ANNEX 1

of the Commission Decision on the Annual Action Programme 2014 in favour of the Somalia to be financed from the European Development Fund Bridging Facility

Action Document for the Resilience Programme for Somalia

1. IDENTIFICATION

<table>
<thead>
<tr>
<th>Title/Number</th>
<th>SOMALIA – Resilience Programme for Somalia CRIS number: FED/2014/037-615</th>
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<tbody>
<tr>
<td>Total cost</td>
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<td>Total amount of EDF contribution: EUR 34 000 000</td>
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<td>This action is co-financed in joint co-financing by:</td>
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<td>- the beneficiaries of the grants by EUR 2 250 000</td>
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<td>Aid method /</td>
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<td>Management mode</td>
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<td>and type of financing</td>
<td>Indirect Management with World Bank or UK Department for</td>
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<td>Sector Multi-Sector Aid</td>
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2. RATIONALE AND CONTEXT

2.1. Summary of the action and its objectives

Resilience in Somalia is a coordinated action between the Directorate General for Development and Cooperation-EuropeAid (DEVCO) and the Directorate General for Humanitarian Aid and Civil Protection (ECHO) with the common goal of eradicating extreme hunger and limiting recurrent crisis. It is a part of the development process, and genuinely sustainable development will need to tackle the root causes of recurrent crises rather than just their consequences. Working with the most vulnerable populations to build their resilience is in line with Resilience Communication\(^1\) and also a fundamental part of poverty reduction which is the ultimate aim of EU development policy.

Using the same words that new EU commissioner for humanitarian action, Christos Stylianides, has used in addressing the European Parliament: every Euro spent in resilience is equal to 7 Euro spent to manage crisis once they have happened. This programme aims to put in place the bases for EU Resilience action in South and Central Somalia. The programme has two complementary lines of work, aimed at reducing vulnerability and improving livelihoods, first in the rural villages and second in the urban context.

The implementation of the programme will be 1) through consortia of Non-Governmental Organisations (NGOs) that have been active in the area for many years and 2) the support to

\(^1\) MEMO/12/733: EU approach to resilience: Learning from food crises (http://europa.eu/rapid/communication/press-release_MEMO-12-733)
urban livelihoods and infrastructure implemented in indirect management by the World Bank (WB)

The purpose of the action is to “improve resilience and increase adaptive capacities for rural and urban communities in Somalia in order to protect livelihoods over continuing shocks”. The action will support communities in addressing their existing needs in the productive sector, building and strengthening the capacities of affected households and communities in order to improve their resilience. The programme will support Somali most vulnerable, among them pastoralist and agro-pastoralist, riverine and rain fed farmers, Internally Displaced Persons (IDPs), returnees and, urban poor to a) improve their livelihoods and economy and b) limit the risk of losing their livelihood assets and economics gain due to crisis (droughts, floods and civil unrest or conflict). This Action Programme will support communities and populations that are food insecure due to protracted crisis in Somalia to build more resilient livelihoods and have enhanced food security and nutrition. Pastoralists and drop-out pastoralists, agro-pastoralists, IDPs and returnees and households in rural areas, IDPs and returnees as well as communities in urban areas that are constantly faced with uncertainty and volatility, will be the main beneficiaries.

Context

2.1.1. Country context

2.1.1.1. Economic and social situation and poverty analysis

Somalia, with a human population of about 9.56 million, is a hot, arid to semi-arid country with a rainfall that varies between 50-150 mm and up to 500 mm. Droughts occur every 2-3 years. Natural resource-based systems, namely pastoral, agro-pastoral and crop production are the main source of livelihood for the rural population representing 60% of the total Somali population. Livestock production creates about 65% of Somalia’s employment, generates approximately 40% of Somalia’s Gross Domestic Product (GDP) and 80% of its foreign currency earnings (excluding remittances). Livelihoods based on crop production system are mainly in South-Central Somalia and are dependent on rivers Shabelle and Juba, the only permanent rivers of Somalia. All productive sectors face a formidable web of constraints: conflict, erratic weather with long dry spells and water scarcity, environmental degradation, insufficient and unreliable market access and the weakness of the public sector to ensure an enabling environment and provide services and inputs necessary to improve productivity and trade.

