic Development 2020).

*Source:* Internal World Bank Risk and Resilience Assessments.

*Note:* a. The World Bank diagnostic for fragility is known as a Risk and Resilience Assessment and is not publicly disclosed.

In a second phase, by 2019, the Bank Group had transitioned to a full CPF. Reflecting improved country circumstances, a growing country program, and available data and analytics, the Bank Group prepared a CPF for FY19–23 (World Bank 2018a). The CPF emphasized institution building and maintained the ISN's focus on generating economic opportunities. The CPF had two focus areas: building institutions to deliver services and restoring economic resilience and opportunities. The FY23 Performance and Learning Review (PLR) realigned these into three focus areas: strengthening institutions and financing for social service delivery; enabling inclusive, private sector-led growth; and strengthening resilience (World Bank 2022c).

The Bank Group's strategies were relevant and appropriate to Somalia's development and fragility challenges and allowed engagement under the severe constraints of the FCV environment. Both the ISN and CPF sought to focus on some of the key development challenges. They were relevant in that they carefully selected focus areas, adjusted them to the severe FCV challenges facing the country, and based them on the Bank Group's knowledge about engaging

in FCV situations as reflected in the *World Development Report 2011* and *Pathways for Peace* (World Bank 2011; UN and World Bank 2018).<sup>7</sup> They consistently emphasized institution building for economic governance and service delivery, as well as economic opportunities and resilience.

The strategies were informed by diagnostic work including the 2018 fragility assessment and the SCD. The SCD homed in on weak domestic revenues as a key driver of fragility and structured its priority areas around that driver. The CPF was aligned with the three SCD Priority Areas of governance, opportunities, and resilience (figure 2.3). The CPF was informed by the SCD and addressed several drivers of FCV by focusing on institutional capacity, facilitating and promoting dialogue between the federal government and the subnational governments of the federal member states, and addressing social exclusion with an emphasis on women (World Bank 2024f).

The strategies were also consistent with the Peacebuilding and Statebuilding Goals agreed by development partners in 2013. Engagement focused on three of five of the Peacebuilding and Statebuilding Goals agreed among international donors in 2013 when donor partners reengaged with Somalia (see figure 2.1). The Bank Group appropriately engaged in the three areas in which it had a deep expertise: inclusive politics, economic foundations, and revenue and services. The strategies also appropriately supported work in the security and justice sectors linked to public expenditure.

Moreover, the strategies were consistent with the Bank Group's comparative advantage. The Bank Group identified its comparative advantage primarily in institution building. By channeling funds through government systems using the Multi-Partner Fund, it helped strengthen ownership, accountability, and capacity and restore institutions. The CPF aimed to ensure these institutions were visible in delivering for citizens, by focusing on establishing service delivery mechanisms and creating economic opportunities.

Stakeholder feedback confirmed that the Bank Group focused on the most urgent development constraints in statebuilding and service delivery, while also noting a lack of focus on productive sectors and jobs. Counterparts and in-country stakeholders appreciated the World Bank's leading role among development partners in the statebuilding agenda, its focus on strengthening country systems, and support for service delivery—all in line with

Somalia's eighth and ninth National Development Plans. However, stakeholders noted that engagement with the private sector was limited, despite the vibrancy of this sector in Somalia and the need to support productive sectors on a larger scale to help create economic opportunities and jobs for a rapidly growing population and to reduce poverty. A 2021 World Bank Opinion Survey comprising 162 respondents echoed this perception, identifying job creation and employment (23 percent), public sector governance and reform (22 percent), and education (15 percent) as the most important development priorities in Somalia—even ahead of security and stabilization and anticorruption efforts (World Bank 2022h).

The CPF was designed to be flexible and evolved during implementation. The CPF appropriately programmed only the first two CPF years (FY19–20), leveraging funding from the Multi-Partner Fund and IDA PACGs, pending normalization of Somalia's relationship with IFIs by reaching the Heavily Indebted Poor Countries (HIPC) Initiative Decision Point and clearing IDA arrears. The portfolio remained largely focused on projects supporting institution building, governance, PFM, and core state functions. The CPF anticipated an increase in Bank Group assistance if Somalia normalized IDA relations, pointing to opportunities in trade, transport, and energy. The CPF also allowed flexibility to respond to a series of crises (World Bank 2024f).

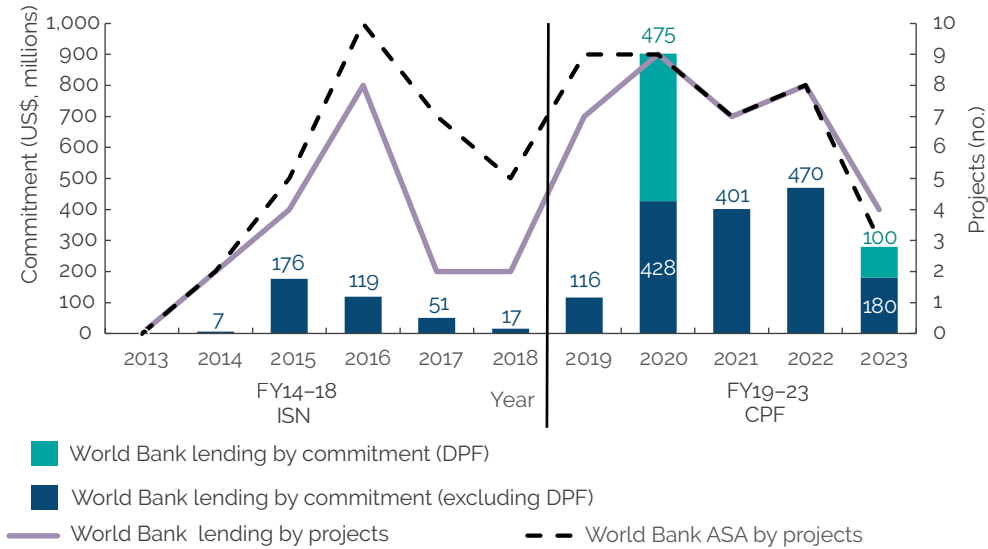
The World Bank and IMF supported debt relief and normalization of the relationship with IFIs. Clearance of IDA arrears and compliance with an IMF Staff Monitored Program allowed Somalia to reach the HIPC Decision Point in 2020. The Bank Group program included actions supporting Somalia's normalization with IFIs (discussed in the Debt Relief and Normalization of Relations with International Development Association and International Financial Institutions section).

## Operationalization of the World Bank Group Strategies

During FY13–23, the World Bank approved 53 financing operations totaling \$2.54 billion, relying on trust funds in the initial phase of engagement. Of these, 23 projects, mostly approved in FY13–19, were fully supported by trust funds, accounting for \$342.7 million in financing support (69 percent of the total).<sup>8</sup> The 53 operations include 38 new commitments and 15

additional financings. Without the availability of the trust funds, reengaging in the country would have not been possible (figure 2.4).

**Figure 2.4.** Evolution of World Bank Lending and Nonlending, FY13–23



Source: Independent Evaluation Group staff analysis using World Bank operations data.

Note: The majority of the loan amount of the 2020 development policy operation (US\$359 million) financed the repayment of a bridge loan supplied to Somalia by the government of Norway. CPF - Country Partnership Framework; DPF - development policy financing; ISN - Interim Strategy Note.

Since clearing its arrears in 2020, Somalia has seen a significant increase in World Bank financing driven by access to IDA funds. Transitioning from smaller trust-funded operations, commitments increased substantially after FY20. This includes the \$420 million Somalia Reengagement and Reform Support development policy operation (DPO) approved in FY20, which enabled Somalia to repay a bridge loan to the government of Norway. This DPO, together with its \$55 million supplemental operation, accounted for 19 percent of all financing received by Somalia in FY13–23. Overall, financing support averaged \$81 million per year pre-arrears clearance (FY14–19) and \$424 million per year thereafter (FY20–23, excluding the amount to repay the bridge loan to the government of Norway). The World Bank made available \$1.9 billion during FY20–22 from the IDA18 Turnaround Regime, the IDA19 Turnaround Allocation, and the IDA Regional Integration and Crisis Response Windows.<sup>9</sup>

The World Bank shifted the sector composition of its portfolio from a focus on public sector reform to citizen-centric service delivery. In terms of sectoral

distribution, the largest number of operations were in governance, which accounted for 12 projects representing \$509 million in commitments, excluding the three development policy loans. This was followed by urban, resilience, and land, with 10 operations totaling \$382 million, and social protection and jobs, with five projects committing \$433 million. All social protection commitments (\$433 million) have been approved since FY20 as part of IDA's Somalia Crisis Recovery Project and the Shock Responsive Safety Net for Human Capital Project. Development policy financing (DPF) accounted for \$575 million (22.7 percent of total financing) and investment policy financing for \$1,963 million (77.3 percent; figure 2.5). The share of governance in the World Bank's financing amounted to 65 percent in FY14–19 compared with 10 percent in FY20–23. After IDA normalization, the Bank Group increased its assistance in support of human capital (especially social protection).

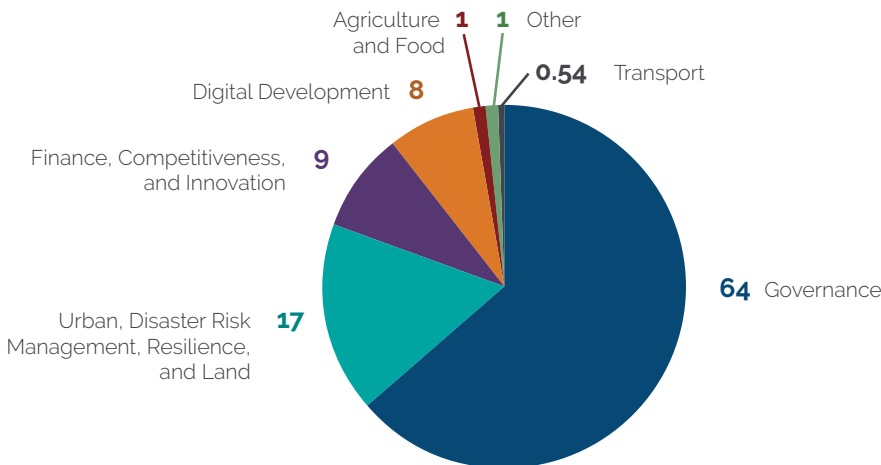
The World Bank had an active portfolio of ASA, which aligned with the focus on governance and institution building (figure 2.5). The World Bank delivered 65 ASA activities covering a broad range of issues during the CPE period (FY13–23), with 38 completed in FY13–19 and 27 in FY20–23. Among these were core diagnostics such as the 2018 and 2023 fragility assessments, 2018 SCD, 2023 SCD Update, and the 2024 Country Private Sector Diagnostic. Equitable Growth, Finance, and Institutions was the Practice Group with the most activities (34), representing over half of all initiatives in Somalia. Governance and Macroeconomics, Trade, and Investment Global Practices accounted for 35 percent of the ASA, and ASA supporting public sector administration accounted for about half. Among the knowledge gaps addressed were PFM (16 ASA activities), human capital development (11), infrastructure (8), and private sector development (7), which broadly aligned with the areas of World Bank engagement in statebuilding.

The IFC portfolio in Somalia was mostly limited to advisory services. IFC conducted 12 advisory services and upstream activities, most of them approved during FY19–21. The majority of advisory engagements focused on addressing the investment climate reforms and capacity building for related institutions, such as supporting the development of the Company Law, a company registry, and the regulatory framework for public-private partnerships. IFC also conducted three upstream activities to support client preparation in microfinance, information and communication technology,

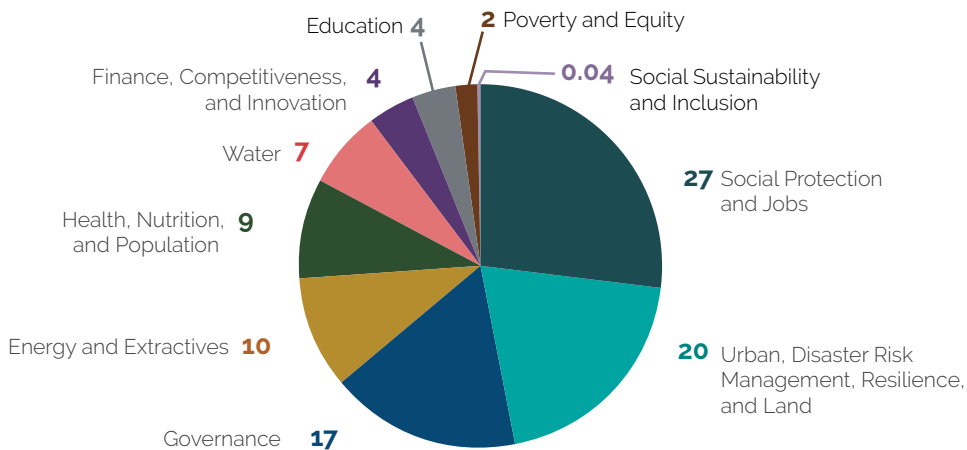
and energy. In FY23, IFC committed an equity investment in the West Indian Ocean Cable Company Holding to fund their regional expansion of operations in Africa. As a result of this equity investment, IFC expects Somalia to benefit from connectivity investments. The Multilateral Investment Guarantee Agency supported a small solar power project, Kube Energy Somalia, with a \$5.7 million guarantee. This project, which primarily provides renewable energy to a UN compound, benefited from risk-sharing with the IDA Private Sector Window and Multilateral Investment Guarantee Agency’s Renewable Energy Catalyst Trust Fund via a first loss facility.

**Figure 2.5.** Distribution of World Bank Financing in Somalia by Global Practice (percent)

a. FY14–18 Interim Strategy Note



b. FY19–23 Country Partnership Framework



Source: World Bank operations data.

## Performance of the World Bank Group Strategies

IEG's analysis of the performance of the Bank Group strategies was based on two sources: the validation of the Country Learning Review prepared for the FY19–23 CPF, and the results of closed projects supported during the evaluation period as assessed by their Implementation Completion and Results Report Reviews.

The strategies have performed well in achieving their statebuilding and institution-building objectives, helping to build country systems and capacity. Few tangible results were achieved in promoting private sector-led growth and economic opportunities. The FY19–23 country strategy (CPF) had moderately satisfactory results as assessed by the Completion and Learning Review Validation (table 2.1).<sup>10</sup> In terms of the three focal areas of the FY23 PLR, the Bank Group's work in the first area, Strengthening Institutions and Financing for Social Services Delivery, was rated moderately satisfactory, and its two objectives were rated mostly achieved by the Completion and Learning Review Validation (World Bank 2024f). Although there was progress on strengthening government capacity and systems and on intergovernmental (federal versus regional) fiscal relationships, capacity remains weak and fragile. Spending on social services and social assistance increased, especially through the social safety net program (Baxnaano). However, there was limited progress on developing and implementing new revenue instruments or on teachers' training as enrollment rates for primary school remained dismal.

The Bank Group's performance in the second focus area, enabling inclusive private sector-led growth, was rated moderately unsatisfactory, and its two objectives were rated partially achieved. While the World Bank and IFC focused their support on regulatory reform, business environment, and infrastructure and connectivity, limited progress was made on financial and digital inclusion (including medium, small, and micro enterprises) and on increasing private sector investment. The ongoing Somalia Capacity Enhancement and Livelihoods and Entrepreneurship, through Digital Uplift Program (SCALED-UP) sought to increase access to basic digital financial and government services targeting entrepreneurship and employment. World Bank projects including the Somalia Core Economic Institutions and Opportunities Program (SCORE) and DPF helped develop and adopt key



legislation and regulatory frameworks (such as the Company Law). Two projects sought to expand access to electricity (World Bank 2024f).

IFC's engagement remained limited compared with expectations (World Bank 2024f). It focused on business environment constraints through advisory services, which supported the Company Law, a company registry, and regulatory frameworks including for public-private partnerships, with staff noting collaboration among World Bank, IFC, and Multilateral Investment Guarantee Agency teams. Despite these achievements, available self-assessments of IFC's advisory engagements point to a mixed picture due to Somalia's challenging operating environment.<sup>11</sup> IFC's upstream engagements have not yet led to investment opportunities. A Country Private Sector Diagnostic (World Bank 2024a) provided further analysis on constraints and opportunities for private sector solutions in Somalia. Overall, support for the private sector pillar of the CPF showed some progress on strengthening regulatory frameworks and institutions but had limited traction on improving the business environment and contributing to enabling an inclusive private sector-led growth during the evaluation period (World Bank 2024f).

