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AfDB Multi-Partner Somalia Infrastructure Fund Mid-Year Progress Update

June, 2018



INTRODUCTION

The mid-year progress update of the African Development Bank (AfDB) Multi-Partner Somalia Infrastructure Fund (SIF) provides an overview of the Fund's activities for the period January to June, 2018. This includes the status of three ongoing projects, and the *Somalia Electricity Study* that comprises two components:

- (i) preparation of a report that provides a roadmap and detailed guidelines on how to set-up a Somali Electrification Institute (SEI); and
- (ii) information about the knowledge sharing workshop that was in April on:
 - a) Reorganization/Transformation of the Somali Energy Sector; and
 - b) Approaches to Developing the Renewables Sector in Somalia.

Ongoing SIF Projects

Strengthening Institutions for Public Works

Improving Access to Water and Sanitation Services

Economic & Financial Governance Institutional Support Project Phase II

In the Pipeline

Urban Water Supply Infrastructure Phase I (Kismayo and Baidoa)

Rehabilitation of existing paved road: 90 km Belet Weyne-Galkayo (including 7 km link road between Belet Weyn and Ferfer)

Construction of new paved road: 85 km Galkayo-Garowe

Rehabilitation of existing earthen road: 80 km Luuq, Ganane-Dolow

Construction of new compacted gravel road: 100 km Galkayo-Hobyo

Donor Contributions, US\$ m		Pledged	Paid In
	United Kingdom	1.9	1.9
	Italy	3.0	1.8
	IsDB	10.0	0.0
	AfDB*	50.6	50.6
Totals		65.5	54.3

*These funds will be used to finance/co-finance SIF projects. They include contributions from the Nigeria Technical Cooperation Fund (US\$ 77,650) & Korea-Africa Economic Cooperation Fund (US\$ 262,900) which have been used to prepare a TVET sector assessment report and a guideline report for the establishment of a Somali Electrification Institute respectively.

IMPROVING ACCESS TO WATER AND SANITATION IN RURAL SOMALIA PROJECT

In its' second year of implementation, the project has made several milestones. So far:

- 9 boreholes have been rehabilitated in Lower Juba, Galgaduud, Bakool and Gedo regions. These boreholes are currently serving 39,653 households.
- Solar systems have been installed on these 9 boreholes.
- 16 strategic boreholes in Jubbaland, South West, Galmudug, Hirshabelle and Puntland that require rehabilitation have been identified and assessed. Of the 16 boreholes, 12 are currently being rehabilitated while consultations with local authorities are underway for the other 4.
- Rehabilitation of FGS MoEWR and South West and Jubbaland Ministries of Water buildings are underway with 80% of the work completed.
- This project also includes the rehabilitation of Galmudug Ministry of Water and PSAWEN buildings.

Acknowledging the positive effect of the project on the communities, and the strong partnership and ongoing collaboration between the government of Somalia, IOM and the AfDB, H.E. Salim Ibro, former Minister for Energy and Water Resources said: *"The ministry has worked closely with the AfDB and IOM since the conceptualization of this project. We were involved in developing the concept note, project appraisals, and creation of all the key project documents. In the future, we are hoping that IOM and the Bank can help us scale up activities in Kismayo, Baidoa, Afgoye and Jowhar – places where the needs on the ground far outstretch available resources."*

Living standards have been improved through provision of clean and safe water. Rehabilitation of the facilities has contributed to a reduction of water line-up and congestion. In Bohol village, Xalwo Shire Aden who sells flour cakes (Bur xabaal) to itinerant traders and pastoralists for a living, had to flee the drought in her countryside home last year for her present abode, 34 kilometres north of Dhusamareb, the capital of the Galgaduud region. The mother of eight chose to live in Bohol as an IDP so she could have access to clean/safe water and aid agencies. She credits the Bank's water projects for providing Bohol and adjoining villages with potable water with the resultant boost to her family's health and lifestyle choices. The project has also resulted in improvements in the domestic livestock and agrarian economy.