More than 20 years of civil war and conflict – attributable to clan dynamics, resource distribution, the influence of the Islamist movement al-Shabaab and climatic conditions – have created a situation of recurring emergency and insecurity. Public sector systems that should provide support and protection to the population are almost inexistnet due to the lack of a formal unified state and effective governance structures. In this volatile situation natural and man-made disasters have an immediate negative impact: the 2010-2012 famine claimed the lives of 258,000 Somalis, over half of whom were children under the age of five. This was a painful demonstration that resilience – the ability to anticipate, absorb and recover from external pressures and shocks – is essential for the survival of households and communities in Somalia.

The majority of Somalis today live in poverty and vulnerability. Extreme poverty (less than USD 1 person/day) is estimated at 53.4% and general poverty (less than USD 2 person/year) reaches 73.4%. GDP per capita is estimated to be only USD 288 far below the Sub-Saharan average and unemployment is estimated to be 54% with youth unemployment (age 18 to 29)
reaching 67% - one of the highest rates in the world. More than 1 million Somalis are acutely food insecure and in need of emergency humanitarian assistance among them 63% of the 1.1 million internally displaced people. 2.4 million Somalis are food insecure and at danger of falling into acute food insecurity. Humanitarian support is a life-saving reality for many, where access is possible, but on its own, cannot develop the sustainable livelihoods necessary for poverty reduction.

The integrated food security and nutrition situation analysis conducted by the Food Security and Nutrition Analysis Unit (FSNAU) of the United Nations Food and Agriculture Organisation (UN FAO) and partners in September 2014 indicated a serious nutrition situation across most livelihood regions in Northwest, Northeast and Central zones. In the South, the nutrition situation has been classified as critical in most regions. A review of the nutrition data collected from health facilities across Somalia for the January-April 2014 period showed persistence of Critical-Very Critical levels of acute malnutrition reported in South Central regions. Health facility data from the South indicated high levels (>15%) of acute malnourished children from all livelihoods.

### 2.1.1.2. National development policy

In August 2012 the Federal Government of Somalia (FGS) came to power with a 4-year term under a provisional constitution approved by a new parliament, thus ending transitional government that was in place since 2004. The new government is responsible for meeting important political, security and economic milestones during its term, including the passage of a permanent constitution and the preparation for national elections in 2016.

Since its establishment, the FGS has developed the Economic Recovery Plan (2014-15) and the New Deal Compact. The Economic Recovery Plan has been developed with the aim of providing a common vision for Somalia’s pathway to economic recovery, set out principles to guide the transition from emergency relief to early recovery and development and lay the foundations for subsequent growth and development. The New Deal Compact provides an overarching strategic framework for coordinating political, security and development efforts for peace and state building activities over the next three years (2014-16). Several Ministries have started the development of action plans in alignment with the Compact Priorities, which have yet to be finalised and adopted.

### 2.1.2. Sector context: policies and challenges

The current intervention is cutting across several sectoral portfolios, from agriculture over environment, livestock and infrastructure development. Key challenges that this action programme will have to address are the following:

a) **Extreme poverty and population growth**: Somalia's human development indicators are among the lowest in the world. Most Somalis live in rural areas where traditional coping mechanisms, clan affiliations and pastoral mobility have been undermined by conflict. Only 7% of the rural population enjoys access to improved water sources, in contrast to 66% of people living in urban areas. Nationally, only 23% of the population has access to sanitation, with access rates of 52% in urban centres and only 6% in rural areas. Over 70% of the population in Somalia is under the age of 30 years. High fertility rates, estimated at 6.2 births per woman between 2010 and 2015, means the youth population will continue to increase for

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2 World Bank Strategy note November, 2013
the foreseeable future. Economic exclusion puts youth at risk of engaging in insurgency and gang violence as 67% of 18-29 year olds are unemployed.

b) **Low productivity:** The productive sector is challenged by chronic and institutional fragility, civil conflict, international terrorism active in many areas of the country, high youth unemployment, low land productivity, poorly developed domestic market structures, low level of investments, and poor infrastructure. 

c) **Environmental degradation:** Somalia is a country of major environmental challenges – climate change, increased population pressures, natural resource-based conflicts, increased urbanisation, degradation of rangelands, agricultural lands and the marine environment, frequent floods and storms – but the most critical of them all is water. The 2006 Human Development Report for Somalia estimates that Somalia’s annual renewable freshwater is below 1,000 m$^3$ per person/per annum and is forecast to fall below 500 m$^3$ by 2025. Water scarcity is already hampering health, economic development, and human well-being but it is forecast to become life threatening.