Finally, performance in the third focus area, Strengthening Resilience, was rated satisfactory, and its two objectives were rated achieved. There were improvements in urban roads and water infrastructure, as well as greater and improved access to water in rural areas for domestic, livestock, and horticultural use. More people in rural areas benefited from improved flood risk management and from greater access to livelihood support in response to major shocks due to floods, drought, or locusts (table 2.1; World Bank 2024f).

At the project level, validated World Bank financing operations in Somalia performed well, with all projects rated moderately successful or better in achieving their objectives (table 2.2).<sup>12</sup> Of the 53 financing projects since FY13, 13 have closed and their results have been validated. Achievement of project development outcome—which captures achievement of the projects' intended development objectives—has been rated moderately satisfactory or better for all. IEG also rated the World Bank's performance as moderately satisfactory or better, pointing to good quality and adaptation of the portfolio in Somalia. However, half of IEG's project validations explicitly noted that the risks to the achieved development objectives were significant or

substantial, indicating that the sustainability of project results, including reforms supported by the projects, is at risk. The projects identified several risks to sustainability and overall project implementation, including political instability in the country and ongoing conflict (8 projects); domestic economy (7); project sustainability after end of funding (4); government capacity (11); institutional capacity (7); security (6); and climate change (3).

**Table 2.1.** Assessment of the FY19–23 Country Partnership Framework

Objectives	CLR Rating	CLRV (IEG) Rating
Focus area 1: Strengthening institutions and financing for social service delivery	[Not rated]	Moderately satisfactory
Objective 1: Improve core government systems and capacity	Mostly achieved	Mostly achieved
Objective 2: Improve service delivery systems and financing for human capital	Mostly achieved	Mostly achieved
Focus area 2: Enabling inclusive private sector-led growth	[Not rated]	Moderately unsatisfactory
Objective 3: Improve the business environment and economic foundations	Partially achieved	Partially achieved
Objective 4: Increase access to finance and digital inclusion	Partially achieved	Partially achieved
Focus area 3: Strengthening resilience	[Not rated]	Satisfactory
Objective 5: Build the urban resilience of Somali municipalities	Achieved	Achieved
Objective 6: Strengthen rural resilience and food security	Mostly achieved	Achieved

Source: World Bank 2024f.

Note: CLR = Completion and Learning Review; CLRV = Completion and Learning Review Validation; IEG = Independent Evaluation Group.

Adaptations in approaches, realism in design and objectives, effective implementation modalities, and flexibility during project implementation contributed to strong project performance. Most projects identified realistic objectives with a recognition of what could be achieved given the fragility and low-capacity environment in the country. However, many results were framed at the level of outputs, rather than outcomes. For example, several projects noted the adoption or enactment of laws but provided no information on actual implementation and application. Moreover, results frameworks did not link outputs to FCV-specific indicators and achievement

of higher-level statebuilding or resilience objectives, or disaggregated results for specific vulnerable groups (other than by gender).

**Table 2.2.** Ratings of Project Outcomes and Bank Performance

World Bank Lending ICRR Ratings (2013–24)	Outcome Rating		Overall Bank Performance Rating	
	Number	Share (%)	Number	Share (%)
Highly satisfactory	2	15	1	8
Satisfactory	6	46	9	69
Moderately satisfactory	5	38	3	23
Total	13	100	13	100

Source: Independent Evaluation Group.

Note: Based on 13 ICRRs. ICRR = Implementation Completion and Results Report Review.

Most projects referred to specific adaptations in design and implementation, including through piloting approaches and scaling up support, supported by additional resources. Seven of the 12 validated projects involved piloting an approach and scaling it up, and at least two of those were a part of a project series. Among the adaptations identified were providing increased budgets for supervision and monitoring, including because of security expenses (Recurrent Cost and Reform Financing, Capacity Injection Project), and the importance of linking reforms to arrears clearance and to counteract local power dynamics (CPF, Recurrent Cost and Reform Financing). Across the validated projects, the cost for project management and implementation varied, but reached 20 percent of project commitments on average, which indicates the allocation of significant resources during project implementation. The share of cost was highest in Somali Urban Investment Planning (P150374) with 38 percent, reflecting a project that was spread over a high number of sites and with significant Environmental and Social Framework (ESF) requirements. Project restructurings and extensions were frequent. Nine of the 12 projects were restructured, on average about four times. Seven projects were extended, on average by 13 months, with one project, the Capacity Injection Project, extended by 30 months.

## Debt Relief and Normalization of Relations with International Development Association and International Financial Institutions

The World Bank made critical contributions to arrears clearance and normalizing Somalia's relationships with IFIs and IDA eligibility. Reengagement with IFIs and debt relief was a key objective of the government of Somalia. In 2020, with the help of a \$366 million bridge loan from the government of Norway and other support from IDA, Somalia was able to clear its arrears, thus normalizing its financial relationship with the Bank Group (World Bank 2020d). The clearance gave Somalia access to resources from IDA and, alongside a period of compliance with designated reforms under an IMF Staff Monitored Program, paved the way to receive debt relief under the HIPC and Multilateral Debt Relief Initiatives.

World Bank financing support from a DPO was critical for arrears clearance. The World Bank supported arrears clearance through the fiscal 2020 Somalia Reengagement and Reform DPF (P171570).<sup>15</sup> The DPF was thus highly relevant and timely. The project documents show that DPF prior actions and results indicators were based on sound and rigorous analysis relevant to the country context, underpinned by knowledge from the fragility assessments, SCD, and Financial Governance Reports published by the Financial Governance Committee supported jointly by IMF, the Bank Group, and the European Union, in addition to an extensive range of relevant thematic ASA activities.

The World Bank's support has emphasized HIPC triggers to help progress toward HIPC completion, which involved strong collaboration with IMF. The IMF–Bank Group partnership was able to leverage the coordination arrangements, relationships, and trust established through the aid architecture for the benefit of the HIPC process (World Bank 2022c). There was frequent engagement at the country manager and country economist level and joint meetings during IMF missions (World Bank 2020f). This helped create the gradual and sequenced program related to HIPC reengagement, which complemented budget support operations from the World Bank, IMF, and the European Union, and performance innovations in World Bank–supported projects (World Bank 2022c). Reaching the HIPC Decision Point required sustained commitment to the implementation of economic and financial

reforms, which Somalia demonstrated for four consecutive IMF Staff Monitored Programs in the lead-up to the HIPC Decision Point. Many of the benchmarks and targets in the Staff Monitored Programs were directly supported by investment project financing under the Multi-Partner Fund and reforms supported by IDA's PACGs and DPF operations and IMF's Extended Credit Facility (World Bank 2024f).

Somalia reached the HIPC Decision Point in March 2020 and the Completion Point in December 2023. It qualified for the HIPC Decision Point after reaching several preconditions, such as a satisfactory record of robust policy performance under programs supported by IMF and the World Bank, clearance of arrears to IMF and the World Bank, and preparing a satisfactory Poverty Reduction Strategy (World Bank and IMF 2020). Total debt relief amounted to \$4.5 billion, and the HIPC initiative reduced Somalia's external debt from 65 percent of GDP to about 6 percent. This was a major milestone for Somalia, which rejoined the global financial system after more than 30 years (Pilling 2023; World Bank and IMF 2020).

Even so, the HIPC process was unable to fully resolve key challenges of statebuilding in Somalia. Although the Decision Point document notes that many triggers directly supported elements of the fiscal federalism framework Somalia was developing as part of its constitutional and political framework, some stakeholders questioned whether the HIPC process could have provided incentives for the federal government and the federal member states to find agreement on the more challenging underlying constitutional issues related to fiscal federalism (for instance, a more sustainable and accepted formula on sharing of revenues). Indeed, the sustainability of the resource-sharing agreement between the government and the federal member states is at risk given tensions in 2023 and disagreement between the government and the federal member states, amid a perception that World Bank support has been centralized and is being channeled through the federal government. Subnational government representatives noted that the HIPC process had affected the dynamics between the government and the federal member states.

Although normalization of relations with IFIs was an important milestone, reaching the HIPC Completion Point also created challenges for the post-HIPC period. The biggest challenge is for the Bank Group to manage

appropriately the portfolio and lending volumes in the post-HIPC environment, given absorptive capacity limitations, and with sensitivity to political dynamics and awareness of adverse impacts on underlying drivers of fragility and conflict. At the same time, it is important to retain the momentum and incentives for difficult policy reforms and address the constitutional issues that might impede further progress on statebuilding. Several government stakeholders, although appreciative of the World Bank's leading role in supporting HIPC, noted a perceived lack of strategy and planning for the post-HIPC period. Subnational entities were more critical of the HIPC process, with some stating that constitutional issues should have been resolved before HIPC completion. World Bank staff also echoed some risks and the need to deploy similar tools to Recurrent Cost and Reform Financing, PFM, and others, both to sustain reform momentum and as incentives for challenging reforms on federalism.

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<sup>1</sup> Before the World Bank fully reengaged, Norway established the innovative Special Financing Facility, which was later scaled up by the World Bank Group under the Multi-Partner Fund through the Recurrent Cost and Reform Financing project and Special Financing for Local Development project.

<sup>2</sup> To develop the compact, the Somali president established the High-Level Task Force, chaired by the Somali minister of finance and comprising senior representatives from the Somali government, the g7+ Focal Point, the UN, and the European Union (Hearn and Zimmerman 2014).

<sup>3</sup> The compact identifies five cross-cutting issues: gender, capacity development, bringing tangible results to people, respect for human rights, and external relations.

<sup>4</sup> The State and Peacebuilding Fund is a multidonor trust fund managed by the World Bank to “finance critical development operations and analysis in situations of fragility, conflict, and violence.” The State and Peacebuilding Fund is supported by Denmark, Germany, the Netherlands, Norway, Sweden, Switzerland, and the International Bank for Reconstruction and Development (World Bank 2023g).

<sup>5</sup> The State and Peacebuilding Fund, established in 2008, provides catalytic funding to FCV situations. As of December 31, 2020, it had an active portfolio of 56 grants with over \$39 million in commitments. The net value of the fund is over \$371 million. Its donors are the International Bank for Reconstruction and Development and nine development partners—Australia, Denmark, France, Germany, the Netherlands, Norway, Sweden, Switzerland, and the United Kingdom.

<sup>6</sup> The Somalia Multi-Partner Fund was established in 2013 to support government-led statebuilding, economic growth, and urban development, supported by Denmark, the European Union, Finland, Germany, Italy, Norway, the State and Peacebuilding Fund, Sweden, Switzerland, the United Kingdom, and the United States. The Multi-Partner Fund is one of the funding windows to support implementation of Somalia’s ninth National Development Plan.

<sup>7</sup> The *World Development Report 2011* developed a conceptual framework to help countries overcome cycles of fragility and violence (World Bank 2011). The framework, which emphasizes building inclusive and legitimate institutions, is at the core of the Bank Group’s approach to helping countries overcome cycles of fragility and violence. The framework noted the centrality of building institutions and the importance of restoring confidence to legitimize governance, improve service provision, and foster economic development. Transforming institutions to increase accountability and creating pathways to address grievances were considered key in increasing state visibility. Along with institutional development, Pathways

for Peace highlighted the importance of developing new mechanisms for violence prevention and of creating more inclusive institutions to address inequalities and exclusions embedded in the social fabric.

<sup>8</sup> During FY13–19, trust funds accounted for \$336.38 million of total lending of \$484.38 million.

<sup>9</sup> Actual IDA commitments in FY19–20 reached about \$1.0 billion for 12 projects—much more than the \$140 million forecast in the original CPF—tapping funding from IDA Pre-Arrears Clearance Grants (\$140 million); the Turnaround Regime (\$218 million); an IDA Arrears Clearance Set-aside (\$380 million) for the Reengagement and Reform DPF (P171570); IDA reallocations to Somalia (\$164 million); and the IDA Crisis Response and Regional Integration Windows (\$100 million).

<sup>10</sup> The Completion and Learning Review Validation (CLRV) was called the Completion and Learning Review Review (CLRR) before May 1, 2023. No change was made to the methodology.

<sup>11</sup> Three IFC advisory services engagements have been self-evaluated by IFC. While the self-rating of relevance is satisfactory for each, the development effectiveness is rated mostly unsuccessful for two of the programs and mostly successful for the third. These Project Completion Reports have not been validated by IEG.

<sup>12</sup> None of the International Finance Corporation advisory operations in Somalia have been evaluated or validated by IEG.

<sup>13</sup> The development policy operation had a \$420 million original commitment and \$459.4 million actual commitment, which included supplemental financing to account for the effects of COVID-19 and a locust infestation.



# 3 | World Bank Support to Statebuilding


## Highlights

The World Bank has been a critical enabler for statebuilding and was the lead agency for strengthening governance systems and capacity in Somalia's fragility, conflict, and violence context. World Bank support relevantly prioritized the Peacebuilding and Statebuilding Goals of the Somalia New Deal Compact: this involved building basic administrative capacity and core institutions; developing revenue mobilization capacity; supporting intergovernmental relations; and developing service delivery systems.

Given a challenging starting point, results are commendable. State capacity, especially in public financial management systems, reporting, and transparency, has improved, but the federal structure continues to pose challenges. Intergovernmental fiscal relationships remain contested and domestic resource mobilization remains very low.

Several interventions and adaptations contributed to the effectiveness of World Bank support: (i) the programmatic deployment of public financial management reform; (ii) the use of country systems to channel Recurrent Cost and Reform Financing support; and (iii) procurement risk mitigation through technical assistance to the Financial Governance Committee.

The Heavily Indebted Poor Countries process has been effective in encouraging the federal government and federal member states to agree on critical issues of fiscal federalism and other reforms supported by the World Bank. Now that the Heavily Indebted Poor Countries Completion Point has been reached, a new framework to anchor the statebuilding reform agenda is needed.



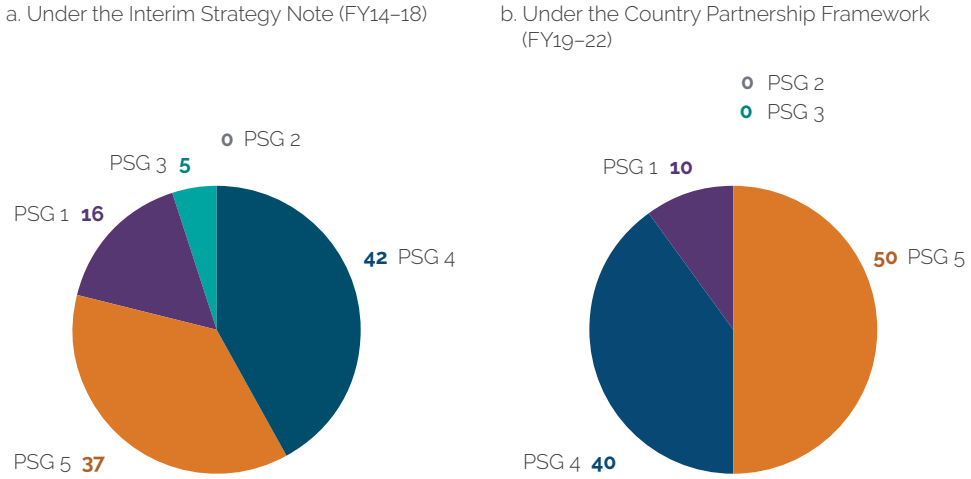
Progress has been constrained by unresolved political and constitutional disputes, which has affected agreement on fiscal federalism and revenue sharing. Global governance indicators have not yet improved.

This chapter assesses the relevance, effectiveness, and sustainability of the Bank Group's contribution to building the capacity of the state. After the collapse of state institutions during the prolonged civil war, statebuilding was critical. The starting point for this evaluation is 2012, when Somalia had been without a government structure and institutions for two decades. During that time, several attempts at restoring institutions and government had failed. Finally, in 2013, the multistakeholder International Dialogue on Peacebuilding and Statebuilding resulted in Somalia's New Deal Compact and five Peacebuilding and Statebuilding Goals: legitimate and inclusive politics, security, justice, economic foundations, and revenue and services. The compact sought a "new political, security and development architecture framing the future relations between Somalia, its people, and the international community" (Hearn and Zimmerman 2014). The Bank Group was a signatory to the New Deal Compact, which guided the work of development partners and of the Somali government.