Basic Project Information

Financing	US\$ 10.6 million (African Development Fund - ADF and UK DFID)
Approval	December 2016
Expected Completion	December 2019
Disbursement Rate	36%
Executing Agency	FGS Ministry of Energy and Water Resources
Implementing Agency	International Organization for Migration
Location	Jubbaland, Southwest, Galmudug, Puntland, and HirShabelle

Objective

Improve access to water and sanitation services in rural areas of Somalia, and contribute to reduced infant and under-5 mortality caused by WASH related diseases. The project targets 125,000 riverine and 50,000 nomadic people (including IDPs and returnees) through construction of solar powered mini-water supply systems, and rehabilitation of strategic rural water supplies.

The project is aligned to one of the High 5 priorities of the Bank (Improve quality of life for the people of Africa) and also to Somalia's National Development Plan.

The project is also playing a tangible role in conflict resolution as diverse communities are coming together in order to benefit from the project. The owners of the boreholes stressed that they are committed to providing water equally to everyone, regardless of their clan and/or background.

Next Steps:

- Complete ongoing rehabilitation of 16 boreholes and installation of solar systems.
- Construction of 30 mini water supply systems for the riverine communities.
- Complete upgrading and rehabilitation of Ministries of Water buildings.
- Undertake capacity assessment of 25 national staff and design suitable training packages for them.
- Construction of water supply systems in Puntland.

Challenges

- Delays in the tender process of boreholes rehabilitation, which was repeated due to non-competitive prices.
- Insecurity in some project sites.



Livestock drinking from the constructed animal troughs.

"We now have sufficient water that is easily accessible and affordable. We were in dire need of water before..."

Asli Warsame Abdi, Galmudug Resident during an interview

STRENGTHENING INSTITUTIONS FOR PUBLIC WORKS PROJECT

The Strengthening Institutions for Public Works Project (SSIPWP) is a Somalia Infrastructure Fund (SIF) flagship initiative for building the capacities of the Ministries for Public Works at both the Federal and State levels, in order to facilitate the delivery of much needed infrastructure and services to Somalis and therefore accompanying Somalia on its path towards recovery, peace, stability and prosperity. The Project has been making good progress albeit a few implementation challenges and delays. So far:

- An Inter-ministerial Public Works Coordination Mechanism (IMPWCM) has been established and operationalized. The IMPWCM comprises of the Ministries of Public Works (which serves as the Chair); Post, Telecom and Technology; Transport and Civil-Aviation; Ports and Marine Transport; Energy and Water Resources; Planning and Finance. Its main objective is to develop a common vision and strategy on Somali Infrastructure at the Federal level and to enhance coordination among FGS's infrastructure Ministries.
- MPWR&H engineers have been trained to conduct building assessments.
- Building assessments have been carried out on the Commercial Bank of Somalia and Ministry of Education buildings.
- Buildings have been identified in State capitals for assessment.
- All public works laws have been reviewed and a decision on which law to revise is to be reconfirmed with newly appointed Minister.
- Video conference facilities have been installed in all project locations.
- Internet has been installed at MPWR&H and is currently being installed in all State Ministries of Public Works.
- An organizational structure, draft human resource manual and asset management policy for the MPWR&H have been developed.
- Capacity needs assessments and a validation workshop to confirm capacity development priorities have been carried out at the Federal and State levels.
- 7 interns have successfully completed internship at MPWR&H.
- Procurement of office supplies, office work equipment (computers, printers, display monitor, projector), and air conditioners for MPWR&H have been completed.
- First phase of youth training (job readiness, soft and transferrable skills, etc.) and job placement support for 330 youths from Mogadishu, Kismayo, and Garowe, and construction sector business start-up funding for 70 youths has been launched.

Basic Project Information

Financing	US\$ 7.8 million (ADF and Transition Support Facility)
Approval	December 2016
Expected Completion	December 2019
Disbursement Rate	22%
Executing Agency	Ministry of Public Works, Reconstruction and Housing
Implementing Agency	United Nations Office for Project Services
Location	Mogadishu, Puntland, HirShabelle, South-West, Jubbaland, and Galmudug

Objective

Improve the institutional capacities of MPWR&H and State-level Authorities responsible for Public Works in order to enable them to independently plan, manage, and oversee infrastructure construction projects and maintenance works.

Next Steps

- Commence the youth training programme following its' launch.
- Finalize the procurement of office supplies for State Ministries of Public Works (including Benadir Regional Administration).
- 21 positions (engineers, architects, quantity surveyors etc.) to be recruited for a period of 30 months as civil servants. TORs already published and interviews/recruitments to be completed by the end of September.
- Recruitment of an Environmental and Social Impact Assessment (ESIA) Consultant to be completed.
- The second round of 7 interns to commence in October 2018.
- Computer based skills training in MPWR&H to begin in Q4 2018.

