From Protracted Humanitarian Relief to State-led Social Safety Net System: Somalia Baxnaano Program

Afran Al-Ahmadi
and Giuseppe Zampaglione
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Afran Al-Ahmadi
aalahmadi@worldbank.org

Giuseppe Zampaglione
giuseppe.zampaglione@gmail.com
Abstract

In 2019, with support from the International Development Association (IDA), the Federal Government of Somalia established its first national safety net program, the Baxnaano Program. Despite institutional challenges, political and economic fragility, the Program is delivering promising results. This paper discusses the design and implementation experience of the Baxnaano Program to (i) understand the opportunities and challenges leading to the establishment of a national safety net program in a context of high fragility, insecurity, and protracted humanitarian relief interventions; (ii) identify if and how the Program is supporting the vision to transition from protracted humanitarian response to longer-term safety net system; and iii) examines if and how the Program is supporting state-building.


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### Abbreviations and Acronyms

<table>
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<tr>
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<th>Description</th>
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<tbody>
<tr>
<td>CaLP</td>
<td>Cash Learning Partnership</td>
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<tr>
<td>CBT</td>
<td>Community-Based Targeting</td>
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<tr>
<td>COVID-19</td>
<td>Coronavirus Disease 2019</td>
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<td>CPF</td>
<td>Country Partnership Framework</td>
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<td>CT</td>
<td>Cash Transfer</td>
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<tr>
<td>ECHO</td>
<td>European Commission’s Humanitarian Aid Office</td>
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<td>ECT</td>
<td>Emergency Cash Transfer</td>
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<tr>
<td>FCDO</td>
<td>Foreign, Commonwealth and Development Office</td>
</tr>
<tr>
<td>FCV</td>
<td>Fragile, Conflict, and Violence-affected Countries</td>
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<tr>
<td>FEWS NET</td>
<td>Famine Early Warning Systems Network</td>
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<td>FGS</td>
<td>Federal Government of Somalia</td>
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<tr>
<td>FMS</td>
<td>Federal Member State</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>GDWG</td>
<td>Government-Development Partners Working Group</td>
</tr>
<tr>
<td>HEA</td>
<td>Household Economy Analysis</td>
</tr>
<tr>
<td>HIPC</td>
<td>Heavily Indebted Poor Countries</td>
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<tr>
<td>IDPs</td>
<td>Internally Displaced Persons</td>
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<tr>
<td>INGO</td>
<td>International Non-government Organization</td>
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<tr>
<td>MEB</td>
<td>Minimum Expenditure Basket</td>
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<tr>
<td>MoLSA</td>
<td>Ministry of Labour and Social Affairs</td>
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<tr>
<td>MPF</td>
<td>Multi-Partner Fund</td>
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<tr>
<td>NDP</td>
<td>National Development Plan</td>
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<tr>
<td>NGO</td>
<td>Non-Government Organization</td>
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<td>OCHA</td>
<td>United Nations Office for the Coordination of Humanitarian Affairs</td>
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<tr>
<td>PMT</td>
<td>Proxy Means Testing</td>
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<tr>
<td>SCD</td>
<td>Systematic Country Diagnostic</td>
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<tr>
<td>SCRP</td>
<td>Somalia Crisis Response Project</td>
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<td>Acronym</td>
<td>Description</td>
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<tr>
<td>SNHCP</td>
<td>Shock Responsive Safety Net for Human Capital Project</td>
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<td>SNLRP</td>
<td>Shock Responsive Safety Net for Locust Response Project</td>
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<tr>
<td>SP</td>
<td>Social Protection</td>
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<tr>
<td>UNICEF</td>
<td>United Nations Children’s Fund</td>
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<td>USAID</td>
<td>United States Agency for International Development</td>
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<td>WFP</td>
<td>World Food Programme</td>
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Executive Summary

Somalia is a very poor country with human development indicators amongst the lowest in the world. Two decades of conflict, weak governance, repeated extreme weather events, such as droughts and floods, desert locust infestation, and now the coronavirus disease 2019 (COVID-19) pandemic have devastated the Somali economy, its social fabric, and state institutions.

A significant amount of humanitarian aid has been mobilized and invested to support the most vulnerable and those hit most hard by the crises, and this has been critical for saving lives and providing basic services. However, most of the humanitarian assistance has been reactive, with short-term prospects, unpredictable, and often uncoordinated. Historically such aid has operated outside government channels.

After intense policy dialogue, analytical work, and a first round of limited operations, the World Bank achieved full re-engagement in Somalia in 2020. As part of its re-engagement strategy, the World Bank supports the Federal Government of Somalia’s (FGS) social protection agenda, including the Baxnaano cash transfer program, Somalia’s first social safety net system.

Baxnaano’s long-term objective is to enable the transition from protracted humanitarian relief to a state-led shock-responsive safety net system capable of addressing chronic poverty, fostering human development, and building households’ resilience to shocks. Baxnaano is a program with a high level of flexibility and can be expanded if needed, has strong government ownership, and a solid risk-coping framework. The institutional arrangement model of the Program entails a pragmatic yet visionary approach. Under this model, the overall responsibility of project implementation is with the government, while partnering in the short-term with the United Nations (UN) for implementation support and as risk-mitigation measure. As the government’s capacity and delivery system develops, the role of the UN implementation support would be transferred in full to the government.
The Baxnaano Program was able to deliver rapid results and thereby build confidence among stakeholders of its centrality to Somalia’s development agenda. As of October 2021, the Program covered over 181,000 households across Somalia with predictable, quarterly cash transfers delivered through mobile money. Within its first year of implementation, Baxnaano’s shock responsive features were tested successfully as the Program adapted and expanded vertically and horizontally in response to the 2020 ‘triple shock’ of the desert locust infestation, COVID-19 pandemic and floods, reaching close to 100,000 households with emergency cash transfers for livelihood protection. Independent, third-party monitoring indicates overall satisfaction with the Program by beneficiary communities and local authorities, although demand for expansion of coverage is significant.

At the beginning of the program preparation, there were mixed reactions from donors and humanitarian implementation agencies. Most were supportive and welcoming, but some expressed reservations based on the monumental challenges at stake, including program sustainability, government readiness, inherent contextual risks, targeting approaches, and coordination with the humanitarian interventions, especially around data collection and management. These discussions informed the Program design and are at the core of ongoing dialogue among development partners and between development partners and the government.

Through its design and implementation, Baxnaano epitomizes the operationalization of the humanitarian-development nexus and lays the foundations for a gradual transition from protracted humanitarian relief to a state-led shock-responsive safety net system. The paper discusses four models of possible alignment between humanitarian cash transfers and Baxnaano: Parallel or stand-alone humanitarian response; Shadow Alignment; Piggybacking; and National system-led, or entirely run through national systems. Some progress in Shadow and in Piggybacking alignment has been achieved in a few programmatic functions, including Legal and policy; Targeting and eligibility; Transfer amount; and Governance and coordination. Other areas such as Outreach, Registration, Social registry, or Payment require significant
alignment efforts. Beyond (and above) these areas, there is a need to reach some level of policy consensus on broad institutional development; a stronger narrative around the convergence of humanitarian and national social assistance systems; and a shared, if not common, understanding and approach to targeting and to the social registry. Confidence and institution building is a parallel and self-reinforcing process. Cash transfers can become part of such a process, as they strengthen and reconstitute the social contract between state and citizens. Baxnaano has set in motion such a process, but it requires time, sustained support, and step-by-step implementation support to reach its full potential.

Baxnaano supports institution building in Somalia with an inclusive, nation-wide, and government-led approach. This includes: (i) the reorganization and capacity building of the Ministry of Labour and Social Affairs (MoLSA); (ii) the preparation of transparent operational procedures; (iii) the inclusion of Baxnaano in the national budget; and (iv) the design and development of the unified social registry.

On the interaction between the FGS and the Federal Member States (FMS), Baxnaano seeks a balanced approach that is currently centered on the FGS but is ready to expand authority and responsibility to the FMS as the federal agenda is further clarified, and delivery systems and capacity developed.

Baxnaano ensures state visibility on the ground through Program branding, communication, and messaging. It engages local and federal authorities in relevant activities including preparation and monitoring. However, given the multilayer nature of the implementation arrangements which include various actors, to avoid potential confusion of roles, the Program requires stronger yet simple and direct communication.