## Relevance of the World Bank's Statebuilding Interventions for Somalia's Statebuilding Goals

The lending and advisory activities of the FY13–22 country program aligned well with aiming to address the Peacebuilding and Statebuilding Goals. Figure 3.1 shows the Peacebuilding and Statebuilding Goals supported by World Bank operations. Support to Peacebuilding and Statebuilding Goal 5 (revenue and services) is the most prominent, followed by Peacebuilding and Statebuilding Goal 4 (economic foundations), both of which align with areas of the World Bank's comparative advantage. The World Bank also sought to support Peacebuilding and Statebuilding Goal 1 (inclusive politics) through the Poverty Reduction Strategy Paper process (involving regional technical dialogue and civil society organization consultation) and through policy support on issues relating to economic foundations and public finance. Over time, the breadth of activities across the Peacebuilding and Statebuilding Goals narrowed. Although the ISN was broad in scope, activities under the CPF focused mainly on Peacebuilding and Statebuilding Goals 4 and 5 (figure 3.1, panel b).

**Figure 3.1.** World Bank Lending Portfolio and Somalia's Peacebuilding and Statebuilding Goals (percent)



Sources: World Bank 2013c, 2018a.

Note: PSG = Peacebuilding and Statebuilding Goal; PSG 1 = inclusive politics; PSG 2 = security; PSG 3 = justice; PSG 4 = economic foundations; PSG 5 = revenue and services.

The areas targeted by the World Bank were highly relevant for addressing some of the most critical needs of statebuilding. The statebuilding portfolio consists of four series of operations: the PFM series, the Recurrent Cost and Reform Financing series, a civil service capacity-strengthening series, and support to domestic revenue generation (table 3.1). The statebuilding portfolio included interventions that aimed to elaborate the design of federalism as the basic governance framework, develop domestic revenue mobilization capacity, and build basic state institutions. This framework assumes that once state functions have been restored, the delivery of services will improve and economic opportunities will be enhanced, which would strengthen state legitimacy and resilience.<sup>1</sup>

**Table 3.1.** World Bank Portfolio for Statebuilding in Somalia, FY13–22

Statebuilding Area	ASA (no.)	Financing Operations	Financing Volume (US\$, millions)
Public financial management	16 (out of 66)	Somalia PFM Capacity Strengthening Project (FY14) Second Public Financial Management Capacity Strengthening Project (FY16)	44.50
Recurrent Cost and Reform Financing	7	Somalia Recurrent Cost & Reform Financing Facility (FY15) Somalia Recurrent Cost & Reform Financing Project—Phase 2 (FY15) Recurrent Cost & Reform Financing Project—Additional Financing (FY19) Somalia Recurrent Cost & Reform Financing Project—Phase 3 (FY20) Additional Financing for Somalia Recurrent Cost & Reform Financing Project—Phase III (FY22)	350.00
Domestic Revenue Mobilization	26	Domestic Revenue Mobilization and Public Financial Management Capacity Strengthening Project (FY19)	20.00
Civil service capacity	5	Somalia Capacity Injection (FY16) Somaliland Civil Service Strengthening Project (FY16) Somaliland Civil Service Strengthening Project II (FY22)	54.85
Total			469.35

Sources: World Bank and Independent Evaluation Group data.

Note: Excludes development policy financing. Number of ASAs based on content analysis of ASA documents. ASA = advisory services and analytics; PFM = public financial management.

World Bank support for developing an intergovernmental fiscal system was highly relevant for giving substance to the federalism framework.

- » **Statebuilding needs.** The 2012 Provisional Constitution proposed a governance framework based on federalism (giving significant autonomy to the federal member states), collaboration between the government and the federal member states, and cooperation among the federal member states. The constitution did not lay out details of intergovernmental relations, which

were to be negotiated. Intergovernmental fiscal transfers were nonexistent; de jure revenue and expenditure assignments were unclear.

- » **Support provided.** The World Bank acted as a facilitator and provided technical assistance in political negotiations related to federalism. Through technical assistance, budget support, and the Recurrent Cost and Reform Financing program, the World Bank supported the dialogue among Somalia stakeholders (including through the government and the federal member states finance ministers' Intergovernmental Fiscal Forum) to clarify the fiscal dimensions of its federalism design and the cooperation arrangements between federal and state governments regarding education and health service delivery.<sup>2</sup>

Bank Group support for building domestic revenue mobilization capacity addressed a foundational need and met preconditions to provide and fund basic core functions and services.

- » **Statebuilding needs.** The government faced major challenges to build presence and authority and mobilize domestic revenue for a wide range of security, reconstruction, and development needs (Raballand et al. 2021).<sup>3</sup>
- » **Support provided.** Support for domestic revenue mobilization had two components. The first was improving the efficiency of customs revenue and administration through customs policy reform and system modernization. This includes customs regulations on valuation, the establishment of an ad valorem tariff schedule, and rollout of the Somalia Customs Automated System. The second was raising inland revenue through the introduction of turnover taxes and a spectrum fee for telecom operators; regular publication of a statement of tax exemptions; operationalization of point-of-sale machines in the tourism sector; and automation of Taxpayers Identification Number issuance and revenue receipts (World Bank 2013c).

World Bank support was highly relevant for building basic public administration capacity, especially the PFM system.

- » **Statebuilding needs.** No regulatory framework defined the mandates and functions of federal government agencies and subnational governments. Although two subnational entities (Somaliland and Puntland) possessed some state structures and capacities, this was not the case for newly created federal member states. Technical and policy expertise was missing in almost

all government agencies and was typically provided by donor-financed short-term advisers without clear regulations.

- » **Support provided.** Projects totaling \$64.5 million were dedicated to strengthening PFM capacity.<sup>4</sup> Recurrent Cost and Reform Financing projects (totaling \$350 million) aimed to transfer budget support resources through government systems while strengthening them. Through the Capacity Injection Project (P149971, \$40 million), the World Bank aimed to assist the Federal Government of Somalia and Puntland State Government to strengthen staffing levels and develop capacity to formulate policies and programs and perform PFM, procurement, and human resource management in a standardized, rules-based manner.

Recurrent cost financing met an urgent need to fund core government functions through a context-appropriate instrument.

- » **Statebuilding needs.** The funding of the recurrent costs of the federal government and some federal member states met an urgent need to pay the salaries of key government staff, since the government was unable to finance its core functions. Given the high dependency of the government of Somalia on official development assistance to meet recurrent costs (in 2022, 64 percent of the government budget was funded by grants), including paying its nonsecurity civil servants, the Recurrent Cost and Reform Financing program was relevant and well targeted to Somalia's critical needs.
- » **Support provided.** Budget support through Recurrent Cost and Reform Financing helped fund the government's wage bill and other recurrent expenses starting in FY15 and, more recently, budget support has been provided through both Recurrent Cost and Reform Financing and DPOs. In all, the World Bank provided \$466 million in budget support through seven operations during FY15–22 using these two instruments, equating to 20.6 percent of World Bank financing to Somalia.<sup>5, 6</sup>

Although the World Bank's diagnosis of the security sector was highly relevant, it was followed up with only limited operational support. The Somalia country team conducted a thorough diagnosis of the security sector. This was appropriate given the importance of the cost of security forces in the total government budget (security expenditure accounted for 23.2 percent of

government expenditures in 2022) and the scope for corruption given cash-based salaries to soldiers. The Somalia Security and Justice Sector Public Expenditure Review (2017) was appreciated for its quality diagnosis and its support for the biometrical identification of all national security personnel. Within its expertise in PFM, the World Bank subsequently assisted the government to prepare a consolidated security budget for 2016. It also supported a digital payment system through which salaries are paid directly to soldiers.

Overall, the Bank Group made significant investments in supporting the Peacebuilding and Statebuilding Goals during the 10 years evaluated. Within the statebuilding portfolio, the Bank Group prioritized its limited resources, expertise, and political capital in the areas where it was most likely to bring about positive change. These included developing intergovernmental relations; building basic administrative capacity; developing revenue mobilization capacity; developing service delivery systems in basic health, education, social protection, water and sanitation, and urban infrastructure; and building the policy, regulatory, and investment capacity of the state to improve the business environment, lower barriers to entry, and enhance regulatory quality. Support to the security sector was highly relevant but limited to a Public Expenditure Review of the sector with little follow-up.

## Effectiveness of the World Bank's Statebuilding Interventions

The World Bank led the international effort to support public sector governance and statebuilding, in close coordination with IMF. It committed considerable resources to building state capacity, systems, and institutions, targeting core government functions with investment financing of \$469.4 million over the decade FY13–22. The financing for governance accounted for almost 40 percent of development partner financing in Somalia.<sup>7</sup> Furthermore, the World Bank's lead and coordinating role in institution building was consistently emphasized by Federal Government of Somalia representatives, development partners, and IMF staff.

In core statebuilding areas, the results of the World Bank's contributions were commendable relative to the challenging starting point. The efficacy



of the portfolio reflects a mix of higher-performing operations (in PFM) and less effective performance (in domestic revenue mobilization and capacity injection). The Implementation Completion and Results Report Review ratings for the closed projects range from moderately satisfactory to highly satisfactory (table 3.2).

**Table 3.2.** Outcome Ratings of Closed Statebuilding Operations

Project Name	Project Approval FY	Project Status	ICR Outcome Rating	IEG Outcome Rating
Somalia PFM Capacity Strengthening Project	2014	Closed	—	—
Second Public Financial Management Capacity Strengthening Project	2016	Closed	S	n.a.
Domestic Revenue Mobilization and Public Financial Management Capacity Strengthening Project	2019	Active	n.a.	n.a.
Somalia Recurrent Cost & Reform Financing Facility	2015	Closed	MS	MS
Somalia Recurrent Cost & Reform Financing Project—Phase 2	2015	Closed	HS	HS
Recurrent Cost & Reform Financing Project—Additional Financing	2019	Closed	—	—
Somalia Recurrent Cost & Reform Financing Project—Phase 3	2020	Active	n.a.	n.a.
Additional Financing for Somalia Recurrent Cost & Reform Financing Project—Phase III	2022	Active	n.a.	n.a.
Somalia Capacity Injection	2016	Closed	MS	n.a.
Somaliland Civil Service Strengthening Project	2016	Closed	MS	n.a.
Somaliland Civil Service Strengthening Project II	2022	Active	n.a.	n.a.

Sources: World Bank ICRs and IEG ICR Reviews.

Note: HS = highly satisfactory; ICR = Implementation Completion and Results Report; IEG = Independent Evaluation Group; MS = mostly satisfactory; n.a. = not applicable; PFM = public financial management; S = satisfactory; — = not available.

## Developing an Intergovernmental Fiscal System to Support Federalism

Although there was commendable progress in intergovernmental relations, the foundational relationship between the Federal Government of Somalia and the federal member states and the allocation of resources among them remains contested. Thirty-five percent of World Bank financing operations focused on government–federal member states relations (17 out of 49 projects), as did 41 percent of analytic work (27 out of 66 ASAs). With the inflow of aid and rising domestic revenue, the federal government has been transferring more resources to the federal member states. Intergovernmental transfers from the government to eligible federal member states rose from \$15.1 million in 2018 to \$59.6 million in 2020, reverting to \$31.6 million in 2021 before rising again to \$76.5 million in 2022. The Intergovernmental Fiscal Forum, supported by the World Bank, was a valuable trust-building exercise, as it convened government and federal member states actors to discuss and agree on fiscal federalism. A fiscal transfer formula for federal grants to states based on transparent criteria allocated 60 percent of proceeds to the government and the remaining 40 percent to the federal member states, providing equal shares to each, regardless of size, poverty level, or need (World Bank 2024g). All federal member states except Puntland have agreed to this formula. During interviews for this evaluation, counterparts from Puntland cautioned against the World Bank and IMF using HIPC as a lever to push for a law on paper but not a real agreement that sticks. Other federal member states also indicated that they considered the revenue-sharing formula an interim rather than permanent arrangement and raised questions about the lack of consultation on the criteria used for allocating resources.

Negotiations on intergovernmental relations were more successful in service delivery areas such as education and health. On education, a series of ASAs, technical assistance, and lending projects (P153273, P160099, P169992, P168325) supported capacity building of the education system, including clarifying the relationship between the government and the federal member states regarding education management. On July 14, 2021, the government and education authorities of Banaadir, Galmudug, Hirshabelle, Jubaland,

and Southwest officially signed the Education Cooperation Memorandum of Understanding. The agreement ensures that the Ministry of Education, Culture, and Higher Education will develop the regulatory framework, and each federal member state will establish its own state-level education laws and policies. A permanent intergovernmental forum for education has been formalized.

## Building Domestic Revenue Mobilization Capacity

Despite improvements, domestic revenue mobilization remains extremely low. The tax-to-GDP ratio increased from a low base of 1 percent in 2013 to 3.2 percent in 2022, which is extremely low even when compared with Sub-Saharan countries (18 percent). In a positive trend, between 2013 and 2022, the share of revenue from inland revenue rather than customs increased from 15 percent to 53 percent, reducing the extreme reliance on trade taxes (table 3.3).

Bank Group support for domestic revenue mobilization has contributed to the adoption of policies and improved systems for customs revenue and inland revenue. Its support, in conjunction with IMF, the United Kingdom, and other donors, for efforts to improve the efficiency of customs revenue and administration and harmonize customs revenue policies across ports within various federal member state jurisdictions is making progress despite some political resistance (World Bank and IMF 2020). The customs regulations on valuation and declarations were issued in September 2022, and the ad valorem tariff schedule was enacted in June 2022. The World Bank supported the mobilization of inland revenue through the introduction of turnover taxes;<sup>8</sup> the introduction of a spectrum fee for telecom operators; the regular publication of a statement of tax exemptions; the operationalization of point-of-sale machines in the tourism sector; and the automation of Taxpayers Identification Numbers issuance and revenue receipts. The World Bank did not support measures related to broadening the tax base, for instance to the productive sectors.

**Table 3.3. Somalia Government Revenue Trends**

Revenue Source	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Customs (US\$, millions)	58.7	64.3	72.9	76.3	92.3	99.9	107	91.1	116.7	116.2	154.1
Inland revenue (US\$, millions)	11.4	11.6	41.4	36.4	49.9	82.7	122.7	120.2	120.6	146.5	175.4
Total domestic revenue (US\$, millions)	70.1	75.9	114.3	112.7	142.7	183.4	229.7	211.2	229.4	262.7	329.5
Total revenue as share of GDP (% , Somalia)	n.a.	1.29	1.51	1.87	2.68	3.16	3.89	3.54	3.07	3.01	3.22
Total revenue as share of GDP (% , Sub-Saharan Africa)	19.68	18.38	18.84	17.66	16.63	17.71	17.75	18.11	17.69	18.15	17.95
Total revenue as share of GDP (% , low-income countries)	14.12	11.95	13.09	12.38	11.91	14.12	13.78	14.70	13.95	15.46	14.45

Sources: Federal Government of Somalia (<https://revenueirectorate.gov.so/sites/default/files/default/files/Annual%20Report.pdf>) and the United Nations University World Institute for Development Economics Research.

Note: n.a. = not applicable.

Nevertheless, domestic revenues remain far from adequate to support core state functions and the ability of the government to deliver services, yet the continued availability of such funding is uncertain. Somalia is likely going to depend on grants to fund government budgets for years to come. In 2022, 64 percent of government expenses were funded by grants. Accordingly, increasing revenue mobilization will be critical for the government’s ability to perform core state functions, fund development priorities, and ensure service delivery. World Bank diagnostics emphasize the need for the government to “continue efforts to contain the wage bill, while also managing security costs in a context of the planned withdrawal of African Union peacekeeping forces” (World Bank 2024c, xi).

## Building Public Administration Capacity, Particularly the Public Financial Management System

The World Bank contributed to improved capacity in PFM systems, reporting, and transparency. Within building public administration capacity, the World Bank focused much of its support on the implementation of a framework for PFM. It targeted several institutions for capacity building, including the Ministry of Finance, central bank, Auditor General’s Office, and Accountant General’s Office in the government, and select institutions in the federal member states, with an initial focus on Puntland (box 3.1).

