AFRICAN DEVELOPMENT BANK

SOMALIA

PROPOSAL FOR A GRANT OF US$ 1 MILLION FOR EMERGENCY HUMANITARIAN RELIEF ASSISTANCE TO THE VICTIMS OF THE DROUGHT

EARC/GECL

February 2015
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## Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
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</thead>
<tbody>
<tr>
<td>ADB</td>
<td>African Development Bank</td>
</tr>
<tr>
<td>FSNAU</td>
<td>Food Security and Nutrition Analysis Unit</td>
</tr>
<tr>
<td>LoA</td>
<td>Letter of Agreement</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-governmental Organization</td>
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<tr>
<td>OCHA</td>
<td>United Nations Office for the Coordination of Humanitarian Affairs</td>
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<tr>
<td>SRF</td>
<td>Special Relief Fund</td>
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<tr>
<td>FGS</td>
<td>Federal Government of Somalia</td>
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<tr>
<td>UN</td>
<td>United Nations</td>
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<tr>
<td>UNHCR</td>
<td>United Nations High Commission for Refugees</td>
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<tr>
<td>UNICEF</td>
<td>United Nations Children’s Fund</td>
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<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
</tr>
<tr>
<td>WFP</td>
<td>World Food Program</td>
</tr>
</tbody>
</table>
### RESULTS CHAIN

**Reduction in human suffering caused by shortages of food in affected communities.**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Baseline 2014</th>
<th>Target 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total metric tons distributed to targeted households</td>
<td>No data</td>
<td>688 mt of commodities distributed to 6,800 households in South Central Somalia.</td>
</tr>
</tbody>
</table>

**Means of Verification**

- FSNAU drought monitoring, World Food Program (WFP) reports.

**Risk/Mitigation Measures**

- **Risk:** Large numbers of refugees infiltrating the concerned areas and affecting the domestic feeding programmes.
- **Mitigation:** Bank emergency support is part of a wider programme expected to cushion refugees as well.

### OUTCOMES

**Minimum food requirements for the drought affected populations are met in the concerned areas**

<table>
<thead>
<tr>
<th>Component 1: Purchased food supplies</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Quantity of purchases/supplied by type.</td>
</tr>
<tr>
<td>- 0</td>
</tr>
<tr>
<td>- Sorghum: 343.48 mt</td>
</tr>
<tr>
<td>- Yellow Split Peas: 137.00 mt</td>
</tr>
<tr>
<td>- Corn-Soya Blend fortified (CSB+): 137.00 mt</td>
</tr>
<tr>
<td>- Oil: 71.00 mt</td>
</tr>
</tbody>
</table>

**Means of Verification**

- Report produced by WFP

**Risk/Mitigation Measures**

- **Risk:** Foodstuff not readily available
- **Mitigation:** FGS declaration of drought as an emergency makes it possible to source foodstuff within the region duty free.

### Outputs

**Component 1:** Purchase, delivery, and activity management of Sorghum: 343.48 mt; Yellow Split Peas: 137.00 mt; CSB+: 137.00 mt; Oil: 71.00 mt

**Component 2:** WFP Administrative fee (7%)

**Inputs:**

- Component 1: US$ 930,000
- Component 2: US$ 70,000

### Key Activities

- **Component 1:** Purchase, delivery, and activity management of Sorghum: 343.48 mt; Yellow Split Peas: 137.00 mt; CSB+: 137.00 mt; Oil: 71.00 mt
- **Component 2:** WFP Administrative fee (7%)
I BACKGROUND AND JUSTIFICATION FOR EMERGENCY ASSISTANCE

1.1 **Background**

1.1.1 About 9 to 10 million people in the Horn of Africa are in need of humanitarian assistance as a result of a severe drought, whose effects are being worsened by poor rains, conflict, trade disruptions and reduced humanitarian assistance. According to the UN statistics, the drought affected people are in Ethiopia, Kenya, Somalia and Djibouti. Continued deterioration as a result of severe droughts in 2010 and 2011, coupled with poor humanitarian access and inadequate humanitarian assistance, culminated in the declaration of famine in southern Somalia in 2011, with more than 250,000 people dying and many of them being women and children.

1.1.2 For the first time since 2011, food insecurity is on the rise again in Somalia. A recent analysis from the Food Security and Nutrition Analysis Unit (FSNAU), led by the Food and Agriculture Organization of the United Nations (FAO) shows indicators that are similar or worse than those in 2010 and just prior to the 2011 famine. The FSNAU assessment results indicate that over 1 million people are now in need of urgent humanitarian assistance (Integrated Food Security Phase Classification – IPC, Phases 3 and 4) in Somalia, a 20% increase compared to the situation six months ago. And a further 2 million people face significant food security stress (IPC phase 2).