d) **Chronic food insecurity:** Chronic food insecurity and forced displacement have led to sustained vulnerability for a large share of the population. The 2011 Horn of Africa drought led to the worst famine in 60 years, with over 13 million in need across the region, 4 million in Somalia alone. Today, Somalia count 3.5 million people (more than one third of Somalia's population) in need, among them more than 1 million people acutely food insecure with 218,000 children under 5 are acutely malnourished out of which 43,800 so severely that they are at risk of dying without treatment. These regular food security crises - in 1991/92, 2006, and 2008 - combined with conflict, has led to massive forced displacement affecting almost a quarter of Somalia's population and led to exhausted coping mechanisms of many vulnerable Somalis.

In 2014, in South Somalia a combination of poor rain and the ongoing military offensive have disrupted plantation and triggered the rise of market prices. The situation is evocative of conditions prior to the 2011 famine with a constant erosion of resources that is provoking a new wave of displacements from rural communities to IDP settlements in the outskirts of urban centres or to refugee camps in neighbouring countries.

e) **High rate of urbanisation:** Somalia is experiencing high rate of urbanization, presenting serious challenges in delivery of social services, but also high potential for rapid development due to availability of labour force. The World Bank Interim Strategic Note for Somalia, approved in September 2013, prioritised urban development as a key strategic intervention due to the importance of urban centres for Somalia’s economic development.

### 2.2. Lessons learnt

Most of the EU interventions have been monitored and evaluated and have allowed learning some important lessons:

(i) **Peace and stability pay.** Somaliland and Puntland have attracted the majority of international development aid due to their capacity to ensure an acceptable level of security and their public institutions have some capacity to administer. The current project aims at expanding the peace dividends to South-Central Somalia and will benefit communities recovering from civil war, and in particular those that have been recovered by EU-supported African Union Mission in Somalia (AMISOM), from Al Shaabab armed group. Flexibility will, however, be maintained to allow implementation of this action in regions where access is possible within Somalia.

(ii) **In the absence of strong government systems, resilience is buttressed by strong societal...**
networks and the strength of the private sector in certain key sectors.

(iii) Community-based organisations are crucial to ensure ownership, sustainability, conflict prevention and resolution and, must be fully involved in all phases of the projects cycle.

(iv) Early warning and nutrition information have indirectly contributed to save lives and restore livelihoods of millions of disaster-affected people.

(v) Land and water information is crucial to ensure sustainable resource management.

(vi) Environmental concerns and - above all water – must be mainstreamed in all EU interventions in Somalia.

(vii) Most projects can be implemented even in volatile conditions due to the experience and expertise developed by International Organisations and NGOs.

(viii) Charcoal production and trade might become a further source of conflict and environmental disaster if its problems are not addressed.

(ix) Infrastructure and energy are a primary driving force in sustainable development contributing to growth, poverty reduction and employment creation.

2.3. Complementary actions

This programme will be complemented by the Annual Action Plan 2014 for the thematic programme Global Public Goods and Challenges strategic area for Food Security and Sustainable Agriculture (FSSA)- Component 3: Supporting the poor and food and nutrition insecure to react to crises and strengthen resilience. The programme will take place in 9 countries among which Somalia where EUR 11 100 000 will be implemented through direct award to one or two Resilience Consortia (Building Resilience in Central Somalia (BRICS) and Somalia Resilience Programme -SomReP). To avoid any overlapping and guarantee maximum synergies between FSSA programme and this action, there will be a clear geographical separation of areas of intervention.

This programme will also complement and be aligned with a number of on-going interventions in agriculture, livestock, water and environment financed by the EU and other donors. Currently, the 10th EDF ad hoc review supports projects in agriculture, livestock and fisheries worth EUR 42 000 000. The EU millennium development goal (MDG) initiative allocated EUR 25 000 000 to protect the fragile environment in Puntland, and the project is currently ongoing. The EU sources of funds also include the Food Security Thematic Programme (FSTP), and the Water Facility. In Somaliland the EU is financing water supplies and the management of related water resources as well as the development of Public-Private Partnerships in water delivery. The EU Education Sector Development Programme is providing about EUR 30 000 000 for primary/basic education, teacher training, secondary and tertiary education, vocational training and capacity building.