### Box 3.1. Achievements in Public Financial Management

**Established systems.** A Somalia financial management information system now covers all federal government transactions and has built-in budget controls and hierarchical authorization. Every budget-holding office can interact with and access budget information from its offices, and reports are available for management decisions. Since 2015, salaries for government employees have been paid directly to bank accounts using an automated payroll system that includes integrity checks (World Bank 2023e, 2024i).

**Increased accountability.** Transaction process flow and auditing holds individuals accountable for each transaction; a fixed assets register tracks use of government assets; and a multidimensional chart of accounts tracks the source of funds and which

*(continued)*

### Box 3.1. Achievements in Public Financial Management (cont.)

organization used the funds, for what, and where it was spent. Annual financial statements are prepared using international Public Sector Accounting Standards and are submitted to the country's Auditor General within three months after the end of the fiscal year. Audited annual government financial statements have been published since 2019.<sup>a</sup>

**Increased transparency.** The Ministry of Finance publishes on its website information on the approved budget, within-year budget execution reports, annual budget utilization reports (including donor-funded projects using country systems), annual financial statements, revenue performance reports disaggregated by revenue types, and procurement and contract opportunities.<sup>b</sup> Aggregated annual budgets for the federal government, federal member states, and Banaadir have been published since 2021.

**Increased human resource capacity.** A cadre of public financial management professionals is now available to perform public financial management tasks. The Capacity Injection Project supported civil service management through frameworks and procedures and developed a transparent recruitment procedure and pay scales. In total, 95 specialists were hired into government postings and 110 specialists were hired into Puntland State Government postings. The proportion of staff injected into these agencies who remained in service after 12 months reached 90 percent in the federal government and Puntland (World Bank 2024d). The Capacity Injection Project also offered technical assistance to develop merit-based recruitment and onboarding (World Bank 2024d). Results of other capacity-building measures are mixed (World Bank 2024i).<sup>c</sup> To support long-term civil service needs, the Capacity Injection Project supported public universities with curriculum development and training programs. (World Bank 2024d).

*Source:* Independent Evaluation Group.

*Note:* a. See, for example, <https://mof.gov.so/publications/annual-financial-statements>.

b. See <https://mof.gov.so/publications/annual-budget>.

c. The Somaliland Chartered Institute of Public Financial Accountants (CIPFA) diploma target of 33 was not met because only 2 students passed the target. The Puntland State target of 33 students obtaining CIPFA diplomas was exceeded by 1 student. Students got CIPFA diplomas, but the target was missed in Somaliland, where only 2 students obtained the diploma.

The World Bank's PFM interventions established new systems, increased accountability and transparency, and improved human resource capacity. First, the World Bank deployed a programmatic approach with three

aspects—Recurrent Cost and Reform Financing operations, PFM projects, and the Capital Injection Project. These complementary interventions provided technical support, an incentive for reform, and recruitment of personnel for selected federal ministries and central agencies. Second, the World Bank deliberately chose to disburse the Recurrent Cost and Reform Financing funds through the country’s own financial management system as it was being built. The approach eschewed the usual practice of channeling resources through nongovernmental organizations (NGOs) or dedicated project implementation units (PIUs), which neither develops the PFM system nor enhances government legitimacy. Third, to mitigate risks associated with large-value concessions and procurement, the World Bank provided technical assistance to the Financial Governance Committee. The Financial Governance Committee comprises international donors (the European Union, IMF, and African Development Bank) and government institutions. It provides technical advice on government procurement contracts worth more than \$5 million. Though without formal power, the Financial Governance Committee’s advice has led to renegotiation of major government contracts. Through this, the Financial Governance Committee has been able to set priorities, inform policy making, and shore up past reforms (World Bank 2019c).

Beyond the PFM system, the World Bank also helped the government establish core laws, policies, and systems for economic management and service delivery, though evidence of their effective implementation is lacking. During the evaluation period, the World Bank, with support from other partners, helped the country draft and enact the PFM Law, Revenue Act, Revenue Administration Law, Anti-Corruption Law, Company Law, and Civil Service Law (World Bank 2023e).

## Recurrent Cost Financing

Recurrent Cost and Reform Financing has been an effective tool to support funding and build the capacity of state institutions. Recurrent Cost and Reform Financing was provided with significant budget support, totaling \$350 million between FY15 and FY22. The government and the federal member states had to meet disbursement-linked criteria related to systems building and improved capacity of ministries to receive financing from

Recurrent Cost and Reform Financing II, which provided a strong incentive for PFM reform. Recurrent Cost and Reform Financing strengthened resource management, built a system for fiscal transfers, and improved intergovernmental relations. Most importantly, Recurrent Cost and Reform Financing showed that it was possible to work with government systems in Somalia rather than having to take the off-budget approach taken by most international development partners. This helped strengthen the Somali state and increase its legitimacy (World Bank 2023e).

Under Recurrent Cost and Reform Financing, the share of the civil wage bill financed by the government grew from a baseline of 40 percent in 2018 to 84 percent in 2022, falling just short of the target of 87.5 percent by the end of 2022 (World Bank 2024f). Two hundred and five persons, almost 30 percent of whom were female, were appointed to critical staff positions in the government and Puntland. Staff retention, measured as staff still in their position after one year, remained well above the 75 percent target in the government and Puntland, and the percentage of civil servants being paid on time increased from 8 percent in 2018 to 75 percent by end-2020 (World Bank 2024f).

Since Somalia has achieved IDA eligibility, the World Bank has shifted toward policy-based lending. Recurrent Cost and Reform Financing's nimble approach supported discrete steps of building systems and state capacity paired with financing is a viable approach in FCV settings. Its disbursement-linked indicators incentivized reforms and allowed for setting ambitious targets, in the knowledge that if some targets were not met, disbursement of the majority of commitments would still be possible. However, its financing support is less fungible since it only supports recurrent spending. DPOs are more frequently focused on policy-level reforms and on enacting legal frameworks and are not FCV specific. Their financing support is fungible and can be used for government recurrent or investment spending.

## Sustainability of the World Bank Statebuilding Interventions

The sustainability of building and enhancing core institutions and systems faces significant risks and challenges. We assessed sustainability by



examining risks to achievements at the project, institutional, and country levels based on documentary evidence, interviews, and focus groups. Half of the validated Implementation Completion and Results Report Reviews note significant risks to project outcomes, which IEG corroborated through stakeholder interviews. Technical assistance and training programs under the Capacity Injection Project are funded by development partners, so sustainability is at risk once those programs end. Stakeholders noted the turnover of high-level staff as a risk to sustainability.

## Higher-Level Outcomes of Statebuilding Support

The Somali state has transformed and is stronger than it has been for 30 years but still lacks important attributes of a functioning state. With contributions from the World Bank, IMF, and other donors, the country has made strides in building institutions and a federal structure, enhancing capacity and systems for transparency and accountability, and increasing domestic resource mobilization, even though resources are at a low level. An example of a positive trajectory has been the transition of power that occurred twice over the past decade, even though it involved a temporary impasse between political groups. In many respects, progress on statebuilding is tenuous and subject to reversals (World Bank 2024c). Statebuilding remains a work in progress that requires continued engagement.

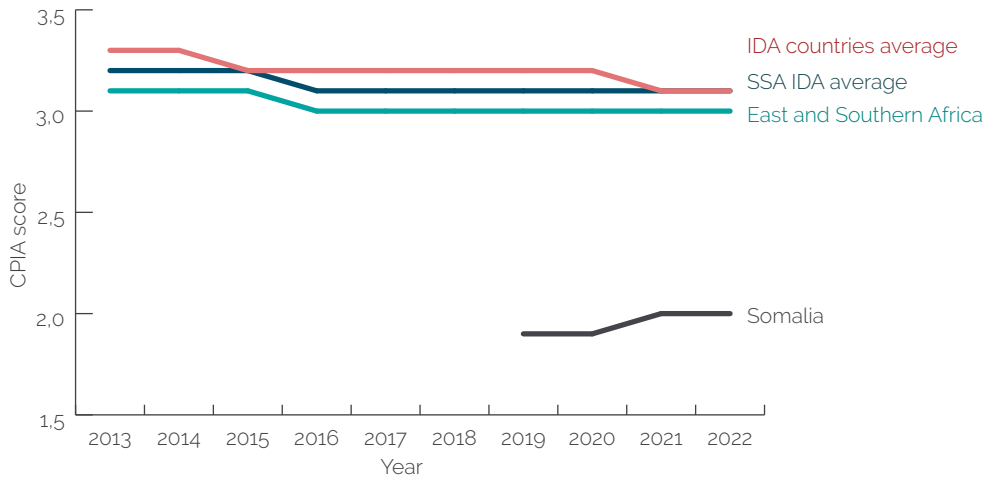
Perception surveys indicate that World Bank support to statebuilding has been more effective than support to other sectors or thematic areas. The 2021 World Bank Opinion Survey, involving 164 stakeholders, ranks the World Bank's effectiveness in public sector governance and reform highest among development areas, with a mean rating of 6.8 on a scale from 1 (not effective at all) to 10 (very effective). Stakeholders thus rank the World Bank's work in statebuilding as more effective than in any other area, including health, social protection, urban development, and job creation and employment. At the same time, respondents pointed to weaknesses in the capacity and resilience of the state, of which the biggest related to security, political uncertainty, weak institutional capacity, and accountability. Feedback from Somali citizens also reflected on the incremental improvements they had witnessed over the past decade, attributing this progress

to what they described as crucial collaboration by the government and the World Bank, especially in urban services and infrastructure.

Despite progress in building state capacity, global governance indicators such as the Bank Group's Country Policy and Institutional Assessments shows only slight progress over the past decade (figure 3.2). The Country Policy and Institutional Assessment measures the extent to which a country's policy and institutional framework supports sustainable growth and poverty reduction. The index for Somalia shows a slight improvement over time, while remaining well below comparator countries in Sub-Saharan Africa, mainly because of enhancements in structural policies (trade, financial sector) rather than in public sector management and institutions, where most of the statebuilding support was concentrated. The most recent Country Policy and Institutional Assessment identifies weaknesses in limited progress in judicial reform, low trust in the formal court system, corruption, weak executive accountability, and lack of competition hindering business operations (World Bank 2023a).

The results frameworks for the Somalia CPF and individual operations lacked suitable indicators to track progress beyond outputs or intermediate outcomes, which could provide links to broader statebuilding outcomes and impacts on FCV, such as stabilization, resilience, and peacebuilding. World Bank operations do not identify links or causal relationships between portfolio-level outcomes and the achievement of strategic objectives well. Identifying and tracking more granular indicators to capture progress could bridge project-level output or intermediate outcome indicators and global governance indicators.

**Figure 3.2.** Somalia's Country Policy and Institutional Assessment Scores



Source: World Bank 2023a.

Note: CPIA = Country Policy and Institutional Assessment; IDA = International Development Association; SSA = Sub-Saharan Africa.

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<sup>1</sup> The *World Development Report 2011* specifically notes areas such as reforming institutions, laws, policies, and regulations; safeguarding property rights; improving taxes and public spending; and strengthening accountability between the state and its citizens (World Bank 2011).

<sup>2</sup> Thirty-five percent of the lending portfolio was intended to have an impact on relations between the Federal Government of Somalia and the federal member states through interventions on intergovernmental fiscal transfers, infrastructure development, public service delivery, revenue sharing of petroleum resources, and defining regulatory roles. Additionally, 41 percent of the ASA portfolio reflected some kind of analysis, findings, or recommendations on government–federal member states relations on topics such as energy sector cooperation, revenue sharing, negotiations training, reform implementation, knowledge sharing, and fiscal federalism.

<sup>3</sup> Like other fragile states, Somalia receives most of its revenue from trade taxes. The paper states that in terms of disaster risk management, Somalia exacerbates the common features of most fragile states, including (i) strong heterogeneity of revenue collection and potential between the government and some federal member states, mainly due to reliance on trade taxes, which leaves Puntland and Jubaland in a strong position compared with the other federal member states; (ii) strong competition for taxation among the government, the federal member states, communities, and armed militias, which explains why citizens and businesses pay much more than is captured by official data; and (iii) a relatively limited revenue potential in the short term, but a much higher midterm potential in the event of oil revenues flowing.

<sup>4</sup> These were the Somalia PFM Capacity Strengthening Project (2014–16; \$4.5 million) and the Second Somalia PFM Capacity Strengthening Project (2016–; \$20 million of IDA and \$20 million of trust fund), both of which aimed to establish and strengthen institutional capacity for the management of public funds in central finance agencies and targeted sectors. The Domestic Revenue Mobilization and Public Financial Management Capacity Strengthening Project (2019–; \$20 million) had the aim of strengthening systems of domestic revenue mobilization, expenditure control, and accountability in the federal government, Puntland State, and Somaliland.

<sup>5</sup> Amount excluding the development policy operation proceeds used to repay the Norwegian bridge loan (\$359 million) that were part of DPF P171570, FY20.

<sup>6</sup> The Recurrent Cost and Reform Financing program was modeled after the Afghanistan Recurrent Cost Window but included some lessons and changes in design. It was formalized

as an investment project financing with disbursement-linked indicators and introduced a sliding scale of budget support to incentivize increasing self-sufficiency.

<sup>7</sup>The Organisation for Economic Co-operation and Development Creditor Reporting System recorded IDA financing of \$473 million between 2019 and 2023 out of \$1,206 million for sector I.5.a (Government and Civil Society—General), making IDA the largest donor by far.

<sup>8</sup>Domestic Revenue Mobilization and Public Financial Management Capacity Strengthening Project.

# 4 | World Bank Support for Service Delivery to Citizens

## Highlights

World Bank support for service delivery to citizens is relevant to the success of statebuilding. Citizen-centric programs focused on water and rural resilience, urban resilience, and the shock-responsive social safety net program Baxnaano blended long-term development with short-term emergency financing.

Service delivery objectives of World Bank-financed programs have been mostly achieved, developing the key building blocks of a national safety net program and benefiting an estimated 1.6 million people through programs targeting vulnerable groups, including poor people, rural and farming communities, and internally displaced persons, with a strong focus on female beneficiaries.

Unconditional cash transfers were effective in responding to internally displaced persons and rural populations affected by locusts and floods but do not provide evidence of higher-level outcomes for access to health, education services, or avoidance of displacement of rural households.

The sustainability of Baxnaano is at risk. Government's budget allocations to safety net payments are not sustainable given low domestic resource mobilization. The World Bank's expectation of continued donor grant support to cofinance the program appears unrealistic.

The World Bank did not engage at scale with private or nonstate entities that are providing basic services in health and education in the absence of government capacity.

# World Bank Group Strategy for Service Delivery

This chapter assesses the relevance, effectiveness, and sustainability of World Bank support for service delivery, focusing on water and rural resilience, urban resilience, and safety nets. As highlighted in the 2023 fragility assessment, the provision of essential services helps to establish the reach of the state, which can help build the social contract with citizens, enhance state legitimacy, and overcome conflict drivers.

World Bank support for service delivery, focusing on water and rural resilience, urban resilience, and safety nets, started with trust-funded pilot programs during the ISN period and expanded during the CPF period. The FY14–16 ISN identified specific initial pilot interventions in urban and water that were scaled up with IDA resources during the FY19–23 CPF period. During the CPF period, commitments in support of service delivery amounted to \$872.5 million in three major areas: access to water for rural resilience (\$114 million); urban resilience (\$325.5 million), which includes \$187.5 million for crisis recovery; and safety nets (\$433 million), including \$115 million for locust crisis response and recovery. The evaluation focuses on these three areas of service delivery.

The World Bank did not engage at a significant scale with private entities, charities, or NGOs that are providing basic health and education services. World Bank support for such services was modest, consisting of support for family health workers and teacher training under Recurrent Cost and Reform Financing, piloting procurement of international NGOs for the delivery of health services, and continued investment in data and analytics as a basis for policy dialogue and investment in human capital development. While engagement with nonstate actors and international NGOs occurred as part of third-party implementation, the evaluation did not find a systematic effort to leverage nonstate actors for providing basic services in the country. As a consequence, World Bank support for health and education lagged other service delivery sectors in Somalia, and the CPE does not evaluate these sectors.