1.1.3 The poor rains have contributed to water shortages, poor livestock performance and reduced access to milk in several pastoral areas, particularly in parts of the Northeast and the Gedo region of Southern Somalia. Of particular concern are groups facing acute food insecurity in Hiraan, Middle Shabelle, Lower Shabelle, Bakool, Gedo, Middle Juba and Benadir regions. Urban centers including Buloburte and Jalalaqsi in Hiraan, Qoryoley and Marka in Lower Shabelle, Xudur, Wajid, and Elbarde in Bakool, and Luuq and Garbaharrey in Gedo have had severely restricted trade just as stocks from previous seasons are being drawn down. Although the rainfall outlook for the upcoming season seems good, the current trajectory for food security and nutrition in Somalia remains of major concern.

1.1.4 Due to the magnitude of coordination and reorganization required at the local level to provide emergency assistance, the Government is not able to cope fully with the situation. Hence the Federal Government of Somalia appealed, through a request from the Ministry of Foreign Affairs dated 9 September 2014 and confirmed by the Ministry of Finance on 11 December 2014 (annex 2) to the Bank for an emergency humanitarian relief assistance. Lessons learned from the 2011 famine have since led FAO to also appeal to the international community for timely intervention to ensure that the next shocks do not lead to a humanitarian crisis, or worse, to a famine. In a letter dated 30 October 2014 and addressed to the President of the African Development Bank, the UN organization requested urgent action from the Bank for immediate help to save lives and secure livelihoods.

1.1.5 The humanitarian request from the Federal Government of Somalia is justified as it fulfills the following three criteria required to qualify for Bank Group assistance: (i) the emergency situation is of a scale which is clearly beyond the capacity of the Somali Government to handle alone; (ii) the proposed activities can be carried out expeditiously and effectively within the required time frame; and (iii) the emergency relief assistance aims at restoring a degree of normalcy in both the social and economic life of the affected populations as quickly as possible. The proposal is thus in compliance with the provisions of the “Revised Policy Guidelines and Procedures for Emergency Relief Assistance and General Regulations of the Special Relief Fund (ADB/BD/WP/2008/211/Rev.1 - ADF/BD/WP/2008/173/Rev.1)” which are
applicable to emergency situations resulting from natural disasters such as drought, floods, hurricanes or earthquakes, accidents such as bush fire or conflicts.

1.2 Justification for Emergency Assistance

1.2.1 According to the FAO, the drought has led to a critical decline in food security among poor households and pastoral communities. The numbers of people in need of urgent assistance has increased by 20% during the last six months and are expected to continue rising. But the humanitarian response in Somalia is hampered by funding shortfalls and, thus, new contributions are urgently needed. It is essential that the international community moves rapidly from early warning to early action to break the destructive cycle of drought and hunger.

1.2.2 The Federal Government of Somalia, through the Ministry of Interior, and with the support of AMISOM providing logistical assistance, has delivered humanitarian supplies, mainly received food stocks from donor countries to some of the affected areas: Gedo and Bay Regions; Middle Shabelle and Hiraan; Warsheikh and Bulo Burto.

1.2.3 With the resources mobilized internally and through contributions from other donors, FAO is currently supporting over 35,000 families. However, further investment is needed to ensure that the progress made is not undermined. An additional USD 49 million is urgently needed to scale up ongoing humanitarian assistance. The additional resources will facilitate reaching out to 58,000 at-risk households, improving access to agricultural inputs, prevention of loss of distress sale of household assets and sustenance of food production.

2 OVERVIEW OF THE APPEAL FOR EMERGENCY ASSISTANCE

2.1 Overview of the Appeal

The present Proposal for Bank emergency assistance to the Federal Government of Somalia (FGS) is a direct response to the Government request and to the United Nations Food and Agriculture Organization (FAO) appeal pointing out that the on-going drought has increased food insecurity amongst the pastoral communities and poorer households. According to the Federal Government of Somalia, urgent assistance is needed in form of food, shelter and medicine from the international community.

3 THE PROPOSED BANK EMERGENCY ASSISTANCE OPERATION

3.1 Objectives and Description of the Emergency Assistance

3.1.1 The objective of the proposed Bank emergency humanitarian relief assistance for Somalia is to contribute to the FGS and UN’s efforts in providing urgent food aid distributions and deliveries of food to drought affected families in the affected areas. The emergency relief assistance operation will be funded through a grant from the Bank’s Special Relief Fund (SRF). The total grant amount will be limited to the approved country ceiling of US$1,000,000 (one million United States Dollars). The grant funds will be used to purchase food items, as well as associated costs of transportation and distribution of food rations to the beneficiaries and for administrative charges.