The present programme will also benefit from ECHO emergency nutrition, food security and livelihood support and cash based interventions throughout the country and will seek every opportunity to bridge the humanitarian-development gap through LRRD programming and frequent joint analysis and exchange. It will also collaborate with several emergency and development operations financed by traditional donors such as USAID, DFID, WB, Norway, Italy, Denmark, Netherlands, Germany, France, Spain, etc. The Compact response program

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3 Emergencies and relief type operations in Somalia rely on the information that is provided by the EU-funded Food Security and Nutrition Analysis Unit (FSNAU) and the Somalia Water and Land Information System. FSNAU and SWALIM have been co-financed by the EU since 1994 and 2002 respectively.
will also be complementary to actions supported by EU Member States and other partners. More in particular synergies will be ensured with:

- Support provided to urban water development by a number of non-traditional donors including Sudan and Turkey in Mogadishu and the Emirates in Hargeisa;
- Diaspora and community funding to internal transport, particularly rural feeder roads that provide market access to pastoral and agro-pastoral communities;
- USAID support to the Somali Youth Leadership Initiative (SYLI) worth USD 19 million. The five-year programme which commenced in 2011 focuses on improving secondary education opportunities and Technical and Vocational Education and Training for the Somali youth;
- UN resilience intervention group where United Nations World Food Programme (WFP), FAO and United Nations Children's Fund (UNICEF) are the major partners. The implementation of their programmes in the rural area is often outsourced to international and local NGOs.

2.4. Donor coordination

The New Deal Compact which guides the EU interventions in Somalia resulted from a coordinated effort by the EU with several Member States and Norway as a response to the UN/WB RDP (Reconstruction and Development Programme). The current resilience programme is aligned to Comprehensive Africa Agriculture Development Programme (CAADP) strategies, the UN Inter-Agency Steering Committee (IASC) framework and the Joint Resilience Framework established by FAO, UNICEF and WFP. Coordination of external aid to Somalia is managed through the Somali Donor Group (SDG) that meets every month, and the Aid Coordination Unit (ACU). Among the donors the resilience programme coordinates its activities within Peace Building and State Building Goal 4 (PSG4), in particular the Natural Resources Management sub working group that is currently chaired by the EU Somalia Delegation.

At the field implementation level, coordination of resilience activities is carried out among implementing agencies (International NGOs (INGOs), local NGOs, and UN agencies) within the regional Food Security & Livelihoods Cluster.

3. Detailed Description

The proposed programme has been designed based on the outcome of extensive consultations with the main stakeholders in Somalia. It is also based on the New Deal Compact for Somalia,4 and on several EU and Global Development Policies such as the MDGs, the EU Strategy for Africa, the EU Agenda for Change5, the Development Assistance Committee of the Organisation for Economic Cooperation and Development (OECD-DAC) Fragile States

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5 COM (2011) 637, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, "Increasing the Impact of EU Development Policy: an Agenda for Change", 13/10/2011. The agenda for change includes sectors such as business environment, regional integration, sustainable agriculture and energy which are the pillars of the present proposal (excluding energy).
principles particularly Principle 7, the New Deal for interventions in fragile states\textsuperscript{6} and the Comprehensive Africa Agriculture Development Programme (CAADP)\textsuperscript{7}. The programme also considers the policies, strategies and plans developed by the Somali Federal Government as well as Governments in Somaliland and Puntland.

This programme aims at using peace dividend to promote a sustainable productivity and utilization of the rural productive sector and, will utilise lessons learned from the Supporting Horn of Africa Resilience (SHARE)\textsuperscript{8} initiative and will specifically aim to address the following constraints in Somalia:

1. Loss of productive assets (livestock/farming/irrigated land) due to drought, floods, diseases;
2. Increasing land pressure due to increasing human population and settlements, reducing the area available for grazing livestock;
3. Declining livestock and agriculture production and productivity due to less favourable husbandry practices and technologies, environmental degradation and deterioration of natural resources;
4. Insufficient access to competitive markets;
5. Low socio-economic empowerment of women and youths, resulting in impoverishment of community and households, exacerbating food insecurity and poverty, and
6. Persistent conflicts over natural resources leading to erosion of assets and decrease of mobility, essential to water and feed accessibility during dry season.