To ensure the transition towards a truly state-led shock-responsive safety net system, continued coordination and alignment efforts are required among government and development partners as part of the Implementation Framework of the Social Protection Policy. This could take the
form of on an agreed roadmap with Medium- to long-term (2023 – 2027) measures ranging from a new line in the national Budget on safety nets to establishing a joint financing platform in support of Baxnaano and aligning overall programming of cash transfer interventions. Increased coordination is also needed on administration of surveys; exchange of data and database management through the unified social registry; targeting strategies and tools; communication outreach; and more broadly on technical assistance programs. Factors that may affect the roadmap include: (i) an increase of country risks, in particular macroeconomic, security, and governance risks; and (ii) substantial differences of views on the opportunity, timing, and modalities of the transition. New coordination and partnership with the Somalia Government(s) around the proposed roadmap, would help in detecting and mitigating some of these risk factors.
1. Introduction

1.1. Objectives

This discussion paper tells the story of the Baxnaano\(^1\) Program, the national Shock Responsive Safety Net for Human Capital Project (SNHCP) of the Federal Government of Somalia (FGS), established in 2019 and supported by the World Bank\(^2\). The overall objective of the paper is to present, discuss and learn from the establishment and implementation experience so far of Baxnaano.

The paper is not an evaluation or assessment of the results of Baxnaano and doesn’t attempt to assess whether the targets set by the World Bank projects in support of Baxnaano were reached or not, or how and why. There are other, specific and better-suited instruments to assess the efficacy and effectiveness of these projects.

The paper focuses on three areas:

i. The paper discusses the opportunities and challenges leading to the establishment of Somalia’s first national safety net program in a context of high fragility, insecurity, protracted humanitarian crises, and subsequent relief interventions.

ii. The paper attempts to assess if and how the design and implementation of Baxnaano are supporting the vision to transition from protracted humanitarian response to longer-term development goals, and from cash transfers delivered exclusively by humanitarian agencies to a growing role of the Government (both Federal and State) in delivering services to citizens.

iii. Finally, the paper discusses how the design and implementation experience of Baxnaano, so far, is supporting the interaction between Federal and state levels, how it enhances the trust and confidence of citizens in government, and if it contributes to state-building.

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1 Baxnaano, meaning ‘uplifting’ in the Somali language, is the local name of the Program.

2 The Baxnaano program is funded by the International Development Association (IDA) of the World Bank Group, and benefits from a World Bank-executed trust fund under the Somalia Social Protection Support: Building Blocks Towards a National Social Protection System. The Somalia Multi-Partner Trust Fund (MPF) for Somalia finances analytical and advisory services.
This paper leverages lessons learned from program implementation and supports the dialogue among government(s), humanitarian, and development agencies. In particular, the paper presents an experience that is highly relevant to other Fragile, Conflict, and Violence-affected Countries (FCV). As the engagement of development agencies expands in such countries, this paper joins current efforts to present lessons, experiences, and best practices around the design and implementation of social protection programs in FCV. Thus, the paper’s main audiences include government officials; the humanitarian and development community, including UN agencies, Non-government Organizations (NGOs), and donor agencies; as well as World Bank management and staff working on social protection in FCV and humanitarian settings.

1.2. Methodology and organization

The paper is based on (i) desk review of existing literature, relevant reports, studies, and papers on Somalia including program documents; (ii) interviews with key informants, including a wide range of stakeholders; (iii) peer review; and (iv) discussion on the key messages and lessons-learned with program teams.

The paper is organized as follows: After this introduction, Section 2 outlines the country economic and social context of the Program. Section 3 presents the key features, challenges, solutions, and opportunities of Baxnaano, while Section 4 discusses the role of Baxnaano in transitioning from short-term humanitarian crisis responses to a longer-term safety net development agenda. Section 5 discusses the role of Baxnaano in helping build the social contract between citizens and Government(s). The paper ends with Section 6 presenting some concluding and way forward remarks.
2. Country Context

2.1. Conflict, insecurity and state-building

Since 2011, state-building in Somalia has progressed steadily, after years of civil conflict. The 2011 Agreement on the Provisional Constitution and the establishment of the Federal Republic of Somalia, bringing to power the Federal Government of Somalia (FGS), have ended a long period of revolving transitional governments. The Provisional Constitution established a parliament and a federal political system. The federal system, with its five Federal Member States (FMS)\(^3\), opened a new chapter for Somalia’s development and offered hope for a stable future. Since then, the FGS has enacted a wide range of political, social, economic, and fiscal reforms focused on building institutions, strengthening the economy, and addressing the structural drivers of fragility. The last four to five years saw significant progress in economic and fiscal governance. Before COVID-19, the Somalia economy was expected to grow by 3.2 percent in 2020, slightly above the estimated 2.9 percent growth in 2019, continuing the trajectory of recovery since the 2017 drought\(^4\).

Somalia, however, faces formidable institutional uncertainties and increased insecurity. Despite some progress, the Somali state-building process remains extremely complex, being at the same time a significant development opportunity as well as a severe and unpredictable governance challenge. Significant tensions remain around the model of federalism to be adopted. In particular, how to strike a balance between the existing dynamics of centralization of critical public functions and a strong request for decentralization. This request is triggered by political aspirations and demands by ethnic elites and clans, whose influence is ubiquitous and

\(^3\) The five FMS are: Puntland, South West, Jubaland, Hirshabelle, and Gulmudug. Somaliland is a self-declared independent State.

intervenes in most local public decisions following the agreed 4.5 power-sharing formula\(^5\). Meanwhile, the nature of Somaliland’s relationship with Somalia remains unresolved.

Since the mid-2000s, and partly as an outcome of the civil war that began in 1991, some members of the previous Islamic state coalesced around Al-Shabaab militias to carry out attacks against the civil population in government-controlled areas, the Federal Government, Somali armed forces, AMISOM\(^6\), and the international community. Although in recent times there has been a relative reduction of these attacks, they continue to be frequent and violent. Moreover, if a stable way out to the current political and institutional stalemate is not found quickly, the gains made in recent years are at risk.

### 2.2. Poverty, vulnerability, and cyclical shocks

Somalia is a very poor country with nearly seven out of ten Somalis living in poverty (see Table 1) and an average poverty gap of 29 percent i.e., the average consumption of a poor Somali is about 71 percent of the International Poverty Line\(^7\). Half of Somalia’s population lives in rural areas pursuing agro-pastoralist livelihoods, which remain the backbone of the economy and account for about 75 percent of Gross Domestic Product (GDP), among the highest in the world\(^8\).

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\(^5\) Under the Arta (Djibouti) Agreement of 2000, a Transitional National Government (TNG) was established on a power-sharing mechanism based on the traditional distribution of power among the main clans in Somalia. The TNG was created on what has since become known as the 4.5 power-sharing formula, which allocated seats in parliament to the four major clans - the Darood, the Dir, the Hawiye, and the Digil-Mirifle, with the remaining 0.5 reserved for a cluster of minority clans. Since 2000, the 4.5 power-sharing formula percolated in various aspects of the civic and administrative life of Somalia. On the 4.5 formula see: https://fount.aucegypt.edu/cgi/viewcontent.cgi?article=1510&context=etds

\(^6\) AMISOM is the African Union Mission to Somalia.

\(^7\) World Bank, 2019. “Somali Poverty and Vulnerability Assessment: Findings from Wave 2 of the Somali High-Frequency Survey”.

### Table 1: Key poverty and social indicators

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Values</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poverty (% below the poverty line) *</td>
<td>69</td>
<td>2017</td>
</tr>
<tr>
<td>Poverty gap (average, %) *</td>
<td>29</td>
<td>2017</td>
</tr>
<tr>
<td>Adult literacy rate (Age 15+) (%) *</td>
<td>50</td>
<td>2017</td>
</tr>
<tr>
<td>Female literacy rate (Age 15+) (%) *</td>
<td>41.7</td>
<td>2017</td>
</tr>
<tr>
<td>Net primary enrollment rate (Age 6-13) *</td>
<td>33</td>
<td>2017</td>
</tr>
<tr>
<td>Under-five mortality (per 1,000) **</td>
<td>121.5</td>
<td>2018</td>
</tr>
<tr>
<td>Life expectancy at birth (years) **</td>
<td>56.7</td>
<td>2017</td>
</tr>
<tr>
<td>Incidence of HIV (per 1,000 uninfected population ages 15-49) **</td>
<td>0.04</td>
<td>2018</td>
</tr>
</tbody>
</table>

*Somali Poverty and Vulnerability Assessment, The World Bank. 2019

** WDI (World Development Indicators), The World Bank, 2019

Somalia’s human development indicators are amongst the lowest in the world\(^9\). Human capital is the most important component to the growth of wealth globally, and Somalia has a massive human capital deficit. Adult literacy is among the lowest in the world and it is worse for women and girls. Net enrollment in primary schools is as low as 33 percent (Table 1), and fewer than ten percent of school-age children attend secondary school. Under-five mortality is among the highest in the world (121.5 per 1,000 children) and well above the average of sub-Saharan Africa (98/1,000).