3.1.2 Relief food assistance will be channeled through targeted food distribution to households affected by the drought, mainly the vulnerable groups (widows, orphans, female and elderly-headed households) without alternative means of survival. Due to the imminent shortfalls, local and regional purchases which have added benefit of supporting the national and regional agricultural economies will be made.
3.2 **Cost and Source of Finance**

The total cost of the Bank’s emergency assistance to the FGS is estimated at US$ 1,000,000. The cost breakdown is attached in annex 1. The funds provided by the Bank are restricted and earmarked for the purposes of urgent humanitarian assistance to the drought affected populations.

3.3 **Implementation Arrangements and Schedule**

3.3.1 According to the Bank’s Revised Policy Guidelines and Procedures for Emergency Relief Assistance and General Regulations of the Special Relief Fund (ADB/BD/WP/2008/211/Rev.1/ADF/BD/WP/2008/173/Rev./1), implementation of emergency humanitarian relief assistance will be entrusted to a suitable Implementing Agency to be selected from UN specialized agencies operating on the ground, competent Government institutions, or credible NGOs with a good track record of implementing emergency operations. The FGS has indicated that WFP has been their lead agency in terms of international resource mobilization towards emergency operations and it has, in this regards, entrusted the operation of emergency food assistance to WFP. In its request to the Bank, the FGS has, therefore selected WFP as the Implementing Agency for the proposed operation.

3.3.2 WFP will thus be entrusted with the implementation of the emergency relief assistance operation of the Bank. It already has a well-established network in the country for food relief assistance and has a strong procurement system and infrastructure in place which could be readily used to quickly procure goods and services needed. WFP will sensitize host communities about the temporary nature of the emergency support, in order to avoid creating wrong expectations and dependencies. The total duration of the emergency assistance will not exceed six (6) months and funds that will not be disbursed within this period will be cancelled.

3.4 **Procurement and Disbursement Arrangements**

**Procurement**

3.4.1 In accordance with Article 3.8 of the Revised Policy Guidelines and Procedures for Emergency Relief Assistance, given the distinctive nature of emergency operations, the restriction of procurement eligibility is not applicable. Considering the situation on the ground, whereby the Government is overwhelmed with the large scale famine, WFP, the Implementing Agency for the proposed operation shall be used, in accordance with Article 3.15 as well as Article 3.10 (b) (allows for single source in emergency cases) of the Rules and Procedures for the Use of Consultants.

3.4.2 While Article 3.8 of the Revised Policy Guidelines and Procedures for Emergency Relief Assistance requires the use of Bank’s Rules and Procedures, however, due to the emergency nature of this operation, it is requested that the Board of Directors exceptionally grant a waiver exempting WFP from the use of the Bank’s Procurement Rules for the proposed operation. Thus, in the context of the implementation of this operation, WFP shall procure and distribute food following its own rules.

**Disbursement**

3.4.3 Given the emergency nature of the proposed operation, it is recommended that funds should be disbursed in a single tranche through a direct transfer into a WFP bank account, upon submission of evidence to the Bank of the opening of the bank account to receive the grant proceeds. Furthermore, disbursements should be subjected to the signature of a tri-partite Letter of Agreement (LoA) between the Bank, WFP and FGS.
3.5  Reporting, Supervision and Auditing

3.5.1  The submission of an audit report on the Bank’s contribution is a requirement of its funding policy. In line with the Bank’s Revised Emergency Guidelines provisions, WFP shall not be required to prepare separate financial and audit reports for the emergency operation. It will, however, be required to submit a written confirmation within six months after completion of the operation from a senior WFP official certifying that WFP has complied with the terms of the Letter of Agreement. In addition the Bank will have access to WFP’s regular Standard Project Reports (SPRs) through its website.

3.5.2  WFP will deduct an administrative cost of not more than seven per cent (7%) from the ADB grant. For purposes of visibility, the Bank’s name and contribution shall appear in the WFP 2015 consolidated financial report disclosing the list of contributors for the year. While there shall be no specific Bank field supervision missions to monitor the implementation of the proposed emergency operation, the Bank EARC will monitor implementation progress through its other Somalia missions when possible.

4  CONCLUSIONS, RECOMMENDATIONS AND CONDITIONS FOR DISBURSEMENT OF THE GRANT AMOUNT

4.1  Conclusions and Recommendations

4.1.1  The proposed Bank emergency humanitarian relief assistance grant will contribute to alleviating the suffering of Somalia drought victims. The financial assistance will be targeted at vulnerable individuals and households with the primary objective of saving lives and preserving livelihoods. The emergency relief assistance operation will be funded through a grant from the Bank’s Special Relief Fund (SRF).