To address existing challenges, this programme will make strong and concerted effort to create an enabling capacity and actions at the local community level aimed at tackling both the symptoms and causes that lead to high under-nutrition and food insecurity. The existing formal and informal institutions at village level will also be revitalised and strengthened to take increased roles and responsibilities, particularly in natural resources management and rural development planning. The actions will strive to ensure sustainability by ensuring participation and ownership by the beneficiaries, focusing on economically viable interventions, strengthening professional and technical capacity and, utilising appropriate technologies.

Regarding geographical coverage, this action will be implemented in the entire Somalia. The priority for Result 1 will be mainly in Central-South Somalia, but will keep flexibility and utilise peace dividend approach, with more activities in regions of Somalia that have stability and progressively increase in those areas being liberated from civil instability. Result 2 that is implemented with the World Bank Multi-Partner Trust Fund or DfID will cover the entire Somalia.

\textsuperscript{6} 4\textsuperscript{th} High Level Forum on Aid Effectiveness, Busan 29 November-1 December 2011. The New Deal sets out 5 peace-building and state-building goals to guide priorities and engagements in fragile states: legitimate politics, Justice, Security, Economic foundations & Revenues and Services. It also puts strong focus on the leading role of fragile states in processes of transition out of fragility and on the mutual trust between societies, the state and international partners to achieve results.
\textsuperscript{7} The Comprehensive Africa Agriculture Development Programme (CAADP) was established by the assembly of the African Union (AU) in 2003 aiming to raise agricultural productivity by at least 6\% per year and increasing public investment in agriculture to 10\% of national budgets per year.
\textsuperscript{8} http://ec.europa.eu/echo/files/aid/countries/factsheets/thematic/resilience_en.pdf
3.1. Objectives

**Overall Objective:** To revitalise and expand the Somali economy with a focus on livelihood enhancement, employment generation, and broad-based inclusive growth.

**Specific Objective (purpose):** To “improve resilience and increase adaptive capacities for rural communities and urban households in Somalia to protect their livelihoods over continuing shocks”.

3.2. Expected results and main activities

**Expected Results:**

1. *Vulnerability reduced and livelihoods enhanced for Somali rural communities through rehabilitation and development*

This Action Programme will support communities and populations that are food insecure due to protracted crisis in Somalia, to build more resilient livelihoods and have enhanced food security and nutrition. To achieve this result, this Action will support Somali pastoralist and agro-pastoralist, as well as riverine and rain fed farmers and IDPs and returnees wherever relevant to a) improve their livelihoods and economy and b) limit the risk of losing their livelihood assets and economic gain due to crisis (droughts, floods and civil unrest or conflict).

The following activities will be carried out:

- Support to the Somali Federal Government in developing a resilience strategy including safety nets in fragile areas with pre-identified crisis modifiers;
- Support to land tenure problems resolution;
- Support to animal health (vaccination, treatment, animal health surveillance system) to protect pastoralists and agro-pastoralists livelihoods assets;
- Support to sustainable pastoralist, agro-pastoral and farming practices and environmental conservation;
- Access to services for the most vulnerable, among them pastoralists, agro-pastoralists and crop farmers, IDPs as well as returnees;
- Support Post-harvest handling, storage and marketing for livestock and other farm produce;
- Support Community-led development and implementation of action plans to address vulnerability to drought (Natural Resources Management, water harvesting, early warning mechanism and response);
- Strengthening producer and marketing organisations.

2. *Livelihoods for communities in urban-context enhanced in Somalia*

Urban development has emerged as a strategic priority across the Somali territories. The Somali Compact and special arrangements for Somaliland prioritised the enhancements of productivity through rehabilitation of critical infrastructure including roads and water. This action will support the following activities:

- Support to the Somali Federal Government in developing a resilience strategy including safety nets in fragile areas with pre-identified crisis modifiers;
- Support urban planning and include IDPs in urban poor programming;
• Rehabilitation of urban infrastructure;
• Water supply in small urban centres;
• Access to services for the most vulnerable, among them IDPs as well as returnees;
• Support the provision of services to promote youth employment (solid waste management and drainage).