Challenges

- Implementation delays caused by security incidents and cabinet changes (3 Ministers since the project started). This has resulted in leadership gaps (lack of momentum and overall guidance on recruitment of civil servants for the Ministry which is part of the project).

With the new Minister in place and following successful exchanges among MPWRH, AfDB and UNOPS on project activities, roles and responsibilities etc., a positive outlook for accelerated delivery in the second half of 2018 exists.



ECONOMIC FINANCIAL GOVERNANCE AND INSTITUTIONAL SUPPORT PROJECT (EFGISP) - PHASE II

- Launched in March 2018, the EFGISP Phase II entails strengthening macroeconomic management and enhancing transparency and accountability in the use of public resources. The project will also support the implementation of the government's revenue strategy that entails the implementation of a robust revenue mobilization action plan that is based on new tax collection strategy and robust revenue collection and administration system.
- The project focused on putting in place administrative structures to support and facilitate project implementation.
- A Project Coordinator is now on board and recruitment of the remaining project implementation unit members e.g. Accountant, Procurement Specialist is underway.
- Procurement process for various expenditure categories has also been initiated.



Dr. Abdirahman Beileh (FGS Minister for Finance) and Ms. Nnenna Nwabufo (Deputy Director General, AfDB East Africa Regional Office) during the signature ceremony for the EFGISPII

Basic Project Information

Financing	US\$ 7.8 million (ADF Contribution)
Approval	December 2017
Expected Completion	December 2020
Disbursement Rate	6%
Executing/ Implementing Agency	Ministry of Finance
Location	Country-wide

Objective

Strengthen institutional capacity of core departments charged with financial governance responsibilities in the Ministry of Finance, the Office of the Auditor General and in infrastructure line Ministries of Energy & Water Resources, Transport & Civil Aviation, and Ports & Marine Transport.

SOMALIA ELECTRIFICATION INSTITUTE STUDY PROJECT

The AfDB, with support from the Korea-Africa Economic Cooperation (KOAPEC) commissioned a feasibility study for the establishment of a Somali Electrification Institute (SEI), to define its duties, powers, and obligations, identify staffing needs including terms of reference for key staff, and establish a detailed budget for its operationalisation. The project which was financed by KOAPEC, includes the preparation of the SEI Guideline Report, and a knowledge-sharing workshop on the best strategies and practices that can be adopted in the management of the Somalia energy sector in order to deepen its contribution to economic growth and recovery in the country. The workshop was also used as a platform to present and discuss the findings of the SEI Guideline Report.

The workshop took place on 26-27 April 2018 in Nairobi, Kenya and was attended by about 70 participants from Somalia's energy ministries, representatives of the private sector, Korean officials, and authorities responsible for oversight in the energy sectors in Kenya and Ethiopia, as well as other development partners. Key highlights from the deliberations during the two-day experience-sharing workshop included the importance of further engagement in the areas of building the capacity of the Federal Ministry, relevant Ministries of Member States, and public and private companies involved in generation and distribution of electricity. Emphasis was also laid on developing a regulatory framework and investing more in renewable energy given the country's endowment with renewable energy sources. The Somali delegates were also urged to develop beneficial collaborations with development partners. Importantly, workshop participants fully agreed on the importance and endorsed the creation of the Somali Electrification Institute (SEI). Among other things, the delegates agreed that:

- SEI will be an independent public/private regulatory institution mandated to set standards, norms, and procedures, in formalizing the electricity sector, building capacity, and undertaking relevant studies to improve performance in the sector.
- A Management Board will be established to set basic policies, provide guidance, monitor, supervise, and control the activities of SEI.
- SEI headquarters will be located in Mogadishu and branch offices may be opened in other Federal Member States and Somaliland. A liaison office in Nairobi may be considered.



Group photo taken during the energy workshop in Nairobi

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For More Information on SIF

Additional information about the AfDB Multi-Partner SIF, and its Operations, visit the African Development Bank's website at:

<https://www.afdb.org/en/topics-and-sectors/initiatives-partnerships/multi-partner-somalia-infrastructure-fund-sif/>