Somalia’s extreme weather conditions, such as repeated droughts and floods, has increased food insecurity and poverty. Somalia has experienced 14 droughts since 1960, averaging one every four years. In 2016/17, the country experienced another large-scale drought, leaving an estimated 6.7 million people in urgent need of humanitarian assistance. While famine was averted due to concerted international support, nearly 400,000 children still suffered from acute malnutrition, and an additional one million people were internally displaced\(^10\). The drought led to a decline in rural households’ consumption of 19 percent (13 percent decrease in food consumption), corresponding to a 24 percent increase in the probability of being poor. Since late June 2020, floods attributed to the Hagaa seasonal rains have affected nearly 500,000


people in various states. In 2021, drought and flood conditions are again reducing crop production and food security. According to the humanitarian assistance programming for the first quarter of 2021, the total number of acute food insecure was estimated at 4.1 million, which includes approximately 840,000 under-age-five children likely to be acutely malnourished, of which nearly 143,000 are likely to be severely malnourished.

Other, less predictable, shocks are also affecting poor Somalis. The recent outbreak of desert locusts has exacerbated the humanitarian crisis and food insecurity and worsened development outcomes. The COVID-19 pandemic has further exacerbated poverty, with nearly 80 percent of households reporting some reduction in income from wages. As Somalia relies on food imports to feed its population, the lockdown of key supply markets, closure of borders, and restrictions on domestic movements negatively affected basic commodity prices throughout 2020. Finally, exogenous economic shocks, such as the repeated decisions by the Arabian Peninsula countries to suspend cattle imports from Somalia or the price increase of imported commodities, such as oil, have had significant adverse consequences on the economy and agro-pastoralist livelihoods.

Additionally, Somalia has a long history of civil unrest and conflict between clans and ethnic groups over local power and economic activities. This is a context of weak governance arrangements and of continuous challenges to law and order, which saw the rise of Al-Shabaab militias controlling large parts of Somalia. The significant security challenges have led to cycles of security-related internal displacement, on top of natural disaster-related displacement.

13 For example, the March 2020 Consumer Price Index published by the Federal Directorate of National Statistics indicated an increase of up to 2.12 percent.
These shocks are interrelated, to the extent that the effects of one shock become the cause of another, in a vicious and self-propelling cycle. Their combined impact on poor households, especially rural, is devastating and makes households fall into deeper poverty, and increases vulnerability and food scarcity: almost two in three Somali households report experiencing at least one shock in the past 12 months, and two out of five of experiencing multiple shocks within a year (Figure 1).

**Figure 1: Multiple shocks affecting Somali households**

![Multiple shocks affecting Somali households](image)

Source: Somali Poverty and Vulnerability Assessment – Findings for Wave 2 of the Somali High-Frequency Survey, Chapter 4, World Bank, 2019.

### 2.3. Domestic response to shocks

The response to shocks is addressed at various levels, starting with households/communities. Especially at the peak of droughts, poor households adopt a patchwork of solutions, including among others: (i) self-insurance, which refers to selling, pledging, or mortgaging family assets; (ii) borrowing from friends, relatives, money lenders, or using other social networks to smooth consumption; and (iii) pooling of risks by tapping into informal networks such as friends, family, or clan. In response to the 2017 drought in Somalia, households coped by selling their assets,

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15 As indicated by the recent Humanitarian Response Plan for Somalia, the humanitarian situation in Somalia has worsened in 2020 due to the devastating combination of drought, the locust infestation and conflict.

such as farming land (52 percent), breeding stock (37 percent), draught animals (48 percent), milking animals (25 percent), and household valuables (30 percent). Poor household coping strategies often tend to deplete productive assets and limit human capital accumulation, for example by reducing food and nutrients intake especially of young children\textsuperscript{17} or withdrawing them from school and foregoing medical care. Such strategies deplete household resilience to future shocks and reduce the chances of future generations to exit from deep poverty and systemic vulnerability\textsuperscript{18}.

A common response strategy to droughts, conflict, and other shocks is internal and international migration. A significant share of households affected by shocks is migrating in search of better access to safe shelter, food, and water for their survival, as well as for pasture for their livestock. The result is that about 17 percent of the Somali population is internally displaced, and live in worse conditions than residents, with over three in four internally displaced persons (IDPs) living below the International Poverty Line (US$1.9 per day) with reduced access to social services and livelihoods.

Remittances are important support but don’t necessarily reach the poorest households. The large Somali diaspora has kept alive its commitment and solidarity with the motherland, to the extent that remittances are equal to an estimated US$1.4 billion annually, around 30 percent of GDP. However, since the poorest of the poor (Quintile 1 of the poverty distribution) don’t migrate, their families don’t get remittances, while people from all other quintiles migrate and send remittances, which make up to 40 percent of the income of households in Quintiles 3 and 4. In absolute terms, urban households receive the largest average amount of international remittances.

Other informal safety nets support some households, but not necessarily the poorest. Traditional and informal kinship-based safety nets also help Somalis to survive and cope with


\textsuperscript{18} World Bank Group. 2019. “Somali Poverty and Vulnerability Assessment”.
crises, including the pooling of resources to help the most vulnerable. Social structures facilitate sharing and transfer of resources to households in need through traditional community mechanisms. However, as seen in other Sub-Saharan countries, traditional safety nets are based on social groups, and remain exclusive, since the most vulnerable and minority clans are lacking resources to pool and networks to activate. Such systems also get overwhelmed by the frequency, severity, and covariant nature of repeated shocks.

A comprehensive response to shocks is central to government strategies. Pillar 4 of the National Development Plan 9 – 2021-2024 (NDP-9) presents social protection schemes as a key strategy to reduce poverty and vulnerabilities. The NDP-9 discusses opportunities and challenges of such schemes, including national funding and identification of vulnerable citizens. In 2019, the FGS adopted a Social Protection Policy\textsuperscript{19} and in 2020 its implementation Framework. The Policy states, “The government bears primary responsibility for the provision of social protection to Somali citizens. Strong government leadership at all levels ... will be promoted and supported ... [and] ... all existing and emerging FMS administrations will participate equally in implementing the national policy. Other actors will support the government to implement aspects of the policy, under the oversight of the government”. The Policy also recommends to “commence the development of a social registry and necessary integration with other databases for social protection programs”. The Framework goes a step further and under implementation priority 7.6 identifies specific steps to develop and test innovative operational systems for beneficiary registration, payment delivery, information management, and accountability. The Policy also articulates the central role of the government in aid coordination.

2.4. International support

Somalia receives significant international support. During various decades, the international response to the humanitarian and developmental needs of Somalia by international partners – multilateral and bilateral agencies alike – has been significant both in financial and technical

\textsuperscript{19} The Social Protection Policy was developed with seed funding from the Italian Government and Technical Assistance through a UN Joint program bringing together the WFP and UNICEF in support of MoLSA.
resources. As shown in Figure 2, during the 2017 drought, such resources reached a level of around US$2 billion a year (more than 40 percent of GDP), while during the previous six years (2012-2016) they were on average of US$1.1 billion a year, with an even split between development and humanitarian spending. Some of these resources were channeled through government, with the FGS deriving about one-third of its revenues from foreign governments and international organizations, while operations channeled directly through the FMS were US$42 million in 2018.

**Figure 2: Trends in humanitarian and development aid in Somalia**

![Graph showing trends in humanitarian and development aid in Somalia](Image)


Until at least 2017, humanitarian interventions have had a reactive approach to crises, and droughts and floods in particular. They were mostly short-term, focused on IDPs in urban areas, at times late in responding to the emergency (e.g., in 2011), and operating outside national government systems. The 2017 EU-ASiST report states that “... [donor and agencies] approaches are commonly undertaken with minimal involvement of government at any level ...” and that

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“coordination within and between donors was ... problematic, as was the silo-effect of different donors funding different implementation consortia”\textsuperscript{21}. The 2018 social protection study of the World Bank highlighted that moving forward ... “there must be better coordination among donors, government actors and implementation partners in policy-making, monitoring, financing, and delivery of social protection interventions [while] ... the government should take the central role in policymaking and implementation”\textsuperscript{22}. In preparing this report, key informants highlighted that while there have been improvements in areas such as preventive interventions, resource mobilization, and technical coordination, donors continue operating offline and off-budget with piecemeal projects and that they are struggling with their bilateral engagement with the government, given its limited capacity and weak accountability mechanisms.