3.3. Risks and assumptions

Insecurity presents a considerable operational risk for the EU and implementing partners delivering programmes Somalia. There is an ongoing military engagement between the Somalia National Army/AMISOM and Al-Shabaab in many parts of South Central Somalia. As Al-Shabaab has gradually lost control of territory over recent years, the group has increased asymmetric tactics including targeted attacks on the government and international organizations in urban centres. Nevertheless, some areas in Central-South have been secured by AMISOM and implementation of development programmes that promote peace dividend is possible. Supporting such areas is also a way of showing that external aid is an alternative to conflict and organised crime. To reduce security risks, the EU encourages that the majority of actions be located in areas of relative peace and stability. In case of problems, actions can be relocated to other areas and only in extreme cases terminated. It should be noted that very few EU-funded actions have been terminated in the past 20 years for these reasons. As programming in Mogadishu and newly recovered areas of south Central Somalia increases, the EU is in parallel increasing its security precautions, through increased investment in information management on security incidents and advice in concert with member states, the UN and other international organisations.

The fragility of Somalia as a state poses a significant fiduciary risk. To mitigate these risks, the EU will utilise a diversity of implementation modalities where part of the Action will be implemented through the World Bank Multi-partner Trust Fund and/or DFID and the other part through a consortium of NGOs (SomRep consortium, BRICS consortium and ADESO-ACTED consortium). This action will utilise robust monitoring arrangements established by the World Bank/DFID and International NGOs, conduct routine risk assessments, and commission independent programme review, evaluation and audit.

The constantly evolving political environment poses a significant political and reputational risk. To reduce these risks, the EU has played a lead role in strengthening the coherence of international engagement with Somalia through the New Deal process that produced the Somali Compact and continues to play a lead role in donor working groups and efforts to enhance monitoring of human rights and humanitarian law, in particular through a lead role in the security and justice working groups.

Natural disasters, notably droughts as well as floods, represent a further operational risk, particularly to the achievement of food security and resilience programmes, through additional shocks to already vulnerable communities. To mitigate these risks, continuous informal and formal engagement with all stakeholders will be necessary, as will capacity building for disaster risk reduction and response with implementing partners, and maintaining flexibility to re-design or reschedule programmes or complement them with emergency activities. An emphasis on closer engagement with Somali authorities at the local level will promote multi-stakeholder collaboration on disaster risk reduction and will improve natural resources management. Moreover, programme-specific task forces will be formed among key
donors to ensure greater oversight, partial earmarking of funds to enable flexible responses as well as effective policy or political dialogue with the Federal government.

3.4. Cross-cutting issues

The main cross-cutting issues include climate change, environmental sustainability, gender equality, good governance and promotion of human rights. Environment management is of paramount importance. All interventions will therefore be preceded by ad hoc environmental impact assessment conducted by external experts and the related mitigation measures adopted.

In Somalia, men remain in control of the political domain excluding women, poor and vulnerable people. This programme will promote good governance, gender mainstreaming and human rights in order to ensure that marginalised groups of people are associated to the decision making in all project phases and will have equal access to resources and employment.

3.5. Stakeholders

The final beneficiaries for this Action will be small and medium-scale farmers, agro-pastoralists, pastoralists, and vulnerable households in small urban centres located in rural areas of Somalia. Their revenue and livelihoods are expected to be improved. Given the limited capacity and field presence of all government institutions, Community-Based Organisations will be the main partners of implementing agencies in the field. Nevertheless, government institutions will play a pivotal role in monitoring all interventions. Activities for this Action will be developed and implemented in full consultation with, and support by Somali local authorities and community-based organisations.

4. IMPLEMENTATION ISSUES

4.1. Financing agreement

Somalia became a signatory of the Cotonou Agreement in September 2013, but the EU continues to hold the role of National Authorising Officer (NAO) on behalf of the Somali people, as entrusted by the ACP-EC Council. In order to implement this action, financing conditions will be signed as referred to in Article 17 of Annex IV to the Cotonou Agreement. Implementing partners will work closely with the line Ministries of the Somalia Federal Government, regional and local administrations, civil society, and, where applicable, grassroots local committees and private sector to ensure full ownership and improve prospects of sustainability.

4.2. Indicative operational implementation period

The indicative operational implementation period of this action, during which the activities described in sections 3.2 and 4.3 will be carried out, is 60 months from the date of entry into force of the financing conditions, subject to modifications to be agreed by the responsible authorising officer in the relevant agreements.