## Support for Water and Rural Resilience in Somalia

The objectives of the water and rural resilience interventions were highly relevant to address critical needs, support activities that enhanced state

legitimacy, and fill crucial gaps in promoting sustainable livelihoods (World Bank 2023f). The Water for Agro-Pastoral Livelihoods Pilot Project (WALP, P152024) aimed to improve the pastoral and agro-pastoral communities' access to and management of small-scale water sources and to enhance the government's capacity to implement small-scale water interventions in targeted arid lands of Somaliland and Puntland. The Water for Agro-Pastoral Productivity and Resilience (Biyoole) Project (P167826) supported the development of water and agricultural services among agro-pastoralist communities in dryland areas. The Somalia Water for Rural Resilience (Barwaaqo) Project (SWRRP, P177627) focused on developing water, agriculture, and environmental services for rural communities in the drylands. Although the objectives of the two earlier projects were output oriented, Barwaaqo goes further in specifying outcomes for improving water access, strengthening sustainable livelihoods, and reducing vulnerabilities to climatic events (table 4.1).

These interventions were effective in contributing to substantial progress in rural resilience and food security. As an example, the Water for Agro-Pastoral Productivity and Resilience Biyoole project supported integrated community planning and management of water, land, and livestock resources, including through village development committees. The reliance on sand dams for water storage was a good example of grafting innovative technology appropriate to the country context. According to project Implementation Status and Results Reports, from 2018 to February 2023, Biyoole established 51 community management systems against a target of 45, improving water sources for 362,731 people. The number of farmers adopting improved technology reached 85,015 as of February 2023, compared with the CPF target of 25,000.

In addition to progress on outputs and targets, the water and rural projects contributed to broader social outcomes by strengthening rural resilience, especially among vulnerable populations and female beneficiaries. Table 4.2 reports other achievements of rural resilience: the indicator for the number of people benefiting from flood risk management has been achieved. Although the rural resilience indicator of number of people with improved access to livelihoods support in response to flood or drought shock has been only partially achieved, the number of female beneficiaries exceeded the 2023 target (World Bank 2024f).



**Table 4.1.** Financial Commitments for Water and Rural Resilience in Somalia

Project ID	Project Name	Approval FY	Project Status	Lending, IDA (US\$, millions)	Lending, TFs (US\$, millions)	Lending, Total (US\$, millions)
P152024	Water for Agro-Pastoral Livelihoods Pilot Project	2015	Closed	0	2	2
P167826	Somalia Water for Agro-Pastoral Productivity and Resilience Project	2020	Closed	42	0	42
P177627	Barwaaqo—Somalia Water for Rural Resilience Project	2023	Active	70	0	70
Total				112	2	114

Source: World Bank data.

Note: IDA = International Development Association; TF = trust fund.

**Table 4.2.** Summary Results: Water and Rural Resilience

CPF Indicator	Results of World Bank Group Support
People in rural areas provided with access to improved water sources for multiple uses: domestic, livestock, and horticulture (no.)	362,731 (48% women) against a target of 250,000 (50% women) by 2023
Producers adopting improved agricultural technology (no.)	85,015 (42% women) against a target of 110,000 (50% women) in 2023
Target beneficiaries satisfied with project investments (%)	68.6% against a target of 60% in 2023
People benefiting from improved flood risk management (no.)	572,802 against a target of 525,000 by 2023
People with improved access to livelihoods support in response to flood or drought shocks (no.)	282,362 (141,181 women) against a target of 1,203,650 (116,375 women)

Sources: World Bank project Implementation Status and Results Reports; World Bank 2024f.

Note: World Bank Group objective: increase access to water for rural resilience and productivity. CPF = Country Partnership Framework.

## Building Urban Resilience of Somali Municipalities

World Bank interventions were relevant to improving the capacity of municipalities to deliver urban services and infrastructure in the face of rapid urbanization due to internal migration. The programmatic approach started with a feasibility and pilot phase. The Somalia Urban Investment Planning Project was designed to assess and plan selected urban investment and institutional strengthening activities in targeted cities in southern Somalia, Puntland, and Somaliland, and to enhance project preparation and implementation capacity of participating agencies. The follow-on Somalia Urban Resilience Project (SURP) was to strengthen public service delivery capacity at the subnational level and support the reconstruction of key urban infrastructure. The scope of SURP II also included climate resilience and crisis response, including for IDPs. SURP II was followed by the Somalia Crisis Recovery Project, which supported the recovery of livelihoods and infrastructure in areas affected by flood and drought and strengthened capacity for disaster preparedness nationwide (table 4.3).

The urban resilience programs have been effective in building municipal capacity and providing priority local infrastructure and services to urban communities in targeted municipalities. The decentralized implementation model enabled municipalities to deliver a cash transfer program for IDPs to integrate flood- and drought-affected households with urban beneficiary communities. The 2016 Somalia Urban Investment Planning Project and its 2019 additional financing helped municipalities plan and design climate-resilient urban investments that were implemented by the follow-on SURP I and SURP II, which financed priority urban infrastructure in major cities and expanded coverage to higher-risk states, such as Hirshabelle and Galmudug (World Bank 2024f). To strengthen social cohesion, interventions were targeted to benefit new IDPs, protracted IDPs, and host communities.

**Table 4.3. Financial Commitments for Urban Resilience and Crisis Recovery in Somalia**

Project ID	Project Name	Approval FY	Project Status	Lending, IDA (US\$, millions)	Lending, TFs (US\$, millions)	Lending, Total (US\$, millions)
P150374	Somali Urban Investment Planning	2016	Closed	0	6.0	6.0
P166591	Somali Urban Investment Planning	2019	Closed	0	3.0	3.0
P163857	Project Additional Financing Somalia Urban Resilience Project	2019	Closed	0	9.0	9.0
P170922	Somalia Urban Resilience Project II	2020	Active	50.0	0	50.0
P178887	Somalia Urban Resilience Project Phase II Additional Financing	2022	Active	20.0	0	20.0
P179775	Somalia Urban Resilience Project Phase II Second Additional Financing	2023	Active	50.0	0	50.0
Subtotal				120.0	18.0	138.0
P173315	Somalia Crisis Recovery Project	2020	Active	137.5	0.0	137.5
P176343	Additional Financing to the Somalia Crisis Recovery Project	2021	Active	50.0	0.0	50.0
Subtotal				187.5		187.5
Total				307.5	18.0	325.5

Source: World Bank data.

Note: Shaded rows denote operations designed specifically for crisis or emergency response. IDA = International Development Association; TF = trust fund.

The SURP made progress on CPF and project indicators (table 4.4). IEG rated SURP I moderately satisfactory, as capacity and investments were limited to the roads rehabilitated and did not institutionalize the accountability built by the project interventions. Based on results achieved by SURP I and SURP II, the Completion and Learning Review Validation rated the urban resilience as achieved. Targets for the number of beneficiaries have been exceeded (table 4.4). In terms of female employment, the program has reached 36,685, or 80 percent of the end-2023 target of 45,000.

**Table 4.4.** Summary Results: Urban Resilience

CPF Indicator	Results of World Bank Group Support
Beneficiaries satisfied that the rehabilitation of secondary urban roads met their needs in Mogadishu, Garowe, Kismayo, and Baidoa (no.; % IDPs)	331,973; 87%
People with access to improved roads within 500 m of Mogadishu, Garowe, Kismayo, and Baidoa (no.; % IDPs)	516,723; 19.7%
150,000 person-days of employment for the rehabilitation or construction of roads in Mogadishu, Garowe, Kismayo, and Baidoa; 30% of person-days created will target women and 30% will target youth (no.; %)	240,840; 15.2% female; youth share not validated
Rehabilitation of 30 km of road in selected cities	27.6 km of urban roads rehabilitated

Source: World Bank 2024f.

Note: World Bank Group objective: build the capacity of municipalities for urban resilience. CPF = Country Partnership Framework; IDP = internally displaced person; km = kilometer.

## Support for Safety Nets in Somalia

The World Bank’s measured approach to a safety net program was upended by a series of natural disasters, and the World Bank reoriented its approach to help Somalia respond to these shocks. Development partners had been financing humanitarian cash transfers over many years when, in 2019, Somalia adopted a multisectoral Social Protection Policy. The policy aimed at mitigating vulnerability, better aligning humanitarian and developmental objectives, and reducing reliance on short-term humanitarian aid. A World

Bank ASA supported the government through a more measured approach to explore design options for a state-led safety net program and provide technical assistance on delivery systems. In spring 2019, torrential floods forced accelerated preparation of the planned safety net program (Al-Ahmadi and Zampaglione 2022).

Between May and July 2019, the Shock Responsive Safety Net for Human Capital Project (SNHCP) was designed to support the government to establish its first national unconditional cash transfer program (Baxnaano). Less than a year later, Somalia experienced the worst locust outbreak in 25 years. In response, the World Bank approved the Safety Net for Locust Response Project (SNLRP), aiming to scale up Baxnaano. Considering the persistence of the locust crisis and to ensure continuity of the regular Baxnaano program, the World Bank approved additional financing operations in 2021 and 2022 for \$328 million (table 4.5).

These interventions to support the strengthening of safety nets were relevant to help Somalia cope with multiple shocks. The SNHCP is building on early efforts to create a social protection system (Baxnaano). Its objective is to provide nutrition-linked cash transfers to targeted poor and vulnerable households and establish the key building blocks of a national shock-responsive safety net system. The objective of the SNLRP is to protect the food security and livelihoods of poor and vulnerable households affected by the locust outbreak and strengthen social protection systems.

The SNHCP has been effective in developing the key building blocks of a national safety net program, delivering regular unconditional cash transfers to 1.6 million beneficiaries and in launching a Unified Social Registry (USR; table 4.6). As of April 2023, about 1.59 million individuals, 796,362 of them women, received regular cash transfers of \$20 per month in quarterly installments, compared with targets of 2.25 million people and 1.125 million women by the end of 2024 (World Bank 2024f). The SNHCP also supported the development and implementation of a USR, which was an HIPC Completion Point milestone. Actual implementation of the USR supported by the SNHCP and the SNLRP appears to be slower than expected, having registered 212,470 households as of April 2023, against combined targets of 660,000 by 2024.

**Table 4.5. Financial Commitments for Safety Nets in Somalia**

Project ID	Project Name	Approval FY	Project Status	Lending, IDA (US\$, millions)
P171346	Shock Responsive Safety Net for Human Capital Project	2020	Active	65
P176368	Shock Responsive Safety Net for Human Capital Project Additional Financing	2021	Active	110
P178730	Second Additional Financing for the Shock Responsive Safety Net for Human Capital Project	2022	Active	143
	Subtotal			418
P174065	Shock Responsive Safety Net for Locust Response Project	2020	Active	40
P176369	Shock Responsive Safety Net for Locust Response Project Additional Financing	2021	Active	75
	Subtotal			115
	Total			533

Source: World Bank operations data.

Note: Shaded rows denote operations designed specifically for crisis or emergency response. IDA = International Development Association; TF = trust fund.

**Table 4.6. Summary Results: Safety Nets**

CPF Indicator	Results of World Bank Group Support
Beneficiaries of social safety net programs (no.; % women)	1,592,724 beneficiaries against a target of 2,250,000 by end-2024; 50% women
Households receiving cash transfers (no.)	265,454 against a target of 375,000 by end-2024
Households receiving shock-responsive benefits to cope with an adverse climatic event (no.)	240,752 against a target of 338,000 by end-2024
Developed Unified Social Registry (USR)	Yes
Households registered in the USR (no.)	212,470 against a target of 660,000 by end-2024
Locust-affected households receiving emergency cash transfers (no.)	259,895 against a target of 260,000 by 2023 1,559,370 beneficiaries of social safety net programs for locust emergency (2023)

Sources: Qureshi 2024; World Bank 2024f.

Note: World Bank Group objective: As part of Objective 13, "Improve delivery systems for more inclusive social services," the CPF envisaged that the World Bank team would start work to build the systems of government necessary to leverage existing cash transfer programs toward a more sustainable safety net system to be able to respond to shocks. CPF = Country Partnership Framework; USR = Unified Social Registry.

The twin objectives of building a safety net system alongside a shock response mechanism and the existence of multiple donor-financed programs in Somalia created their own challenges. The humanitarian approach for the shock response mechanisms (for example, SNLRP) adopted a community-based targeting approach guided by predetermined eligibility criteria to capture the effects of locust infestation. But this slowed the transition to a developmental approach involving more complex targeting approaches. Although the World Bank aimed to strengthen the government's program, led by the Ministry of Labor and Social Affairs, the World Food Programme was handling actual cash transfers with technical support from the United Nations Children's Fund. Other donor agencies perceived handing over control of cash transfers to the government as high risk and preferred to continue implementing these programs independently. Those parallel approaches also hindered the adoption of a uniform targeting methodology to integrate the multiple donor programs under one umbrella.

The crisis response projects leveraged the existing platforms established by the urban and safety net projects to disburse cash to affected populations and included longer-term development components. World Bank support financed the response to and recovery from the pandemic, drought, and locust infestation. The Somalia Crisis Recovery Project provided livelihood support to households affected by floods and drought; and the SNLRP leveraged the Baxnaano platform to deliver cash transfers to mitigate the shocks of the locust infestation benefiting an additional 1.6 million Somalis.

Safety net programs addressed food insecurity among the vulnerable. Regular postdistribution monitoring of samples of beneficiaries reported that cash transfers were primarily used for food purchases, addressing food security in line with the program's rationale, but also for debt repayments. The beneficiary sample comprised 99.6 percent of individuals living below the global poverty line (\$2.15 per day). While the monitoring noted positive outcomes at the household and community level, it also identified areas to strengthen the sustainability and effectiveness of the Baxnaano program, including direct beneficiary engagement, initiating a livelihood component, strengthening social support, gender empowerment, enhanced communication and outreach, and data management and governance (Somalia 2023a).

## Overall Assessment

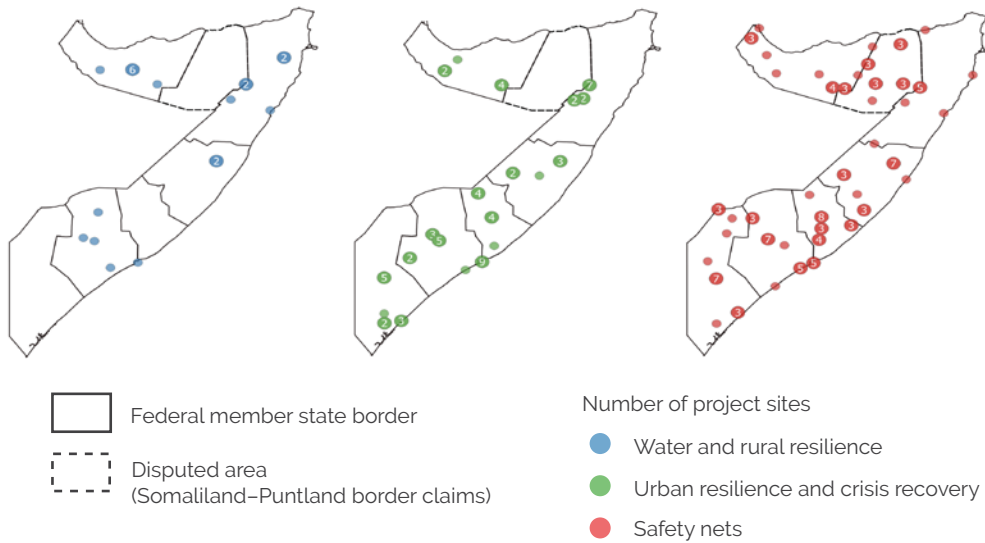
The service delivery objectives of World Bank–financed programs have been mostly achieved through programs targeting the vulnerable, such as poor people and IDPs. IEG’s Completion and Learning Review Validation rated the CPF development outcome over FY19–23 moderately satisfactory (World Bank 2024f). Despite the progress during the past few years, both the PLR and the Completion and Learning Review recognize that capacity remains weak and fragile. The Completion and Learning Review finds that spending on social services delivery and social assistance also increased notably. There was reasonable progress on resilience, with improvements in urban roads and water infrastructure and expanded and improved access to water in rural areas for domestic, livestock, and horticultural use. A growing number of people in rural areas benefited from improved flood risk management and from greater access to livelihood support in response to major shocks. Safety nets seem to work well as a shock response mechanism. However, rollout of the USR is lagging, and concerns about the sustainability of the safety net program expressed in 2022 were validated by the CPE mission.

The geographic coverage of service delivery projects initially focused on the relatively safe, higher-capacity government areas of Mogadishu, Somaliland, and Puntland and expanded during the CPF period to cover other parts of the country. The coverage of the safety net project expanded more rapidly than the other two sectors, whose physical works require more lead time (figure 4.1).