Areas of ongoing donor coordination efforts include social protection policy, early warning systems, and humanitarian cash transfers. The preparation of the Social Protection Policy was an important opportunity to further enhance the dialogue on coordination and alignment among donor agencies. Based on selected multilateral initiatives such as the Famine Early Warning Systems Network (FEWS NET)\textsuperscript{23}, key agencies such as the World Food Programme (WFP), United States Agency for International Development (USAID), Foreign, Commonwealth and Development Office (FCDO), European Commission’s Humanitarian Aid Office (ECHO), and the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) have developed an important collaboration with the government in early warning activities based on meteorological data and climate dynamics. Similarly, the Somalia Cash Working Group with support from several donors and in collaboration with the Cash Learning Partnership (CaLP)\textsuperscript{24} is making efforts to coordinate humanitarian cash transfers programs in areas such as the amounts

\textsuperscript{22}World Bank. “Somalia: Social protection - Stocktaking of Evidence for a Social Protection Policy and Framework”.
\textsuperscript{23}FEWS NET, the Famine Early Warning Systems Network, is a website of information and analysis on food insecurity created in 1985 by the United States Agency for International Development, and the US Department of State, after famines in East and West Africa.
\textsuperscript{24}CaLP is a global network of over 90 organizations engaged in the critical areas of policy, practice, and research in humanitarian cash and voucher assistance (CVA) and financial assistance more broadly.
and frequency of transfers to beneficiaries. The UN system – mainly through OCHA\textsuperscript{25} -- plays a leading role in coordinating the humanitarian community, in particular by launching international appeals, monitoring and reporting on financial flows, and humanitarian programs’ field coordination.

After 2012, the new government engaged in an effort to building back trust in Somali institutions. The World Bank was gradually involved in this effort and started working with government institutions and investing resources in building and strengthening systems. The World Bank re-engagement in Somalia was accompanied by extensive analytical work in areas such as dynamics of poverty and vulnerability, public finances, remittances, social protection, and other key sectors. This work supported an intense policy dialogue, the establishment of a Multi-Partner Trust Fund (MPF), the preparation of a Systematic Country Diagnostic (SCD), and various operations financed by the MPF and by IDA pre-arrears clearance grants. The main priorities as identified in the 2018 SCD included strengthening institutions, providing jobs, and building resilience. Along these lines, in 2018, the Country Partnership Framework (CPF) 2019-2024 was developed to be financed by trust funds and IDA funding. In March 2020, based on progress made to restore stability, policy reforms, engaging with creditors, and adopting a poverty reduction strategy, Somalia qualified for a debt reduction, the Heavily Indebted Poor Countries (HIPC) initiative which then led to full resumption of the relations with the World Bank and a new IDA program (currently on full grants basis).

Another cycle of droughts hit Somalia in 2019 and led to a call for mobilizing resources for response efforts. As part of the re-engagement strategy, the World Bank decided to support the efforts of the Government of Somalia in laying the foundations for a national shock responsive social safety net system through the Baxnaano Program.

\textsuperscript{25} OCHA is the UN Office for the Coordination of Humanitarian Affairs.
3. The Baxnaano Program

3.1. Background

In Somalia, over many years, development partners have financed Humanitarian Cash Transfers. In recent years, UN agencies such as WFP and Food and Agriculture Organization (FAO) have implemented sizeable emergency cash transfer programs. International NGOs such as Concern, World Vision, Save the Children International, ACTED and the Building Resilient Communities in Somalia (BRCiS) consortium\(^\text{26}\) have implemented their independent programs and those financed by donors, including by ECHO, USAID, and FCDO. The rationale of Humanitarian Cash Transfers is to provide immediate support to those households worst hit by a shock, based on their food needs and of their gap to the Minimum Expenditure Basket (MEB). The duration of the support varies considerably across humanitarian interventions and is generally determined by the availability of resources, but seldom does it last over a year, and the average value is US$88.6 per household\(^\text{27}\). The volume of this assistance, which fluctuates considerably from year to year, is substantial. By November 2017, OCHA estimated that cash-based humanitarian assistance in response to that year’s crisis had reached 2.9 million individuals with a total transfer of US$256.9 million.

In 2019, Somalia adopted a multi-sectoral Social Protection (SP) Policy, which focuses on mitigating vulnerability, better aligning humanitarian and developmental objectives, and reducing reliance on short-term humanitarian aid. The Policy states that it will help the FGS ensure fiscal and political space for the new SP agenda, develop a clear and realistic vision for SP, and guide implementation within the SP policy implementation framework, launched at the end of 2020. The Policy recommends strengthening systems, capacities, and institutional arrangements of the FGS, starting with a transitional safety net program that would test the overall approach, including targeting. The Policy envisages progressively expanding social

\(^{26}\) BRCiS is a humanitarian Consortium established in 2013 by five international NGOs with long experience in Somalia – Cooperazione e Sviluppo (CESVI), Concern Worldwide (CWW), the Norwegian Refugee Council (NRC), the International Rescue Committee (IRC), and Save the Children International (SCI) – as of 2020, the BRCiS membership has grown to six INGOs and 3 local NGOs.

transfers and developing the social registry. It also includes recommendations in the area of social insurance and labor policies.

Informed by findings from a stock-taking activity\textsuperscript{28}, policy dialogue with government and other stakeholders, and the Government SP Policy, the World Bank prepared an Advisory Services and Analytics operation in early 2019. The operation aimed to support the FGS to explore design options for a state-led safety net program and provide technical assistance on delivery systems and the learning/knowledge agenda. These activities were intended to prepare the grounds for a future IDA investment to launch the national safety net program. In spring 2019, torrential floods forced an acceleration of the preparation of the planned safety net program. As the UN mobilized an emergency response, the World Bank launched a multi-sector mission\textsuperscript{29} and between May and July 2019, the Shock Responsive Safety Net for Human Capital Project (SNHCP) was designed to support the FGS to establish its first-ever, national cash transfer program, soon to become the Baxnaano Program. The Program was designed as national in scope, leveraging existing experiences, and was endowed with sufficient resources to make a change in the cash transfer (CT) and SP landscape of Somalia.

Less than a year after the launch of Baxnaano, a new crisis loomed over Somalia’s rural population. In February 2020, the FGS declared a state of emergency after confirmation of the worst desert locust outbreak in 25 years. The locust crisis drove a new dynamic in Baxnaano, and in September 2020 the program was tested for its shock responsive design and operational model through the Safety Net for Locust Response Project (SNLRP) aiming at scaling up Baxnaano in response to the locust infestation. In light of the persistence of the locust crisis and to ensure continuity to the regular Baxnaano program, in June 2021 the Board of the World Bank approved two additional financing operations for a total of US$185 million, of which US$110

\textsuperscript{28} The Stock-taking exercise was funded by a Rapid Social Response (RSR) grant, and took stock of the sector, of stakeholders’ activities and issues, and explored potential entry points for the World Bank.
\textsuperscript{29} The mission was in collaboration with the Famine Action Mechanism (FAM) which is a global partnership dedicated to scaling up anticipatory and early action to protect lives and livelihoods from emerging food security crises.
million for the continuation of the SNHCP and US$75 million to expand the SNLRP. The additional financing projects were launched in September 2021.

### Box 1: Summary of the World Bank SP Portfolio in Somalia

- Since March 2019, a US$2 million Social Protection Advisory Services and Analytics (ASA) project\(^{30}\), funded by the MPF and implemented by the World Bank, provides technical assistance, builds the capacity of the FGS and evidence-based policies on safety net delivery systems (targeting, payment, social registry, etc.).

- From September 2019, a US$65 million IDA operation has supported the establishment of Somalia’s first safety net program – Shock Responsive Safety Net for Human Capital Project, SNHCP (Baxnaano) – to deliver cash transfers to poor and food-insecure rural households, while facilitating their access to human development services, and respond to shocks.

- In September 2020, the Shock Responsive Safety Net for Locust Response Project (SNLRP) was launched with a US$40 million IDA grant, to scale up Baxnaano in response to the locust invasion crisis.

- In September 2021, two companion US$185 million additional financing operations were launched to support the continuation of the SNHCP (US$110 million) and the expansion of the SNLRP (US$75 million).

### 3.2. Project approach

Baxnaano’s objectives are to (a) address chronic poverty and build resilience to shocks; (b) support Somalia’s gradual transition from protracted humanitarian response to a state-led and shock-responsive social safety net system; (c) contribute to state-building and a renewed social contract. The rationale of the Baxnaano design model is to strike a balance between (i) rapid delivery of assistance to protect households against the 2019 floods (and then the desert locust infestation) through partnership that utilizes existing experience; and (ii) start building a national system for a shock responsive safety net which would protect human capital and enhance long term households’ resilience. Adopting such rationale implies building government capacity and public service delivery institutions and therefore supporting trust-building.