4.3. Implementation components and modules

This programme will be partly implemented through direct (re-establishment of livelihoods) and indirect management (support to urban livelihoods and infrastructure).
4.3.1. Grant(s): direct award (direct management)

Consortium of NGOs (SomRep, BRICS and ADESO-ACTED)

(a) Objectives of the grant, fields of intervention, priorities of the year and expected results

The objective of the grant is: To “improve resilience and increase adaptive capacities for rural communities and urban households in Somalia to protect their livelihoods over continuing shocks”. To achieve this objective, the grant will support the Somali Federal Government to develop a resilience strategy, development of sustainable pastoral, agro-pastoral and farming practices and environmental conservation, access to services, post-harvest handling and marketing of farm produce, and strengthen local institutions. The expected result will be reduced vulnerability and enhanced livelihoods for Somali pastoral, agro-pastoral and agricultural communities as well as IDPs and returnees through rural rehabilitation and development.

(b) Justification of a direct grant

Under the responsibility of the authorising officer by delegation, grant contracts may be awarded without a call for proposals to consortia of NGOs.

Under the responsibility of the authorising officer by delegation, the recourse to an award of a grant without a call for proposals is justified because Somalia is in a crisis situation referred to in Article 190(2) RAP, and three consortia of NGOs named above are the only available implementers at community level, and therefore have a de facto monopoly.

(c) Eligibility conditions

The grant contracts will be concluded with NGOs specialised in the field of working with and through communities with a presence in Somalia, specifically in the south-central regions. Eligibility conditions will be based on access, established technical track record and the existence of good relationships with Somalia counterparts. In addition, the operational and financial capacity of each agency will be a basic threshold condition for any award.

(d) Essential selection and award criteria

The essential selection criteria will be financial and operational capacity of the applicant (an NGO consortium).

The essential award criteria will be relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

(e) Maximum rate of co-financing

The maximum possible rate of co-financing for this grant is 90%.

The maximum possible rate of co-financing may be up to 100% in accordance with Articles 192 of Regulation (EU, Euratom) No 966/2012 if full funding is essential for the action to be carried out. The essentiality of full funding will be justified by the responsible authorising officer in the award decision, in respect of the principles of equal treatment and sound financial management.
(f) Indicative trimester to contact the potential direct grant beneficiary

The indicative trimester to contact direct grant beneficiary is 2nd Trimester, 2015.

4.3.2 Indirect management with International Organisation (or agency of a Member State as alternative)

World Bank/ Multi-Partner Trust Fund (MPF)

The support to urban livelihoods and infrastructure will be implemented in indirect management by the World Bank in accordance with Article 58(1)(c) of Regulation No 966/2012. This implementation is justified because the World Bank is setting up a Multi-partner Fund for Somalia which covers this type of activity. The World Bank Multi-Donor Trust Fund will, in a first stage, build upon the Special Financing Facility track record, rules and procedures, but will be subject for project/category of expenditure to thorough appraisals carried out by the World Bank. The Fund will be supported by a financial agent (for monitoring, oversight and capacity building). With this choice of modality the EU supports the re-engagement of the World Bank in Somalia and recognises its unique implementation capacity with regards to the financing aspect of the New Deal framework.

The Multi-Partner Trust Fund of the World Bank is mainly a recipient executed trust fund which will fund public investments that support long term social economic recovery and capacity building in line with priorities defined in Somali Development Plans. Eligible recipients include the Federal Government of Somalia, sub-national governments, NGOs and other implementing partners subject to the MPF’s approval process. Governance structures and project approval processes will be described in the respective legal agreements.

Acting under presumption of conformity until the new pillar assessments are done, the World Bank is currently undergoing the ex-ante assessment in accordance with Article 61(1) of Regulation (EU, Euratom) No 966/2012, applicable by virtue of Article 17 of the Annex to Regulation (EU) No 567/2014. The Commission's authorising officer deems that, based on the compliance with the ex-ante assessment based on Regulation (EU, Euratom) No 1605/2002 and long-lasting problem-free cooperation, the entity can be entrusted with budget-implementation tasks under indirect management.