4.1.2  In accordance with the Revised Policy Guidelines and Procedures for Emergency Relief Assistance and the General Regulation of the Special Relief Fund (SRF), it is recommended that the Board of directors: (i) award to the Federal Republic of Somalia, from the resources of the Special Relief Fund, a grant not exceeding the amount of one million United States dollars (US$1,000,000) to assist the affected populations in Somalia; and (ii) waive, exceptionally, the application of the Bank Group’s Rules and Procedures for Procurement, and authorize the application of the procurement rules of the WFP.

4.2  Conditions for Disbursement

The grant resources will be disbursed in one tranche, subject to the following conditions:

i)  Signature of the tripartite Letter of Agreement (LoA) by the Bank, the FGS, and WFP;

ii)  Communication by WFP to the Bank of the details of their bank account to which the grant resources should be transferred.
# Annex 1 – Activities and Budget over the implementation period of 6 months

<table>
<thead>
<tr>
<th>COMPONENT</th>
<th>ACTIVITY</th>
<th>QUANTITY (for 6,800 household for 2 months)</th>
<th>UNIT COST (US$ per kg)</th>
<th>AMOUNT USD (x1000)</th>
</tr>
</thead>
</table>
| 1. Provision of food for 2 months | Purchase of sorghum, Yellow Split Peas, Corn-Soya Blend fortified (CSB+) and Oil for 6,800 households | Purchase including transportation and distribution:  
- Sorghum 343.48 mt  
- Yellow split peas 137.00 mt  
- CSB+ 137.00 mt  
- Oil 71.00 mt | Cereals: 1.19USD/kg  
Peas: 1.40USD/kg  
CSB+: 1.43USD/kg  
Oil: 1.90USD/kg | 930  
409  
191  
195  
135 |
| 2: WFP Administrative fee (7%) | | | | 70 |
| **Total** | | | | **1,000** |
Annex 2 – Official request by the Government of the Federal Republic of Somalia

Ref: MOF/OM//14

December 11th, 2014

Mr. Gabriel Negatu
Regional Director
African Development Bank Group’s EARC
Nairobi, Kenya

Dear Mr. Negatu:

Re: Request for Emergency Humanitarian Relief Assistance to Victims of Drought

Thank you for your letter of December 8, 2014, bringing to our attention the letter regarding emergency humanitarian assistance to victims of drought submitted to the President of the African Development Bank (AfDB) Group from the Minister of Foreign Affairs and International Cooperation.

The Federal Government of Somalia is grateful for the AfDB’s commitment towards alleviating poverty in Somalia. At this point in time, we urge the AfDB to provide emergency humanitarian relief to those most directly suffering from drought. This humanitarian relief would supplement the considerable financial commitment made by the Bank in the form of the Dryland Resilience and Sustainable Livelihoods Programme II (DRSLP-II). The financial assistance provided would be used to provide the delivery of relief supplies, including portable water, food, medicines, and materials for temporary shelters. In addition, it would also go to helping those who have become internally displaced persons (IDPs) due to drought.

The AfDB has done much to alleviate drought in the long-term through the DRSLP-II, however, we would urge the Bank to do more to address the immediate needs of those that are most susceptible to the effects of drought.

To this end, I would like to take this opportunity to thank AfDB for their continued support and assistance to the FGS and the Somali people. I also look forward to an early response to the following request.

Sincerely,

Hussein Abdi Halane
Minister of Finance

Ministry of Finance-Villa Somalia
Mogadisho, Somalia
Tel: +252-1-941064; +252-61-7068080
Fax: +252-1-1961303
FEDERAL REPUBLIC OF SOMALIA
Ministry of Foreign Affairs and Investment Promotion

MOFA/SFR/OM/2386

To: The President of the African Development Bank
Cc: The Office of the Prime Minister
Cc: Ministry of Finance
Cc: Ministry of Agriculture

Mogadishu: 09/09/2014

Dear President of the African Development Bank Group, Donald Kaberuka,

Severe drought has been declared in some parts of Somalia and many key areas with large populations are affected. A discussion between yourself and the President of the republic of Somalia recently highlighted the existence of the drought and there is a joint action to minimise the enormous and disastrous cost to both human lives and livelihoods.

Large parts of Somalia are already drought stricken and therefore the Somali federal government is seeking support from the international community. Accordingly, the purpose of this note is to request the Bank to consider processing the $1 million emergency grant. Food, shelter, and medicine are needed and we request that it be provided through the World Food Program as quickly as possible.

My office is ready to provide all the necessary assistance, if and when required.

Yours sincerely,

Dr. Abdirahman D. Beileh
The Minister

Address: Afgoye Road-KM 5-Mogadishu, Federal Republic of Somalia.
Tel: +252-615338438, Email: ministry@mofa.gov.so, Website: http://www.mofa.gov.so

For your attention
25/09