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\(^{30}\) “Somalia Social Protection Support: Building Blocks Towards a National Social Protection System” World Bank ASA project (P168945).
Important principles underpinned the preparation of the operation, including (i) ensuring government leadership and ownership, (ii) adopting a gradual approach anchored within the strategic vision of the NDP-9 and the Somalia Social Protection Policy; (iii) leverage on successful cash transfer experiences such as those of WFP and other partners; (iv) interject the need to bridge humanitarian approaches with development/human capital investments; (v) promote a nation-wide state-led model for SP services delivery and; (vi) advocate strong technical approaches to project implementation, including in areas such as selection of regions and districts, targeting of beneficiaries, and estimating the level of transfer.

One single approach was used to address the twin and interrelated agenda of safety nets and emergency-response cash transfers. By embracing the concept of adaptive social protection\textsuperscript{31}, the World Bank’s support to Baxnaano was responding to the need of promoting one single approach for the protection of the poorest and most vulnerable populations of Somalia against extreme poverty as well as to reduce vulnerability during crisis. An approach, whereby a well-established safety net platform would materialize in the event of a shock or crisis. Humanitarian cash transfers would leverage and expand on an already existing safety net system delivering regular and longer-term transfers to chronically poor and food-insecure households. This approach envisaged that the response to shocks would use existing administrative procedures, implementation arrangements and benefit from available data of the regular safety net, thus allowing the rapid mobilization and use of fresh resources in response to a shock.

3.3. Project design, key features, and results to date

Table 2 provides a summary of the key design parameters of the “regular” Baxnaano safety net and that of its shock response. These are described in further detail in the following sections.

Table 2: Summary of Baxnaano’s key design parameters

<table>
<thead>
<tr>
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<th>Baxnaano: “regular” safety net</th>
<th>Baxnaano: shock-response</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Eligibility</strong></td>
<td>Poor households with children under the age of 5 years</td>
<td>Poor households whose livelihood is affected by the specific shock</td>
</tr>
<tr>
<td><strong>Household Coverage</strong></td>
<td>200,000</td>
<td>260,000 32</td>
</tr>
<tr>
<td><strong>Female recipients (%)</strong></td>
<td>100</td>
<td>60</td>
</tr>
<tr>
<td><strong>Coverage duration</strong></td>
<td>3 years</td>
<td>6 months</td>
</tr>
<tr>
<td><strong>Benefits level</strong></td>
<td>20</td>
<td>60 33</td>
</tr>
<tr>
<td><strong>Payment delivery cycle</strong></td>
<td>Quarterly</td>
<td>Quarterly</td>
</tr>
<tr>
<td><strong>Payment delivery</strong></td>
<td>Mobile money</td>
<td>Mobile money</td>
</tr>
</tbody>
</table>

To support the establishment and delivery of Baxnaano’s objectives, the SNHCP project has three components: (i) delivery of nutrition-linked unconditional cash transfers; (ii) development of the delivery systems and institutional capacity; and (iii) project management, monitoring and evaluation, and knowledge management.

Around 200,000 households benefit from Component 1 of SNHCP. The objectives of Component 1 are to strengthen households’ resilience and avoid negative coping mechanisms; promote nutrition services as part of the cash transfer operation; and smooth consumption gaps with predictable cash transfers. Around 200,000 households with children under five years receive a monthly payment of US$20 delivered quarterly. The implementation of this Component is supported by WFP under a service contract with the FGS MoLSA. WFP plays a key role in critical implementation junctures, including targeting and registration of beneficiaries and cash transfers to beneficiaries.

32 Coverage of Baxnaano Shock-response is temporary and changes depending on the fund availability. 260,000 households are covered by the locust response project.
33 Baxnaano beneficiaries if impacted by a crisis received a top up of $40/month in addition to their base regular benefit of $20/month; non-Baxnaano beneficiaries of a crisis response receive the full emergency benefit of $60/month.
Component 2 establishes the key building blocks of an SP delivery system, including a Management Information System (MIS), operational procedures for registration, enrolment, targeting, grievance redress, payment delivery, monitoring, community outreach and information campaigns, capacity-building activities for the Baxnaano program; and a social registry to establish a national database of the poor and vulnerable. The objectives of establishing a social registry are to strengthen the SP systems’ preparedness to respond to the negative impact of future shocks by enabling rapid identification of potential beneficiaries, and support coordination across social protection interventions. This component is supported by United Nations Children’s Fund (UNICEF) under a service contract with MoLSA.

The last component of SNHCP, Component 3, is implemented directly by MoLSA and supports the government in managing the overall Project and carrying out monitoring and evaluation (M&E) and knowledge management activities. Component 3 is designed to establish a Project Implementation Unit within MoLSA, strengthen MoLSA’s coordination arrangements, finance independent third-party monitoring of the cash transfer component, and promote learning and knowledge management. The component is critically important from the perspective of building capacity in the government, through learning-by-doing and supporting knowledge transfer by WFP and UNICEF, and by empowering MoLSA in decision-making and in engaging with the FMS.

The SNLRP operationalizes the shock responsive aspect of the Baxnaano, through the rapid scale-up of coverage to support vulnerable households affected by the desert locust outbreak. SNLRP responds to the locust outbreak by protecting locust-affected households, especially subsistence farmers and pastoralists, from falling into deeper food insecurity, as well as preventing the sale/loss of their productive assets through the provision of cash transfers. Support is provided across Somalia, with a primary focus on rural districts with severe locust infestation. For World Bank internal administrative and funding reasons only, the SNLRP was prepared as a separate operation from the SNHCP.
Implementation of SNLRP utilizes the delivery systems and institutional arrangements of Baxnaano. The Baxnaano targeting approaches and benefit levels were adapted to meet the needs of a crisis response model. When at full coverage, the SNLRP will provide CTs to a little over 260,000\textsuperscript{34} poor and vulnerable locust-affected households in rural areas. In locust impacted rural districts that are not targeted by Baxnaano, SNLRP beneficiaries are selected among poor and vulnerable households. While women are primarily the direct recipients of Baxnaano’s regular cash transfer, the SNLRP does not restrict the direct recipients to women so to ensure that male farmers and pastoralists can also access the benefits, yet it sets a target of 60 percent women recipients. Households that are registered under the Baxnaano and reside in severely locust-affected districts are automatically eligible under the SNLRP. Households that are not part of the Baxnaano Program and reside in severely locust-affected districts are selected based on their exposure to food insecurity and the extent to which their livelihoods depend on activities related to agriculture (small crop) or livestock. The SNLRP beneficiaries receive a flat benefit of US$60 per household per month for a total of six months, paid quarterly. Specifically, households already benefiting from the regular Baxnaano receive a temporary top-up of US$40 per household (vertical scale-up of Baxnaano), in addition to their regular benefit of US$20 per household per month. Households that are not regular Baxnaano beneficiaries are paid US$60 per household per month for up to six months (horizontal scale-up of the Baxnaano).

Good results achieved under Baxnaano’s regular safety net and locust response (see Table 3) encouraged the mobilization of additional financing. In mid-2021, the World Bank approved two additional financings to support (i) the continuation of Baxnaano regular safety net for a total of three years of cash transfer coverage, and (ii) expand household coverage of the SNLRP in response to the second wave of locust infestation, coupled with the COVID 19 crisis.

\textsuperscript{34} Of which close to 100,000 households targeted under SNLRP parent project and additional 160,000 households targeted under SNLRP Additional Financing (World Bank. 2021. Report No PAD4517.)
Table 3: Baxnaano’s key results in its first 2 years (August 2019 – November 2021)

- Over 186,400 households (approximately 1.0 million individuals) have been enrolled and have received all quarterly cash benefits of the Baxnaano-regular safety net
- Near 97,000 households (approximately 0.58 million individuals) have received 6 monthly emergency cash transfers in response to the locust crisis
- 100 percent of Baxnaano-regular and 72 percent of Baxnaano-shock-responsive direct recipients of CTs are women
- 98.8 percent of beneficiaries spent ‘most or all’ money on food
- 98 percent had no challenges using mobile money and around 60 percent had access to SIM cards for the first time


The two World Bank projects, with their additional financing operations, provide technical support to Baxnaano in view of protecting the integrity, institutional resilience, and implementation flexibility of the program. The following aspects are briefly discussed here: Baxnaano institutional arrangements, targeting approach, and the establishment of a social registry. Other aspects such as the registration and payments procedures, the Grievance Redress Mechanism (GRM), and M&E activities are detailed in the Project Appraisal Document.