With regards to budget implementation tasks, the World Bank will supervise and manage undertaking of the action and enter into contracts and/or Grant Agreements in accordance with its policies and procedures. Usually the Grant recipients will carry out the specific activities. The World Bank will manage, monitor and supervise the implementation of the activities carried out by the grant recipients or contractors and it will report to the EC on the implementation.

If negotiations with the above-mentioned entrusted entity fail, a part or the whole support to urban livelihoods and infrastructure may be implemented in indirect management with DFID. The implementation by this alternative entrusted entity would be justified because DFID has set up the Somaliland Development Fund which also supports projects for urban settings and livelihoods, mainly water and roads related.

For the DFID option, no sub delegation of budget implementation tasks is foreseen as they remain under the financial and contractual responsibility of DFID. Appropriate provisions will be included in the delegation agreement.
4.4. **Scope of geographical eligibility for procurement and grants**

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act shall apply.

4.5. **Indicative budget**

The overall cost of the programme is EUR 36 250 000 to which EU will contribute EUR 34 000 000, the third party contribution will come from implementing partners in case of co-financing applies.

<table>
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<tr>
<th>Component/Activity Module</th>
<th>Amount (EUR)</th>
<th>Third party contribution grant beneficiaries (indicative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Livelihoods re-established through support to rehabilitation and development in Somalia 4.3.1 Direct management – direct award of grants</td>
<td>22 500 000</td>
<td>2 250 000</td>
</tr>
<tr>
<td>2. Support to urban livelihoods and infrastructure 4.3.2 Indirect management with World Bank or DFID</td>
<td>9 000 000</td>
<td>-</td>
</tr>
<tr>
<td>Evaluation and Audit 4.3.3 Procurement</td>
<td>500 000</td>
<td>-</td>
</tr>
<tr>
<td>Communication and visibility 4.3.3 Procurement</td>
<td>250 000</td>
<td>-</td>
</tr>
<tr>
<td>Contingencies</td>
<td>1 750 000</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>34 000 000</strong></td>
<td><strong>2 250 000</strong></td>
</tr>
</tbody>
</table>

4.6 **Performance monitoring**

Performance of this programme will be monitored as per indicators set out in the logical framework. A mid-term evaluation for this programme is foreseen early 2018 and a final evaluation in 2020. Regular steering committee meetings held every 6 months and mid-term and final evaluations will also be foreseen within the grant agreements. Technical Support could be envisaged in order to support the monitoring of programme implementation on a regular basis.

4.7 **Evaluation and audit**

| Subject in generic terms, if possible | Type (works, supplies, services) | Indicative number of contracts | Indicative trimester of launch of the |
Procurement procedures will be used for the contracting of the amounts related to evaluations. Framework contract will be concluded. A mid-term evaluation is foreseen for early 2018 and a final evaluation in 2020. Audits and/or expenditure verifications will be conducted within the grants, so no timing and amount indication can be given in relation to the audit contracts to be concluded in the following 5 to 6 years.

For indirect management, the audit rules and provision from the delegated body concerned apply. The EU can always contract additional audits if deemed necessary; in this case the framework contract of the EU Delegation Somalia will be used. Evaluation and audits are contracted through service contracts following EU rules.

4.8 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This programme shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated before the start of implementation and supported with the budget indicated in section 4.5 above.

The measures shall be implemented by the Commission, and/or the grant beneficiaries and entrusted entities. Appropriate contractual obligations shall be included in, respectively, financing agreements, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

Procurement procedures will be used for the contracting of the amounts related to visibility. Service contracts will be concluded. For communication and visibility, indicatively a contract will be signed first semester of 2016 as shown in the table.

<table>
<thead>
<tr>
<th>Subject in generic terms, if possible</th>
<th>Type (works, supplies, services)</th>
<th>Indicative number of contracts</th>
<th>Indicative trimester of launch of the procedure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication and Visibility</td>
<td>Services</td>
<td>1</td>
<td>Q2 2016</td>
</tr>
</tbody>
</table>

Visibility actions may cover all priority areas of the Somalia Compact and EU Cooperation in Somalia in force at the time of execution of this project. Financial and contractual provisions for visibility are included in grant contracts and grant beneficiaries as well as international organisations have to adhere to the Visibility Manual. At
programme level the EU Somalia Delegation will ensure the distribution of relevant information utilising internet, documentation networks and other means.