Community beneficiaries and district government stakeholders concurred that World Bank urban and water infrastructure projects were highly relevant and addressed pressing community needs.<sup>1</sup> Stakeholder feedback from focus group discussions in three cities acknowledged the benefits of various infrastructure projects, including the paving of main roads, solar streetlights, drainage systems, and water harvesting renovations. Participants found these projects to be highly relevant to community priorities, leading to tangible improvements in mobility, safety, and overall living conditions. Respondents highlighted the community’s active role in project planning, which cultivated a strong sense of ownership and willingness to maintain the projects. While focus group participants were aware of the World Bank’s support for statebuilding, very few were aware of the safety net program Baxnaano.



**Figure 4.1.** Geographic Coverage of Service Delivery Projects in Somalia, FY14–22



Sources: Independent Evaluation Group; World Bank project documents for the water and rural resilience, urban resilience and crisis recovery, and safety net portfolios.

Note: The expansion of the Barwaaqo water project to southern states in 2023 is not reflected in the figure, but by the end of the Country Partnership Framework period, its geographic coverage was also more widespread. This map has been cleared by the World Bank Group cartography unit.

## Sustainability of Service Delivery Programs

The high country ownership of urban, water, and rural resilience projects among government agencies and communities bodes well for the sustainability of these projects. The very positive feedback received during the focus group discussions both with government agencies and local communities indicates that the sector will remain high on the government’s list of development priorities, and local communities have a vested interest in ensuring that those programs will be sustainable. The gradual scaling up of the programs in targeted cities and their careful design balancing the needs of IDPs with those of host communities helped nurture local ownership and social stability, as confirmed by focus group participants, while expanding the coverage of urban services, in keeping with local institutional capacity.

The sustainability of the safety net program, however, is uncertain. In terms of financial sustainability, an estimated 14 percent of the government’s

budget was allocated to safety net payments in 2023, a high share given low domestic resource mobilization. The social safety net interventions represented a statebuilding investment in systems, institutions, and capacity, under the leadership of the government. However, it is unlikely that this level of the government budget will continue to be allocated to safety nets. Expectations of development partner grants to cofinance the program are not likely to materialize. Client counterparts expressed weak ownership of safety nets, preferring infrastructure and economic development priorities. Additionally, the Ministry of Labor and Social Affairs' own resources and capacity to administer a large-scale safety net program remain uncertain. Weaknesses in all three dimensions—financial sustainability, country ownership, and institutional sustainability—indicate that the sustainability of the safety net program is at risk.

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<sup>1</sup> The focus groups included almost 100 adult participants, including 61 male and 35 female respondents in the cities of Banaadir/Mogadishu, Garowe in Puntland federal member state, and Baidoa in Southwest federal member state.

# 5 | Adapting to Somalia's Fragility, Conflict, and Violence Environment

## Highlights

The World Bank's engagement was well adapted to the capacity and financial constraints of the fragility, conflict, and violence (FCV) situation in Somalia. The *phased* and *iterative* approach of the portfolio was well suited to overcoming Somalia's limited capacity. However, rapid program expansion could overwhelm existing capacity and approaches.

The Multi-Partner Fund for Somalia facilitated coordination among development partners and financed capacity building, enhanced supervision budgets, and third-party monitoring critical to the program's success. The use of United Nations-supported project implementation has expanded the World Bank's reach. However, the World Bank's operating model does not adequately reflect the high cost of doing business in FCV and relies on Multi-Partner Fund financing for operating in Somalia.

The World Bank has achieved above-average project ratings and disbursement rates and shorter project preparation times. However, a lack of FCV-related indicators limits insights into the FCV impact of the portfolio.

## Adaptations in Programming and Approach

Early financing limitations forced the World Bank to take a phased approach, moving from core governance reform to sector interventions. Before IDA resources became available in 2020, the World Bank, guided by the FY14–18 ISN, focused on building the foundations for larger-scale financing. Public sector investment projects described in chapter 2 focused on recurrent costs and payroll management, PFM reform, and civil service reform. With these early investments that helped put in place the basic governance systems, the portfolio could gradually expand under the FY19–23 CPF to include citizen-centric engagements such as water and rural resilience, urban resilience, and social safety nets.

The phased approach was suited to overcoming Somalia’s capacity limitations. Limited availability of financing forced teams to strategically use analytics and small trust-funded pilots before scaling up initiatives. Early engagement in water, education, social protection, and urban resilience was initiated through analytic work designed to lay the groundwork for increased investments. This approach allowed for adaptation to the highly dynamic context. Although the phased approach requires significantly more support from task teams, it is worthwhile to continue, as has been recognized by the PLR and Completion and Learning Review (World Bank 2022c, 2024f).

Recurrent Cost and Reform Financing used capacity and systems-building activities with financing based on disbursement-linked indicators with eligibility criteria and a sliding scale. This nimble approach supported discrete steps for building systems and state capacity that was paired with financing and tailored to the Somalia context. It also proved to be a vehicle for pragmatic and effective decentralized engagement with the federal member states (World Bank 2023e). Thus, the Recurrent Cost and Reform Financing series became an effective instrument for the Somalia context (see chapter 3).

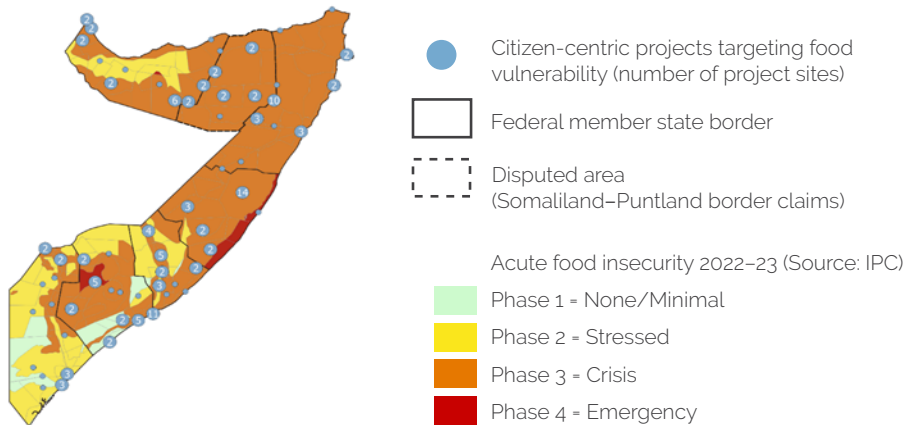
The World Bank has increasingly been able to attract and retain staff based in Nairobi, while deploying more regular, flexible support to clients in Somalia. Attracting more (GH-level) staff with FCV experience remains important, as Somalia’s complexity requires staff willing to make a long commitment. Several World Bank projects depend on a small number of highly capable staff with a long record and deep understanding of the Somali context, making the program vulnerable to turnover.

## Enhancing the Reach of the World Bank Portfolio

The World Bank has increased its geographic coverage to reach less secure and more challenging locations over time. World Bank engagement initially focused on the relatively safe, higher-capacity areas of Mogadishu, Somaliland, and Puntland. Those areas received two-thirds of government-centric project engagements and accounted for half of citizen-centric project sites in FY14–18. In the FY19–23 CPF period, as the program shifted to investments in human development and national infrastructure, geographic coverage also changed. Engagement in the higher-risk central and southern regions grew, and the first projects with near-national coverage took place. With available financing increasing, the number of individual project sites of citizen-centric projects rose by 265 percent from FY14–18 to FY19–22.<sup>1</sup>

As the portfolio expanded, the World Bank was able to operate where needs were highest but was also more exposed to conflict. During FY14–18, 52 project sites were within 20 kilometers of a battle, terrorist attack, or other conflict event. During FY19–22, this increased almost threefold to 141, which is half of all project sites. Almost 80 percent of the sites of projects targeting food vulnerability were in areas of crisis-level food insecurity (figure 5.1).

**Figure 5.1.** Citizen-Centric Projects Targeting Food Vulnerability, FY14–22



Sources: Independent Evaluation Group; World Bank project documents (entire portfolio).

Note: Food insecurity phases were derived based on the calculation of the average between IPC's data for the following periods: (i) October 2022 to December 2022 (current), and (ii) August 2023 to September 2023 (current). The determination of the corresponding food insecurity phase was determined by applying the same decision rules established by IPC (refer to IPC Technical Manual version 3.1). This map has been cleared by the World Bank Group cartography unit. IPC = Integrated Food Security Phase Classification.

## Conflict and Fragility Sensitivity in Project Design

Few projects benefited from FCV analyses beyond that provided by the fragility assessments. Although almost half (45 percent, 22/49) of financing projects cited some source of FCV insights that had informed project design, this was largely limited to World Development Reports and lessons from other countries or previous projects. Positive exceptions include the Somali Urban Investment Planning Project, which benefited from cross-cutting studies on conflict and the socioeconomic impact of infrastructure components; the Somalia Emergency Drought Response and Recovery Project, which was informed by a World Bank internal Rapid Drought Needs Assessment; and SURP, which conducted institutional and social economy assessments for every city in which it operated.

Such analyses are particularly important given the lack of presence in the field and the absence of portfolio-level FCV risk monitoring, which would track the evolving FCV context, identify implications for the portfolio, and determine what course corrections may be needed.<sup>2</sup> For example, some sectoral analysis has been conducted by the Governance Global Practice on the role of the state in the education sector (World Bank 2024). The Multi-Partner Fund makes available dedicated funding to the World Bank's country unit to support the implementation and operationalization of the fragility assessment, including FCV risk monitoring, FCV project lens, FCV diagnostic and political economy analysis, and FCV Enhanced Supervision Support.

The Somalia portfolio was designed to address conflict drivers. The 2023 fragility assessment identified three interlinked and reinforcing fragility drivers. Addressing the state-state conflict driver requires strengthening the stability, coherence, and capacity of the state. A third of the portfolio (15/49) primarily targeted this driver, mostly through PFM interventions (6/15). This was complemented by an ASA portfolio that provided direct analytic and research support, with a quarter of ASAs (16/66) covering PFM (World Bank 2015).

Overcoming the state-society conflict driver requires the state to provide more services and benefits to its people to gain authority. Over half of the portfolio (28/49) primarily targets this driver, with a focus on capacity injection and service delivery, the topic of half (37/66) of ASAs. The World Bank

has set up civil service training institutions and developed training programs.<sup>3</sup> Through the Capacity Injection Project, the staffing of line ministries and central agencies was strengthened, and operational plans for all key ministries and monitoring and evaluation frameworks were set up to track their performance (World Bank 2024d).

Inclusive access to resources and mechanisms to manage intercommunal disputes are key to addressing the society-society conflict driver. This driver was the least addressed by the World Bank program. The Biyoole project addressed population displacement because of insufficient water resources and weak government authority, strengthening local intercommunity trust (World Bank 2024k).

**Table 5.1.** Frequency of Project-Level Fragility, Conflict, and Violence Adaptations

	2014–18 (19 Projects)		2019–22 (30 Projects)		2014–22 (49 Projects)	
	First Strategy Period—ISN		Second Strategy Period—CPF		Total	
	Yes	%	Yes	%	Yes	%
	UN partnership	6	32	8	27	14
Local partnerships	2	11	2	7	4	8
Indicators to measure impact on conflict	2	11	3	10	5	10
Beneficiary feedback	3	16	17	57	20	41
Other design adaptations	5	26	15	50	20	41

Source: Independent Evaluation Group portfolio analysis.

Note: CPF = Country Partnership Framework; ISN = Interim Strategy Note; UN = United Nations.

Overall, 67 percent of lending projects were designed with adaptations to the FCV context. These adaptations were included to mitigate conflict risks to the projects, their staff, or property, or to overcome conflict-related risks to achieving the project objective while not exacerbating conflict risks (table 5.1). Adaptations were most common in citizen-centric projects, as they are more exposed to FCV risks than government-centric projects. Other



design adaptations included being sensitive to clan issues when hiring consultants and awarding contracts or using a two-track project rollout (World Bank 2014b).<sup>4</sup> Projects least frequently included local partnerships and FCV indicators in their design.

## Implementation Modalities

To overcome government capacity constraints, the portfolio remains reliant on UN agencies and NGOs to support implementation. The Bank Group used three project delivery arrangements: government-led implementation, third-party implementation, and hybrid models. The portfolio's expansion and sectoral diversification added significant complexity and increased reliance on the implementation capacity of state and municipal governments. Their persistent access constraints challenged implementation and monitoring. To overcome this, the World Bank has continued to rely on hybrid arrangements, in which the World Bank concludes an agreement with the government that signs service contracts with UN agencies or NGOs to deliver specific components, reducing the burden on the government.<sup>5</sup> In both the ISN and CPF periods, a quarter of projects had hybrid implementation arrangements. As of January 1, 2023, government-managed service contract commitments with UN agencies totaled \$342 million, of which \$314 million has been disbursed, representing 52 percent of the active portfolio.<sup>6</sup>

IEG found no evidence that hybrid-implemented projects operate more quickly or in riskier environments. Hybrid implementation of projects reduces the government's project implementation burden. The fragility assessment also argued that it allowed projects to operate faster and further than a government PIU could achieve. No evidence of this has been found. For example, the fully third party-implemented Somalia Emergency Drought Response and Recovery Project was able to achieve, on average, 76 percent of its direct support targets within the first six months of effectiveness.<sup>7</sup> Other projects that combined direct support with longer-term investments do not show consistent differences in achievement rates between conventional government-led projects and the hybrid approach. There is also no evidence that hybrid-implemented projects can operate in more insecure environments than government-led projects. During the CPF period, government-led citizen-centric project sites were almost twice (1.78 times) as

likely to be within 20 kilometers of a conflict event as were hybrid-approach project sites. Yet hybrid implementation can limit implementation pressure on the government.

The 2023 fragility assessment reported challenges in mobilizing and delivering financing under the Crisis Response Window or Contingent Emergency Response Components (World Bank 2024g).<sup>8</sup> Even when funds are disbursed quickly by the government to an implementing partner, they can still take months to reach beneficiaries. For example, the Shock Responsive SNLRP took less than eight months to go from concept to first disbursement in December 2020.<sup>9</sup> Yet over 80 percent of disbursements were made to implementing partners after April 2021, a year after the start of the locust outbreak. The Somalia COVID-19 Emergency Vaccination Project did not disburse in its first year of effectiveness, with the first disbursement taking place in October 2022 (World Bank 2024g). The Bank Group’s comparative advantage is in providing predictable financing for systems strengthening and investments that address the underlying drivers of vulnerability and fragility, as demonstrated in the SURP, Biyoole, and Baxnaano projects.

There are trade-offs between short-term delivery needs and longer-term statebuilding objectives. Relying on UN agencies and NGOs for project delivery can undermine efforts to strengthen country systems and build state legitimacy (World Bank 2022e). Some projects mitigated this by providing dedicated systems-building contracts to UN partners to ensure that in addition to service delivery, government capacities and systems are built. Even when the government is not implementing, its role, whether coordination or facilitation, should be communicated to the public to support state authority.

## Inclusion, Beneficiary Selection, and Feedback

Most citizen-centric projects took measures to ensure inclusion and avoid doing harm. As the World Bank portfolio expands and reaches ever more vulnerable areas, its risk profile increases, as does its potential to do harm. The 2020 FCV Strategy emphasizes that development programming should follow “do no harm” principles (World Bank 2020g). An important component is ensuring the inclusion of underresourced groups among beneficiaries. Three-quarters (76 percent; 19/25) of citizen-oriented projects included

measures to reach vulnerable groups such as agro-pastoralists, victims of gender-based violence, elder citizens, and those affected by droughts, food insecurity, and locust infestations. As projects expand support for service delivery, the need to focus on fostering social cohesion increases.<sup>10</sup>

An increasing number of projects include beneficiary feedback in their results frameworks, yet consultation with local stakeholders remains modest. Sixteen percent of FY14–18 ISN projects (3/19) included indicators to track beneficiary feedback. The share rose to 57 percent (17/30) in the FY19–23 CPF period. These indicators, on satisfaction, feedback, and perception of project success, help track beneficiary perceptions and reduce the potential of doing harm (World Bank 2014a). However, only 8 percent (4/49) of projects involved partnerships with Somali organizations. These beneficiary engagements were considered key to achieving beneficiary satisfaction and preventing local conflict (World Bank 2019e).