Baxnaano is being implemented through MoLSA structures, supported by a newly created Project Implementation Unit responsible for overall coordination, reviewing project procedures and implementation adjustments, aligning with other government projects, Third Party Monitoring (TPM), direct field monitoring, financial and results reporting, and supporting MoLSA for dialogue with the FMS. For the day-by-day implementation of the cash transfer component and the development of the delivery system, MoLSA has signed service contracts with WFP and UNICEF, respectively. These agencies bring a wealth of experience in cash-based transfer delivery. WFP supports MoLSA by sharing and updating household registration data, issuing and

distributing program enrolment cards (with new MoLSA cards logo), facilitating mobile money payments, and using existing or improved grievance mechanisms. UNICEF has a lead advisory role on system design, social registry, SP policies, and capacity building programming. Given the particular situation of Somaliland, Baxnaano operations on the ground are carried out by implementing partners only with no direct involvement and communication outreach of MoLSA. Project resources are approved and monitored through the government, accounted for in the national budget, and subject to parliamentarian debate.

The government has established a Social Protection Steering Committee (SPSC), chaired by the Office of the Prime Minister, with representation from relevant ministries and FMS, to provide oversight for advancing the SP Policy, provide policy and institutional guidance, and ensure coordination and alignment among SP-related programs. A Government-Development Partners Social Protection Working Group (GDWG) chaired by MoLSA and co-chaired on a rotating basis by a donor representative, is working to ensure alignment and coordination between the government’s SP agenda and donor-supported development and humanitarian interventions. As a result, Baxnaano has increasingly gained visibility as the government’s national cash transfer program, with several development partners exploring options to align and/or coordinate their interventions with Baxnaano’s design and delivery systems.

Beneficiary targeting happens at three levels: districts, communities, and households. Baxnaano targets the same number of rural districts for each of the member states and Somaliland (see Map 1).
Within a single state, districts are selected based on a distress index where food insecurity\(^{36}\) and malnutrition of children\(^{37}\) are key variables. The selection of rural districts is then adjusted by considerations on security and local delivery capacity. A key criterion to prioritize communities within selected districts is the presence of cooperating partners (NGOs) with adequate capacity/outreach, and the availability of nutrition services.\(^{38}\) Within each community, the Program selects households with children under five years of age following a community-based

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\(^{36}\) As measured by the severity of food emergency using the Integrate Phase Classification (IPC) methodology.

\(^{37}\) As measured by the Severe Acute Malnutrition (SAM) and the Moderate Acute Malnutrition (MAM) indexes.

\(^{38}\) Availability of nutrition service (either fixed or mobile service) is included in community prioritization to help promote and facilitate access of CTs beneficiary households to nutrition services to enhance the human development outcomes.
targeting (CBT) approach. Specific attention to disability and clan representation from across the community is factored in, to minimize exclusion errors or discrimination.

Under the SNLRP, the targeting approach was adjusted to account for the impact of the locust crisis on household livelihood. Geographical targeting was based on data from the Food and Agriculture Organization (FAO) on locust-affected rural districts, complemented with data from WFP on where a significant gap exists in the coverage of humanitarian support. At the household level, SNLRP targeted beneficiaries also using community-based targeting, but guided by predetermined eligibility criteria related to households’ dependency on agriculture and livestock for their livelihood and affected by the locust infestation and adding exclusion criteria (based on household assets).

As part of the original design of Baxnaano Component 2, the FGS is developing a national social registry as a core building block towards an inclusive and responsive social protection delivery system. The rationale is to establish a database of the poor and vulnerable to serve a variety of social protection purposes and possibly even other social services delivery programs. The effort can serve both short-term needs emerging from a specific shock, and longer-term objectives supporting poverty reduction and resilience building of households. Under the SNHCP, progress on this activity is progressing well in terms of the design and development of the platform, and at the time of the additional financing of the SNLRP, a component on household registration for populating the social registry database was introduced. The new component collects household data of beneficiary households under the parent SNHCP and SNRLP and is entered in the social registry using a Common Registration Form. The Form collects an array of data including demographic, social, livelihood/economic, area tagging, etc.

3.4. Stakeholder’s perspectives on Somalia’s readiness for Baxnaano: Government

The government response to the World Bank engagement in SP was generally positive as the World Bank was open to providing support directly to the FGS, with implementation support from experienced partners. Rapid roll-out of implementation and effective partnership with
WFP, which has a good network of community outreach, enabled achieving relatively quick results at the national scale; it was also thought that although overall Project risks were high, if they were well identified and managed, they could be mitigated to an acceptable level. That brought leaders from the highest levels of government, from the President to the Prime Minister and parts of the Cabinet, to see the World Bank as a partner bringing a new perspective to shock-response and social protection programming.

Additionally, the FGS was interested in getting World Bank support in the transition from a protracted humanitarian approach in addressing food insecurity to a government-led developmental approach. Coordination between Baxnaano and existing humanitarian interventions was a critical consideration during Project preparation. In the absence of administrative tools to facilitate this coordination, it was decided to focus Baxnaano’s interventions (in its first phase) on rural districts given that most humanitarian safety net interventions were already targeting Mogadishu and the FMS capitals. The Somali Government was also cognizant of the level of knowledge, comparative advantage, expertise, and lessons from other countries that the World Bank brought in addition to funding the project.

Another factor that proved to be decisive in shaping the relations between the FGS and FMS on Baxnaano is that of the strong technical perspective that the Project design was offering to address critical decision-making aspects. In areas such as targeting criteria, resource allocations, or the partnership with the UN for implementation support, this approach shielded the government from controversial and potentially unresolvable political and sovereignty discussions, especially with the FMS and Somaliland. Intergovernmental discussions during Project preparation and prior to launching implementation allowed a dialogue between the FGS and FMS while technical approaches facilitated reaching agreements. One (simple) such approach consisted of deciding on a fixed number of districts (three) to be targeted by the Project in each state. This decision was based on criteria of fairness among states and knowing that while all states required more districts to be included, available IDA resources were limited, and choices had to be made. An additional argument that addressed potential political trade-
offs or tensions, was that - if successful - the project could attract additional resources and expand its activities to other districts.

Areas of contention included the type of intervention and the implementation arrangements. As project preparation progressed, there were discussions within the government on whether to provide cash transfers or financing activities intended to create jobs. While some ministries were supportive of cash transfers, others advocated that CT were suitable in emergencies only, and not so much to reduce long-term poverty and vulnerability. Additionally, it was said that CT would discourage people from working, create dependency, encourage urbanization, and that money would be wasted and used for nonproductive or unessential goods\textsuperscript{39}. The discussion was then based on the extensive evidence from other poor and fragile countries, where well-designed and implemented CT programs – with and without accompanying measures – had significantly improved living conditions, food security, and households’ human capital and thus their resilience. Diffusing preconceived positions on CT is a continuous dialogue, while at the same time the government with the World Bank’s and other development partners’ support, explores additional enhancements of the productive aspect of the safety net program. Another area of discussion within the Government was on implementation arrangements. The Ministry of Finance and the Ministry of Planning were proposing a faster transition of all implementation arrangements from WFP to MoLSA, pending stronger support to national systems. Such requests were addressed within the policy and project dialogue with the World Bank team and with other stakeholders, in the context of World Bank risk mitigation, fiduciary, and capacity requirements which suggested a gradual transition of implementation arrangements.

\textsuperscript{39} Daidone et. al, Al Smriti Tiwari, Silvio Daidone, Maria Angelita Ruvalcaba, Ervin Prifti, Sudhanshu Handa, Benjamin Davis, Ousmane Niang, Luca Pellerano, Paul Quarles van Ufford, David Seidenfeld, Impact of cash transfer programs on food security and nutrition in sub-Saharan Africa: A cross-country analysis, Global Food Security, Volume 11, 2016.
3.5. Stakeholder’s perspectives on Somalia’s readiness for Baxnaano: Donor agencies and implementing partners

The cornerstone of the World Bank’s re-engagement in Somalia was its ability and mandate to work with the government in the aftermath of the 2017 elections when the World Bank gradually but steadily reengaged. However, it was only after 2019 that the prospect for a large national shock-responsive safety net operation financed by the World Bank gained momentum and led to a project design with the government playing a frontline role. It was in this new perspective that the dialogue with donors evolved.

The donor/humanitarian community in Somalia had mixed reactions to the World Bank’s engagement in social protection. On one side, there was welcoming for World Bank support of a first national program, consistent with the evolving discussions on the SP Policy and with international guidelines and commitments to improve government leadership of both emergency and development programs, including in FCV. The World Bank’s arrival was adding renewed emphasis to the policy and operational dialogue on SP by broadening the partnership base, providing an operational contribution to the dialogue on the humanitarian-development nexus, and offering exit strategies to the *modus operandi* of protracted, costly, and often uncoordinated humanitarian operations. Moreover, some UN agencies and international non-government organizations (INGOs) viewed the World Bank arrival as an opportunity to amplify their role as implementing partners and increase their footprint on the ground and profile with the government. The World Bank was also bringing knowledge and experience from its programs with other countries, FCV in particular.

Some donors and agencies expressed concern over the World Bank engagement model. While welcoming the World Bank’s arrival as an actor in social protection, these donors were concerned that it may end up interfering or be in conflict with their activities, especially in the absence of functioning tools for coordination. Other donor agencies were skeptical about: (i) the possibility of having a large project managed by (or through) the government, and (ii) Baxnaano’s long-term sustainability. For these reasons, they preferred to continue giving
resources directly to UN agencies or NGOs. Some agencies thought the World Bank was too optimistic to start work directly with the government, given the lack of political settlement with the FMS and Somaliland and the continued state of humanitarian needs. Others, while welcoming the World Bank program, were pressured to reach a strong alignment with humanitarian interventions and join the direct funding of the humanitarian system. Many of these concerns were a reflection of the views on the political, security, and human rights dynamics in Somalia held by key donors and agencies. There were also concerns that the new project could negatively affect the design and implementation of other social protection and humanitarian assistance programs, either in preparation or ongoing. As shown in Table 4, the main supportive arguments and concerns clustered around issues of the overall approach, political economy, leadership and government capacity, and timing.

Table 4: Reactions by donors and implementing partners to World Bank SP re-engagement

<table>
<thead>
<tr>
<th>Main themes</th>
<th>Pros</th>
<th>Doubts</th>
<th>Quotes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall approach</td>
<td>World Bank is a major partner with significant resources and knowledge. Its arrival renews dialogue, broadens partnerships, and addresses the nexus agenda. *</td>
<td>Absence of fiscal space to sustain a long-run national FGS program. WB predetermined vision on SP coming from experience in less complex settings.</td>
<td>“In Somalia, a big-bang approach is required.”</td>
</tr>
<tr>
<td>Political economy</td>
<td>The World Bank works with governments and in Somalia with the FGS. * Political economy dynamics between FGS and FMS to be addressed with technical arguments, to build platforms for collaboration and institutional resilience.</td>
<td>Lack of political settlement with FMS and with Somaliland leaves major uncertainties Working especially with FGS has its implications since certain constituencies are a party in the institutional conflict.</td>
<td>“The political situation is still unsettled and unclear – Political risks are just too high.” “The SP program is a trust-building exercise, it strengthens the FGS and FMS, their legitimacy and the social contract.” *</td>
</tr>
</tbody>
</table>
## Main themes

<table>
<thead>
<tr>
<th>Leadership and government capacity</th>
<th>Pros</th>
<th>Doubts</th>
<th>Quotes</th>
</tr>
</thead>
<tbody>
<tr>
<td>A major national program can inject the level of resources and support required to empower FGS and to build its capacity.</td>
<td>Government and systems are weak, leading to inefficiencies, inefficacy, waste. Weak governance and accountability are major issues.</td>
<td>“WB program takes the attention of government, and may take the wind out from some donors to sail”</td>
<td></td>
</tr>
</tbody>
</table>

| Timing | The timing is appropriate: the project accelerates the debate/solution of problems on the long-protracted humanitarian assistance and the overall weak progress on the development agenda in the SP sector | WB too fast: a slower process would allow more knowledge-sharing and coordination, leading to more political support. Some actors are anxious about their future roles. | “Be careful”, “Somalia is complicated and difficult, slow down” “We have a government, some stability, knowledge, and resources. If not now, when?” |

Note: * position shared also by selected government interviewees

Source: Authors based on interviews with key informants, 2021

### 3.6. Stakeholder’s perspectives on Somalia’s readiness for Baxnaano: World Bank

The World Bank approach to its engagement in the SP sector in Somalia attempts (i) to provide an operationally viable response to the double threat of recurrent shocks and long-term poverty/severe vulnerability; and (ii) to have an appropriate framework to manage and mitigate risks of working in a very fragile environment, with low capacity and poor governance, but with the imperative of having the government playing a leading role in providing social protection to its vulnerable citizens. On both scores, expectations were discussed within the World Bank by presenting a project centered on providing an operational model that would support a gradual transition from a predominantly donor-driven humanitarian approach to a government-led approach embedded in the government’s national development plans. The model incorporates policy and design elements that address the identified risks, while also allowing for operational flexibility to adapt based on risk assessments, lessons learned, and the political and security dynamics. For example, the partnership between the FGS and UN agencies addresses access and capacity risks, while FGS has the lead role in decision making, has provided the opportunity for dialogue and collaboration between the FGS and FMS on the delivery of safety nets.
Policy and project discussions led to the design of an implementation model with a level of flexibility and a risk-mitigation framework to operate in a variety of distinct institutional and security scenarios. For example, in case of further and successful consolidation of the political, security, and institutional situation in Somalia, the full and direct responsibility of project implementation would be with the government (federal and FMS), and the current implementation arrangements relying on UN support would phase out and focus primarily on technical assistance and/or coordination; at the other extreme, if there were a systemic collapse of the political, institutional and security situation in Somalia, the Project could continue working under the original arrangements, supporting implementation with existing – or even accrued – roles of UN agencies and third-party monitoring arrangements. In between these two scenarios, a variety of situations and a mix of operational approaches are possible given the flexibility of the model and the existing agreements with implementation support partners.

Figure 3. Baxnaano’s system flexibility

Coordination within the World Bank portfolio was a salient factor of the World Bank engagement in social protection to ensure a system-building approach. The World Bank’s support of the Baxnaano Program was an important part of the overall re-engagement strategy
of the World Bank in Somalia. This emerges clearly from various analytical pieces and strategic
documents supported by the World Bank including the SCD, the CPF, budget support operations,
and the HIPC initiative decision point document40. The World Bank SP approach in Somalia was
also well aligned with the World Bank’s Africa Regional Strategy (2019) and draft Strategy for
Countries affected by Fragility, Conflict, and Violence (FCV) 2019. Coordination was also strong
with the Famine Action Mechanism (FAM) initiative and at the operational and technical level
with other World Bank projects, including the Somalia Capacity Advancement, Livelihoods and
Entrepreneurship through Digital Uplift project (SCALED-UP), the Education project, and the
Somalia Crisis Response Project (SCRP) (see Table 5).

Table 5: Examples of cross-sectoral collaboration with Baxnaano Program

| **Advancement, Livelihoods, and Entrepreneurship through Digital Uplift Project (SCALED-UP).** The SCALED-UP project supports the FGS in designing and setting up a foundational ID system for Somalia. The system will generate unique identification numbers that will need to be linked with other usages for example voting, driver’s license, and safety nets. Once established, the national ID would be used as the unique identifier for the Baxnaano beneficiaries, and their registration in the social registry. |
| **Education project.** A recently approved IDA-funded education project included Baxnaano targeted districts in its targeting criteria and considered in its design the linkages between the supply side (improving access) and the demand side (ensure that food insecurity is not a major obstacle to school attendance and learning). |
| **Somalia Crisis Response Project (SCRP).** Among other interventions, the SCRP supports the response to the locust crisis. SCRP and Baxnaano are complementary and together they support all three components of the Emergency Locust Response: control the spread of locust (SCRP), protect livelihood and human capital of affected households (Baxnaano), and develop an early warning system and regional collaboration (SCRP). |

40 For example, the Budget support operation for development policy financing of mid 2020 refers to the national “Baxnaano” social safety net program, which is delivering nutrition-linked cash transfers, financed by IDA. In the project document of the budget support operation, the floating completion point matrix included the following trigger: Establish a national social registry as a functional platform that supports registration and determination of potential eligibility for social programs.
4. Humanitarian-development nexus

4.1. Background on the nexus

Discussions on linking humanitarian and development efforts date back to the 1990s\(^1\) and initially centered on a framework of linearity, continuity, and progression between discrete phases, including crises, humanitarian efforts, early recovery, rehabilitation, and development. This linear interpretation of the transition from emergency towards development was criticized as simplistic since the linkages between phases were not clear, there was significant simultaneity, overlapping of actions and it was possible to move back and forth through phases. It was in the last ten to fifteen years that the so-called triple nexus humanitarian-development-peace was introduced in the development/humanitarian conversation. The triple nexus approach presents a narrative of hope and engagement with governments facing serious crises, chronic underdevelopment, and unrest and violence. It was a storyline that international actors developed to remain engaged in FCV facing significant challenges, including the insecurity threat, and to set an “end game” perspective to their work.