## Monitoring and Supervision of World Bank Operations

A lack of FCV-related indicators limits insights into the direct FCV impact of the portfolio. The portfolio explicitly aims “to address the structural drivers of fragility” (World Bank 2018a, 6), yet very few projects measured direct FCV impacts. The Biyoole project was unable to complete an intended monitoring system for localized resources-based conflict but did record perceptions of reduced conflict and tracked community stakeholders who attributed project benefits to the government (World Bank 2019e). The Special Financing Facility for Local Development similarly tracked perceptions of Regional Administrations or federal government performance and benefits for both IDPs and host communities, as did SURP (World Bank 2016a). Yet the vast majority of projects did not include relevant indicators, without which the portfolio’s impact on stabilization efforts cannot be assessed.

The innovative use of a third-party monitoring agent financed by the Multi-Partner Fund was critical to collect data on project indicators. The fund has financed enhanced supervision budgets and a portfolio-level third-party monitoring agent. Especially in southern Somalia, the World Bank is fully dependent on third-party monitoring. The monitoring agent has also provided

capacity-building support to PIUs and government counterparts. This is complemented by a professional services contract allowing task teams to hire consultant-type assets in the field beyond the security duty of care of the World Bank (World Bank 2022b). The success of this and other mitigation measures is shown by the fact that, despite Somalia's significant security and capacity challenges, only 1 closed and evaluated project (out of 15) did not collect data on all its indicators.

The experience with the Geo-Enabling Initiative for Monitoring and Supervision (GEMS) has been mixed, and its rollout would require appropriate support. GEMS can help track risks and monitor project outputs in real time, enabling more strategic oversight.<sup>11</sup> However, there are limitations, as PIUs need to supply sufficiently granular data, which only six projects do so far. An attempt to track the World Bank's drought response could not be completed because of a lack of data. Many PIUs need support to take this on. Finally, GEMS is a picture-based platform and does not deliver the human intelligence of site visits. The Biyoole project mitigated this by working with CARE International. This yielded not just pictures but also the benefits of a strong local network at a lower cost than the third-party monitoring agent.

## Partnerships and Donor Coordination

The Multi-Partner Fund for Somalia fostered an environment of strong donor coordination. The Multi-Partner Fund coordinates donor financing and allows the use of country systems to finance investment projects and increasingly cofinance IDA investments. This financing created an operating environment where collaboration and partnerships became the norm. Although the portfolio has been transitioning from Multi-Partner Fund-only to hybrid IDA-Multi-Partner Fund financing, the Multi-Partner Fund continues to serve as a platform for dialogue. As a result, development partners and counterparts perceive the World Bank in Somalia as very open to cooperation and coordination. The World Bank also engages frequently with other organizations, including the European Union,<sup>12</sup> the International Organization for Migration,<sup>13</sup> the African Development Bank, and key bilateral donors such as Germany, Norway, and the United Kingdom. Donor coordination and harmonization are key to avoid overstressing the authorities and donor overlap (World Bank 2022c). Continuing good cooperation is vital even as

the relative importance of the Multi-Partner Fund declines and IDA funding becomes increasingly available.

The aid architecture supported by the Multi-Partner Fund was a catalyst for a strong and productive UN–World Bank partnership in Somalia. The UN–World Bank Partnership Trust Fund financed early joint work on the Multi-Partner Fund aid architecture. Recognizing the value of this, both institutions devoted more internal resources to the partnership, for example by financing a UN–World Bank liaison officer to deepen cooperation and advance joint priorities and activities.<sup>14</sup> Partnership with the UN Assistance mission in Somalia also allowed the World Bank to engage in the security and justice sectors while staying within its mandate and comparative advantage. Whereas United Nations Somalia brought its political mandate, network, technical expertise, and experience in the Somalia security and justice sectors, the World Bank offered technical expertise in PFM and human resources reforms.

## Flexibility in Policies and Processes

The pragmatic application of Operational Policy (OP) 7.30 avoided a complete disengagement in 2021–22. In 2021 and 2022, Somalia faced a political impasse. Parliamentary elections were postponed multiple times because of disagreements. This situation resulted in the contentious extension of President Farmaajo’s term beyond the constitutionally mandated end date. In response, the World Bank conducted a review under OP 7.30 in April 2021. OP 7.30 lays out the conditions under which the World Bank can suspend disbursements for existing country financing instruments because of the accession to power by a de facto government by means not provided for in a country’s constitution. The assessment found that despite political turmoil, Somalia had succeeded in ensuring smooth implementation of the portfolio, preparing new operations, and honoring all financial commitments with the World Bank. Moreover, neither the incumbent government nor any opposition leaders challenged or objected to the government’s ability to secure development partner assistance.

The OP 7.30 assessment concluded that the preparation, appraisal, negotiations, and approval of IDA19 pipeline operations should continue, with a

focus on supporting Somalia's resilient and inclusive recovery. This meant prioritizing projects with a clear focus on crisis response and human capital while postponing more politically sensitive projects (such as a proposed DPF operation and a currency reform project) until after a transition of power. The Country Management Unit made clear that HIPC could not continue without a resolution of the impasse and progressively curtailed the options for engagements while maintaining ongoing projects. It also warned of the potential complete withdrawal of World Bank funding, creating an incentive to resolve the impasse while not undercutting ongoing projects. Thus, the World Bank avoided the cessation of activities, which in other countries had disrupted programs (World Bank 2021f; World Bank 2022g). The application of OP 7.30 was lifted after the election of President Hassan Sheikh Mohamud in May 2022.

Engaging in Somaliland required additional adaptation and flexibility. As Somalia moved from Multi-Partner Fund to IDA financing, the World Bank had to sign financing agreements with the Federal Government of Somalia, which in turn had to sign subsidiary agreements with the federal member states. This became a challenge in the case of Somaliland, which does not recognize Federal Government of Somalia authority and has no official channels of communication and fiscal transfers with the Federal Government of Somalia. Through careful negotiations led by the country team with support from the Legal Vice Presidential Unit, the first subsidiary agreements were signed in 2021, having so far allowed 11 IDA-financed projects to operate in Somaliland.

Financial and procurement controls remain weak, as does the capacity to manage contracts, both of which increase fiduciary risks, especially as the portfolio grows and becomes more complex (World Bank 2024f). Project investments are now divested to regional and local governments and spread across larger areas, constraining the ability to apply standard methods for project supervision and implementation support. The World Bank requires 100 percent prior review of procurement transactions and operational costs, frequent reviews, and reporting on key transactions (World Bank 2022c). As a result, World Bank staff are required to provide "no objections" for most project decisions and expenditure requests above \$500. The World Bank has established External Assistance Fiduciary Section units at the federal government and the federal member states to handle the financial management

responsibilities for all externally financed projects (World Bank 2024b). This strengthened and consolidated national capacities while reducing the risk of overstretching limited human resources (World Bank 2022c). However, as the portfolio grew, financial and procurement control challenges increased, putting significant demands on project teams' time and contributing to implementation delays (World Bank 2023e, 2024g, 2024j). Staff perceive this as a lack of operational flexibility and see a need for more operational support for project teams. Similar constraints apply to the Bank Group's ESF, where client capacity for application is limited (World Bank 2024g).

## Security and Cost of Doing Business

The rapidly expanding portfolio is stretching the logistics and security arrangements needed for project appraisal and supervision. The establishment of centralized platforms for mission travel early in the Bank Group's reengagement enabled more flexible and frequent travel to Mogadishu, Garowe, and Hargeisa. However, when Bank Group staff visit Mogadishu, their engagements are mostly confined to a small compound at the airport, which is insufficient to meet the increasing demand. Travel to other cities, including the other federal member states, such as Kismayo and Baidoa, and especially rural areas, including in Puntland, remains challenging and a constraint on project site selection (World Bank 2018c and project documents).<sup>15</sup> There, teams remain reliant on the UN for security, accommodation, and logistics, while areas outside of secondary cities in South Central are still off-limits (World Bank 2022f).

The Bank Group's operating model does not adequately reflect the high cost of doing business in Somalia's FCV environment and depends on Multi-Partner Fund financing for continued operation. Engagement in Somalia requires intensive client engagement, as reflected in high appraisal and supervision costs. Presence in the field is crucial, but security and logistics costs are high.<sup>16</sup> Field visits are prohibitively expensive. Reportedly, a supervision visit to one or two Biyoole sand dams was budgeted at \$10,000 against a yearly supervision budget of \$20,000. Task team leaders perceive their supervision budgets as too low, limiting the quality of supervision and learning. The Multi-Partner Fund financed much of the additional cost for the portfolio's enhanced risk management, including project appraisal and

supervision budgets, security and logistics costs for mission travel, and the portfolio-level third-party monitoring agent, and will continue to at least until 2028 (World Bank 2024g). However, this dependence on trust fund resources for essential project costs indicates that the Bank Group's business model is insufficiently adapted to the high cost of doing business in FCV.

## Project Preparation and Implementation Times

The World Bank has achieved above-average project ratings and disbursement rates and short project preparation times, but government absorptive capacity may be declining. In FY22, projects in the Somalia portfolio took just over 17 months from Concept Note to first disbursement, in contrast to the 22-month average for FCV countries and the 25-month average in non-FCV countries. Disbursement rates have been high. In FY24, the disbursement ratio for the portfolio stood at 44 percent, slightly above the FCV average of 41 percent (World Bank 2024e). However, a decrease in investment project financing disbursement rates in recent years, from 58.7 percent in FY20 to 34.6 percent in FY21 and 30 percent in FY22, indicates that the growth of project sizes is exceeding government capacity, according to the 2023 fragility assessment.

## Outlook

The expanding program poses challenging questions about the balance between personal safety, cost, and in-person supervision. Staff value in-person site visits over reliance on third-party monitoring or GEMS, but staff interviewed for this evaluation expressed that Corporate Security limitations had become more restrictive, limiting access to project sites. More missions at an acceptable risk level could be made possible by spending more on security. Corporate Security indicated that greater flexibility could be achieved by expanding their team, making them less reliant on local vendors, and by expanding the security budget to allow for more armored cars, secure accommodation, and intelligence.<sup>17</sup> Corporate Security saw a potential for greater and earlier cooperation with task teams by increasing their involvement in project design to allow more security-informed site selection and accurate projection of supervision costs.



Improvements in core government capacity have not kept pace with the rapid growth of the portfolio. World Bank support has been channeled through country systems to strengthen government service delivery capacity and accountability to its citizens. However, improvements in core government capacity and client institutional capacity to implement projects, particularly in procurement, financial management, and safeguards, notably ESFs, have not kept pace with the increasing size and complexity of the portfolio (World Bank 2024f, 2024g). Projects are reliant on core government systems, which are often overstretched and not always interoperable across federal and state levels. This limits the application of systemwide workflows and controls. Few projects have established effective supervision and governance arrangements from their parent ministries, and PIUs are hindered by a lack of institutional support from broader government institutions, according to the 2023 fragility assessment. There is demand among teams for common approaches, similar to the External Assistance Fiduciary Section units, to address government capacity, especially on ESF implementation.

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<sup>1</sup> Citizen-centric projects are those that have as their primary beneficiaries the Somali people, such as service delivery projects, whereas government-centric projects directly support the government, for instance through capacity building.

<sup>2</sup> A new Somalia FCV Risk Platform is being prepared to help strengthen the FCV sensitivity of the World Bank's Somalia portfolio and enhance the country team's understanding and management of the evolving FCV and political economy risk landscape (World Bank 2024b).

<sup>3</sup> The School of Management and Public Administration in the Somalia National University, Mogadishu, and the Institute of Public Administration and Management in the Puntland State University, Garowe.

<sup>4</sup> To mitigate risks related to rolling out projects to new geographic areas in the south, where government structures are less developed and human resource capacities weaker, Biyoole adopted a stepwise, incremental approach on two separate tracks. Project activities were rolled out in Somaliland and Puntland immediately after project effectiveness, whereas in Galmudug and Southwest states, activities focused during the initial 18 months of the project on laying the necessary groundwork through training and other support to address readiness criteria for accession to the project.

<sup>5</sup> For example, the UN Office for Project Services constructed infrastructure for the Somalia Crisis Recovery Project and the World Health Organization implemented the drought response. SURP worked with the UN Office for Project Services to overcome security challenges and limited access to counterparts (World Bank 2022f). The COVID-19 Emergency Vaccination project worked with the United Nations Children's Fund and the World Health Organization to operate in Somaliland, where the federal government's Ministry of Health has no reach (World Bank 2022f).

<sup>6</sup> The total commitments of the active portfolio reported in January 2023 were \$1.64 billion, with \$604 million in total disbursements.

<sup>7</sup> Implemented by the Food and Agriculture Organization of the United Nations and the International Committee of the Red Cross.

<sup>8</sup> Projects that received Crisis Response Window financing: Somalia Crisis Recovery Project (P173315) and Additional Financing (P174065); Shock Responsive Safety Net for Locust Response Project and Additional Financing (P176369).

<sup>9</sup> The project was approved in June 2020, became effective in September 2020, and began disbursing in December 2020.

<sup>10</sup> A new ASA on Strengthening Social Cohesion, Inclusion and Resilience through Community Institutions has been initiated to inform these efforts. The research being undertaken is designed to support government stakeholders and development partners to develop strategies, policies, and programs for strengthening social cohesion, inclusion, and resilience through engagement with, and support for, community institutions.

<sup>11</sup> This includes the Biyoole and SURP, the Somalia Crisis Recovery Project, the Shock Responsive Safety Net for Locust Response, and the Shock Responsive Safety Net for Human Capital Project.

<sup>12</sup> The World Bank aligned the disbursement-linked indicators in Recurrent Cost and Reform Financing with European Union policy dialogue.

<sup>13</sup> The International Organization for Migration provides security assessments that supported the drought emergency response projects.

<sup>14</sup> The United Nations–World Bank liaison officer’s role is to provide technical and strategic liaison support across the United Nations and World Bank. Specifically, the officer supports the implementation of the use of country systems, platforms, and frameworks and will support the analytic and operational partnership between the United Nations and World Bank (World Bank 2022b).

<sup>15</sup> Baxnaano, despite World Food Programme and United Nations Children’s Fund implementation, and the Locust Response projects could operate only in “relatively permissive parts of the country” (World Bank 2021a, 9). Similarly, the Improving Healthcare Services in Somalia Project (Damal Caafimaad) considered security dimensions and donor support its most critical site selection criteria. The Somalia Empowering Women through Education and Skills Project (Rajo Kaaba) also intended to “preselect geographic delivery zones toward localities less prone to political violence” (World Bank 2023d). SURP did find modalities to operate in areas controlled or heavily influenced by Al-Shabaab, but it experienced several near-misses, including an attack on a project implementation unit vehicle. It took the SURP task team leader three months to reach one secondary city, and three others could never be visited, complicating monitoring and supervision (World Bank 2021e).

<sup>16</sup> The six-minute drive from the airport gate to the World Bank compound costs \$400, and a visit to a ministry in Mogadishu costs \$3,000.

<sup>17</sup> The vendor is Hart, a private security company. The World Bank procures two close-protection officers from Hart. For comparison, the Swedish embassy has four close-protection officers. The World Bank also has access to two armored cars.

## 6 | Conclusions and Lessons

Future statebuilding needs to be selective and focus on the most essential structures and functions of the state, given the contestation of state authority and low levels of citizen trust in the Somali government and limited domestic revenue. In the near term, the government should not be expected to grow its public service sector significantly or to provide a comprehensive set of basic services. Statebuilding efforts must continue to be selective, building the most essential structures and functions of the state, and support the core political settlement through its convening, technical assistance, and financing roles. Given the vital role of the private sector in generating jobs and providing basic services, statebuilding efforts should focus on developing the facilitative and regulatory roles of the state related to the private sector.

A continued focus on key areas of statebuilding where the World Bank has already invested would be prudent. This includes attention to core institutions for PFM and economic management, domestic revenue mobilization, and intergovernmental fiscal systems. To ensure program effectiveness, operations should continue to promote reforms and government programs that enhance citizen trust and can contribute to strengthening the social contract relationship between citizens and state. Throughout its service delivery sector portfolio, the promotion of citizen participation and state accountability actions would help achieve the overall goals of statebuilding.

The World Bank can facilitate dialogue and provide technical assistance on federalism and intergovernmental systems in a context where political contestation continues. There is a perception that most of World Bank financing is being channeled through the federal government, which has generated resentment among subnational governments, whose support is critical for building a legitimate state. Absent an agreed federalism framework, the World Bank needs to be mindful that the subsidiary agreements on resource sharing between the federal government and the federal member states in its development programs reflect contemporaneous agreements among key officials at the federal and state levels on how power should be shared in sector programs. Careful monitoring of the differences in such negotiated

agreements and their impacts might provide useful technocratic input for political negotiations.

Now that the HIPC Completion Point has been reached, it will be crucial to identify a new framework to sustain momentum on the reform agenda, against which the Bank Group and partners can align financial incentives, investments, and policy dialogue. During the past five years, the HIPC process has strategically anchored the Bank Group's engagement in Somalia and aligned the efforts of development partners. The prospect of debt relief and increased financing has helped incentivize reforms and strengthened federal government–federal member states relations.

The Bank Group can more effectively engage with the Somali private sector and nonprofit sector for the provision of services and creation of jobs to empower communities. Although it is a priority of its country strategies, the Bank Group's engagements have not had tangible results in significantly expanding economic opportunities or creating income-generating opportunities for Somalis in an environment of high youth unemployment and a growing youth bulge. For many Somalis, the private and nonprofit sectors are also the sole suppliers of services traditionally provided by the state. However, the World Bank has not significantly leveraged these actors on provision of basic services. This is a missed opportunity to address a driver of conflict while adapting the statebuilding model to Somalia. The Bank Group's future engagements could explicitly consider the appropriate roles of public versus private service delivery models.

Arrears-related financing limitations forced the Bank Group to adopt a phased and iterative approach. At the program level, the Multi-Partner Fund facilitated coordination among development partners and financed capacity building, enhanced supervision budgets, and third-party monitoring critical to the program's success. At the project level, the most significant adaptation has been increased reliance on UN-supported implementation. This has allowed the World Bank to expand its reach but raises new trade-offs between short-term delivery needs and longer-term statebuilding objectives.

After the completion of the HIPC process, the World Bank portfolio has been expanding rapidly, allowing it to reach more beneficiaries. The government has successfully managed the growth of the portfolio so far and is

proactively upgrading its capacity and coordination mechanisms to meet future demands. Yet the continued rapid growth risks overwhelming the as-yet limited government capacity and existing coordination platforms. High fiduciary and ESF risks demand strong mitigation, but such systems do not offer sufficient operational flexibility for Somalia's dynamic context, particularly during crisis response. The high cost of operating in Somalia will be challenging under standard IDA arrangements.

## Lessons

Somalia has achieved progress in state and institution building and in service delivery, yet significant risks remain. The progress on statebuilding is tenuous and subject to reversals. Given the low delivery of services, the social contract between citizens and the state is weak. As in many FCV contexts, statebuilding is not a linear process and is expected to take time. At present, there is no agreement on a federal constitution, and disputes remain over political and constitutional issues between the federal member states and the federal government on core issues of revenue and resource sharing. The limited fiscal space and capacity of the government is undermining the sustainability of service delivery supported by the World Bank.

The World Bank needs to systematically consider the absorptive capacity of the government when scaling up its portfolio. Too fast an expansion of the lending portfolio risks overstressing client systems and capacity. Future engagements will require selectivity, continued flexibility, a more sustainable approach to funding the cost of operating in FCV environments, and careful consideration of the country's political economy and absorptive capacity.

The evaluation offers four lessons for the new Somalia country program and potential broader applicability to Bank Group engagement in FCV countries:

1. **Selectivity in statebuilding support.** Somalia's limited fiscal space and the contested authority of the state require selectivity in the World Bank's support for expanding public services. Fiscal planning needs to consider the medium- to long-term future of development partner financing, including the importance of trust funds. Growing the authority of the Somali state will require a gradual expansion of services that considers long-term sustainability, focusing first on the most essential structures and

functions. Budget support for statebuilding should be accompanied by transition arrangements to avoid indefinite funding of unsustainable services.

2. **Calibrating lending with absorptive capacity.** With the availability of enhanced IDA resources, the World Bank needs to calibrate the growth of its lending portfolio with the capacity of the government. The deliberate phased and incremental approach to engaging in Somalia—involving piloting, testing, and careful scaling up based on robust monitoring of project outputs and course correction where needed—was appropriate for the country’s context. It was effective and helped overcome Somalia’s significant capacity challenges. With the availability of enhanced IDA financing, the expansion of the Somalia portfolio needs to be mindful of client capacity and sustainability, including through continued capacity building of relevant state institutions. Corporate incentives to increase lending volumes without regard for the fragile situation in Somalia risks overwhelming government absorptive capacity.
3. **Strategically engaging different government entities.** The design of the World Bank lending program should more explicitly consider the incentives and needs of different government stakeholders at the level of the federal government and the federal member states to minimize tensions that may undermine statebuilding objectives. The perception that the World Bank’s financing and approach is favoring the federal level can lead to increased tensions between the federal government and the federal member states and undermine the political statebuilding process between them. Balancing the needs of the political process requires flexibility, astute political economy analysis, and its integration in programming.
4. **Maintaining partnerships and coordination.** Leveraging partnerships and coordination of development assistance remains critical in the post-HIPC environment to anchor reforms and the statebuilding agenda. Deliberate engagement with development partners has helped reinforce incentives for reforms. The Multi-Partner Fund facilitated coordination with donors to avoid fragmentation. This partnership between IFIs and development partners facilitated agreement on comprehensive HIPC Completion Point triggers. Even though the Multi-Partner Fund is no longer the main source of project financing, continued coordination

across IFIs, including on priorities for sector support, will be essential to focus the government's limited capacities on coherent and feasible policy reforms and avoid fragmentation of support.



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# APPENDIXES

Independent Evaluation Group

*The World Bank Group in Somalia*

# Appendix A. Methodology

## Scope

The Country Program Evaluation (CPE) assesses the relevance and effectiveness of World Bank Group engagement with Somalia from FY13 to FY23. This includes assessment of the sequencing of support activities and coordination with development partners. The CPE seeks to answer three evaluation questions:

- » To what extent did the Bank Group adapt its support to Somalia's evolving development challenges, risks, and fragility context?
- » To what extent were the Bank Group's modalities of engagement and program design appropriate for Somalia's situation of fragility and conflict?
- » To what extent has the Bank Group contributed to building the capacity of the state to support Somalia's long-term development, including for managing the government's resources and delivering services?

The evaluation used multiple sources of evidence, evidence collection methods, and types of analysis to answer these questions. Its findings emerged from the triangulation of evidence across these analyses.

Answering the three questions required assessing the relevance and early results of Bank Group support to Somalia and its challenges, including content, modalities, sequencing, and adequacy of analytic underpinnings. We identified and assessed the early results of Bank Group support, including an assessment of implementation modalities and its appropriateness to the country context and the use of partnerships. We did an in-depth analysis of World Bank implementation modalities in Somalia to understand the motivation behind them, the partnerships entered, and how they affect the efficiency and continuity of operations in the country. To the extent possible, the Independent Evaluation Group (IEG) sought to assess outcomes. Although several interventions of the portfolio have closed and their results have been validated, many of the projects included output-oriented results indicators, limiting insights into broader objectives on statebuilding

or outcomes relevant to the prevailing situation of fragility, conflict, and violence. Nevertheless, we examined how analytic, advisory, and diagnostic work informed the Bank Group’s efforts to achieve the stated objectives of its engagement. We identified the intermediate steps and pathways needed to prepare for the eventual normalization of relations with Somalia (including for building core economic institutions and capacity of the state and for the government’s focus on arrears clearance) and linked these to project outputs and the extent to which these outputs contributed to those outcomes. For more recent engagements, we focused on learning from aspects of relevance, design, and early implementation. This included the coherence and consistency of the program with the needs of the country, adaptation of the design to the situation in the field, implementation arrangements, and early implementation experiences and emerging lessons.

## Evaluation Methods

### Field Visits

The IEG team conducted a field mission to Nairobi and Mogadishu in June 2023. In Nairobi, the team interviewed Country Management Unit staff and management, partners, and other key stakeholders. During a three-day mission to Mogadishu, the IEG team conducted face-to-face interviews with senior government officials, the private sector, and other local stakeholders. During this period, the team also met with the CPE’s local consultants to plan and design the focus groups. A planned mission to Garowe, Puntland, could not take place because of escalating tensions among local militias.

### Portfolio Identification and Analysis

IEG identified and analyzed the Bank Group portfolio and its performance in Somalia during FY13–23. The portfolio includes all activities approved during this period, including 53 World Bank financing operations and 65 advisory services and analytics. In addition, there were 12 International Finance Corporation advisory services and upstream activities and one Multilateral Investment Guarantee Agency guarantee project. Portfolio identification was based on information extracted from the World Bank’s Enterprise Data Catalog (World Bank financing and advisory services and

analytics) and the management information system and advisory services databases of the International Finance Corporation and the Multilateral Investment Guarantee Agency.

## Structured Document Analysis of the World Bank Group Financing and Advisory Portfolios

We conducted three structured document reviews (content analysis), using customized templates, criteria, and ratings, to distill characteristics and information about the degree of adaptation and prioritization of the country program, tailoring of design and implementation to Somalia's fragility, conflict, and violence and capacity circumstances, and results, lessons, and drivers of performance. A structured review of all 49 World Bank lending operations and 65 advisory services and analytics approved or delivered in Somalia in FY13–22 used all available project documents, including Concept Notes, Project Appraisal Documents, Implementation Status and Results Reports, Implementation Completion and Results Reports, Implementation Completion and Results Report Reviews, and others. A structured review of the Implementation Completion and Results Report Reviews of the 13 validated projects was undertaken to identify features of design and implementation adaptations that may have enhanced the likelihood of project success. Each project was coded using a standardized set of criteria.

For each type of analysis, we undertook content analysis of the relevant project documents to extract information. It coded the information for each question and tabulated results across all reviewed projects. The tabulated results were then analyzed using descriptive statistics to identify areas of strengths and weaknesses and areas of convergence and divergence among projects. Collected qualitative data enriched the narrative of the evaluation.

## Analysis of World Bank Group and External Data and Surveys

Within the limitations of available data, we analyzed data from the World Bank and external sources (secondary data), including from perception surveys. These sources included data on conflict, socioeconomic trends, institutional capacity and global governance indicators, opinion surveys,

and household surveys done for Somalia. Additional information about the surveys can be found in the Bibliography. These data were used to identify key development constraints and priorities of Somalia and trends over the evaluation period and to distill information on higher-level outcomes or perceptions of areas of Bank Group engagement, for example, on statebuilding and service delivery, complementing project-specific data on outputs and outcomes generated by World Bank task teams.

## Literature Review

We reviewed and analyzed diverse literature and diagnostic and strategic work prepared for Somalia, including by the Bank Group, development and humanitarian agencies, academics, think tanks, and other sources to identify key development and fragility constraints and priorities in Somalia, as well as issues related to statebuilding, human development, and service delivery. These were identified using a broad search for literature covering Somalia and specific searches of the key partner agencies engaged in Somalia. We identified and reviewed 32 sources based on their relevance for addressing the issues identified in the Approach Paper and the evaluation questions, such as statebuilding and service delivery to citizens.

Furthermore, we drew on existing evaluations of trust funds or partner programs in Somalia. We conducted a structured literature review of 43 evaluative reports and documents prepared by 18 bilateral development partners, international nongovernmental organizations, and the UN agencies in Somalia. We used a template to extract lessons and recommendations pertaining to social protection, statebuilding, service delivery, performance implementation, adaptation, and measurement issues in Somalia.

## Interviews

We conducted semistructured interviews with 130 individuals representing diverse stakeholders to gauge their perspectives and perceptions of the achievements and shortcomings of the Bank Group's interventions in Somalia, as well as of factors fostering and hindering its effectiveness. Interviews were conducted by the team in Washington, DC, and during a mission to Mogadishu, Somalia, and Nairobi, Kenya, both in-person and virtually. Interviews followed

a set of prepared questions from an interview protocol. The team interviewed client counterparts ensuring representation from the government and federal member states;<sup>1</sup> Bank Group staff from Global Practices; the Somalia Country Management Unit; project task team leaders; donor and implementation partners; and representatives of civil society, including the private sector, academia, think tanks, and citizen organizations.

The interview transcripts or minutes were analyzed, tabulated, and mapped against five main themes that were developed from evaluation questions and subquestions.<sup>2</sup> The themes were the evolution of World Bank engagement; the operationalization and performance of Bank Group strategies; adapting strategy to Somalia (evaluation question 1); statebuilding (evaluation question 3); and adapting modalities of engagement and program design (evaluation question 2). We extracted relevant answers from the transcripts and coded them according to their tenor (positive, negative, or neutral). This systematic interview tabulation ensured rigorous use of evaluation evidence from interview data and facilitated the triangulation of interview evidence to validate or disprove emerging findings.

**Table A.1.** Consultations and Interviews

Stakeholder	Interviewees (no.)
World Bank staff	45
Federal Government of Somalia	42
Federal member states	8
Donors and partners	20
Other stakeholders (civil society, academics, think tanks)	15

*Source:* Independent Evaluation Group.

## Focus Groups of Local Stakeholders and Beneficiaries

To better understand the impact of World Bank–funded projects on local citizens and officials, IEG held 11 focus group discussions between July and August 2023 across Banaadir/Mogadishu, Garowe, and Baidoa. These discussions, involving 61 male and 35 female respondents, aimed to capture diverse stakeholder views on statebuilding, social protection, and urban resilience projects. Separate discussions were held for government officials

and project beneficiaries, ensuring participants could speak freely. The participants were carefully selected to reflect community diversity in age, gender, education, and roles. The discussions were guided by open-ended questions, audio-recorded, transcribed, and analyzed to aggregate responses, helping inform evaluation reports on project impact.

## Geospatial Analysis

The geospatial analysis aimed to assess whether World Bank projects during FY14–22 effectively targeted areas with the greatest need and examined any shifts in targeting strategies between two periods: the FY14–18 Interim Strategy Note and FY19–23 Country Partnership Framework. The analysis, conducted at the federal member states level, evaluated needs using conflict events and food insecurity vulnerability, while project sites were mapped and disaggregated into citizen-centric and government-centric projects for separate analysis. Two data layers were overlaid: one showing the distribution of conflict and food insecurity and the other illustrating project locations using clustering for citizen-centric projects and proportional circles for government-centric projects to prevent data overlap.

## Limitations

The evaluation faced several challenges and limitations:

- » The security environment in Somalia limited direct fieldwork. As the Somalia Country Management Unit is housed in the Nairobi office of the Bank Group, interviews with staff took place there. The team visited Mogadishu to ground the analysis in local context, carrying out face-to-face meetings with government officials, key project implementation staff, and representatives of civil society organizations, think tanks, and the private sector. A mission to Garowe, Puntland, was planned but had to be canceled because of rising tensions between local armed militias surrounding local elections. To address this shortcoming, the team contracted a local consultant to conduct focus groups in-country.
- » Somalia faces significant data paucity, and existing data are often unreliable. Despite efforts by the World Bank and others to increase the availability of socioeconomic data, the data environment remains inadequate. The

analysis took into account the adequacy of the Bank Group's investment in data capacity and the extent to which Somalia was able to benefit from regional statistical capacity initiatives while paying due attention to constraints imposed by the availability, completeness, and quality of relevant data (including subnational and gender disaggregated data). To increase the consistency and validity of the analysis, we made maximum use of secondary data while triangulating evidence to the extent feasible.

- » Limited evidence from closed projects and the difficulty of attributing results to Bank Group interventions added to the challenges. Twelve World Bank projects had previously been assessed by IEG, limiting the ability of the CPE to examine effectiveness. In addition, given the presence of many development partners, attributing broader changes to any one intervention or actor was challenging. Projects relied largely on output-focused indicators to track their results. Although appropriate given the complex circumstances of project implementation in Somalia, this hampered linking World Bank projects to higher-level outcomes. To address this, we looked at the contribution of the more mature portfolio to higher-level outcomes and assessed coherence, design, and early implementation issues for recent operations.



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<sup>1</sup> Interviews with federal member state government clients included five states: Galmudug, Southwest, Jubaland, Hirshabelle, and Puntland.

<sup>2</sup>The interviews covered 130 interviewees, and 51 transcripts were prepared, given that some country interviews involved groups of people.



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