The 2016 Humanitarian Summit in Istanbul acknowledged that humanitarian activities had increased in volume and location. The reasons were traceable in: (i) the increased number of refugees, returnees, and IDPs; (ii) the increased frequency of natural disasters and their severity; (iii) a substantial number of conflicts around the world; and (iv) the impact of the severe economic crisis of both a local and global nature, to which the COVID-19 is just the most recent addition.

What was by then common wisdom was that:

i. humanitarian crises create a breach in development while underdevelopment worsens the impact of crises;

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ii. humanitarian agencies have engaged in emergency settings for prolonged periods, with very significant resources and in some cases introducing programs bearing long-lasting developmental and institutional implications; and

iii. development agencies are facing the impact that increased and repeated humanitarian crises have on long-term development plans.

These developments called for a significant realignment between humanitarian and development actors and for a new way of working – the Grand Bargain – aiming at enhanced convergence between the works of all major agencies. Various initiatives followed the Summit, including sharing of experience and best practices on the use of cash assistance for humanitarian and social assistance purposes. Such use has increased exponentially in the last decade, making social safety net, and cash transfers in particular, probably the most promising area of potential convergence between humanitarian, development, and government actors42.

Since 2016, representatives of 18 donor countries and 16 international aid organizations agreed to implement the Grand Bargain 51 commitments aimed at improving the efficiency and effectiveness of international humanitarian aid including various reporting mechanisms and independent reviews to monitor implementation of the commitments.

Over the years, based on the voluntary work of participants, there has been progress in all thematic areas and workstreams of the Grand Bargain, but the level and scope of that progress have varied significantly from one theme to another. Workstreams such as cash assistance, working with local partners, joint needs analysis, and harmonized reporting have progressed steadily, although at different paces. Lack of common understanding, weak political interest and engagement, and over ambitious objectives are some of the reasons why progress in other workstreams has been rather limited. These streams include greater transparency, cash programming, and coordination, reduced duplication and management costs, participation

revolution with the delivery of what people say they want and need, and provision of flexible funding\textsuperscript{43}.

The Grand Bargain remains a unique forum for collaboration and problem-solving among the main international humanitarian aid actors, but the extent to which this debate has generated new operational partnerships between humanitarian and development programs is limited. These partnerships have happened mostly because of a sort of “meeting of the minds” at the operational level among single professionals of humanitarian and development agencies, almost on a personal basis. While these cases remain limited, the idea of a strong operational partnership between humanitarian and development actors is now embraced, beyond and above past experiences of basic information sharing or even coordination of activities. However, pursuing in practice such basic consensus is much harder as it presents numerous challenges. These include (i) cultural differences between organizations, attaining also to their principles of engagement; and (ii) alignment of specific technical aspects across the delivery chain.

4.2. Operationalizing the nexus and Baxnaano

Different principles are shaping the humanitarian and development aid agendas, but there are areas of convergence. There are four key humanitarian principles governing the way the humanitarian response is carried out, and they are Humanity, Neutrality, Impartiality, and Independence. These principles grant humanitarian agencies a significant level of independence from political, ethnic, social, and economic considerations on grounds of the urgency of needs and life-saving priorities. To a certain extent, the World Bank and other development organizations adhere to such propositions but because their work is mainly to support the government in preparing and implementing development plans, their range of action has a longer-term perspective and requires an accrued understanding of and partnership with

national authorities. These relations become complex to manage in contexts of high political and institutional instability and ethnic or religious conflict, especially where the government is a party to them. While the humanitarian principles are shaping the corporate culture of humanitarian agencies, a more long-term development perspective, institutional in nature, guides the World Bank and other development agencies. This landscape is changing though. On one side, to mitigate the complex risks related to the working context, the World Bank requires the recipient government to strictly abide by a set of social and environmental safeguards that include respect for human rights and the protection of the dignity, aspirations, identity, culture, and livelihoods of the people reached by or involved in a project it finances. On the other side, given the increased frequency and duration of crises, humanitarian agencies realize that while preserving their set of humanitarian principles, there is a growing need to work with government and development agencies directly towards building resilience and durable solutions. That said, it is a fact that given the nature of humanitarian and development challenges, the distinction in scope between humanitarian and development agencies (and NGOs and INGOs) has blurred, and a growing number of them are de facto involved in addressing both challenges.

In Somalia’s landscape of limited capacity within institutions and weak accountability and governance structures, political challenges around the finalization and implementation of the federal system, and significant humanitarian needs, there is a debate over the prospects, timing, and modalities of an increased role of government(s) in social protection in Somalia. While there is a broad consensus among many parties that in Somalia while humanitarian actors’ role remains critical, yet the state should have a bigger role in both humanitarian response and social assistance programming, such role contributes to building trust and a social contract between government and citizens. Donors can play an instrumental role to support the government’s national and local institutions, particularly to their implementation capacity, in fiduciary, environmental, social, and other technical areas. This debate interjects and complements a

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broader discourse on the nexus between humanitarian and development aid and on how social protection projects are implemented in Somalia.

Recent studies offer useful methodological support to assess where humanitarian interventions in Somalia stand today on the alignment spectrum with Baxnaano (as an evolving national social protection system). The work of Seyfert et al\textsuperscript{45} presents a framework to define models of alignment between humanitarian programs and national social protection systems across several \textit{programmatic functions}. These models include:

i. Parallel or stand-alone humanitarian response: under this model, the delivery of humanitarian assistance to targeted beneficiaries is stand-alone from national systems.

ii. Shadow Alignment, which is a stand-alone response but that aligns with existing or future social assistance programs.

iii. Piggybacking, which represents a response that combines stand-alone response with working through national systems to deliver assistance.

iv. National system-led, or entirely run through national systems.

Alignment models are evolving gradually but slowly in Somalia. In the case of cash-based safety net programming in Somalia, one could argue that major humanitarian safety net programs are evolving from a pure model 1, where activities are carried out in complete stand-alone mode, to model 2, as humanitarian activities are progressively referring to the national Social Protection Policy and its implementation framework and some seek to explore possibilities for alignment in terms of benefit-setting and targeting. Moreover, various donor coordination mechanisms led by government are in place, as well as the ministry in charge of social protection (MoLSA). Figure 3 presents a merely indicative analysis of the current level of alignment of humanitarian cash-based assistance with Baxnaano as the main government-led safety net system. By no means, neither Figure 4 nor the discussion for each programmatic function, address the complexity and variations in approaches to project implementation nor pay full

tribute to the differences in views and perceptions over Baxnaano and its positioning. It is at this stage a methodological proposal only, open for further discussion consistent with the objectives of this paper.

Figure 4: Indicative analysis of the alignment of humanitarian delivery approaches in Somalia

<table>
<thead>
<tr>
<th></th>
<th>Parallel system</th>
<th>Alignment</th>
<th>Piggybacking</th>
<th>National led System</th>
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<tbody>
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<td>Financing</td>
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<td>Legal and Policy</td>
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<td>Transfer amount</td>
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<td>Governance &amp; Coordination</td>
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<td>Outreach</td>
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<td>Registration/ enrollment</td>
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<td>Database/ social registry</td>
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<td>Payment</td>
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<td>Complaints/ appeals</td>
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<td>Information management</td>
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<td>M&amp;E</td>
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Source: Authors’ indicative analysis using an adapted framework from Seyfert et Al. (2018)

**Financing.** Funding for cash assistance when fully integrated with national social protection systems comes from or is channeled through the National Budget. In Somalia, donors are generally implementing humanitarian cash transfers directly with UN agencies and NGOs, which rely also on their resources or international appeals. Baxnaano uses resources from country allocation of IDA funding and relies on country systems in various aspects of the project financial management including budgeting, accounting and reporting, banking, and oversight arrangements with the Office of the Auditor-General. All project financial management transactions in Baxnaano are recognized, captured, recorded, analyzed, summarized, and reported through the government’s Financial Management Information System. Looking ahead,
in a full government-led financing model, the government budget would finance entirely the SP system. But in no low-income country – even less so in FCV – this is a realistic option, and IDA and other donors’ resources are widely used to sustain human development objectives, including safety nets\textsuperscript{46}. What is needed to strengthen Somali Government leadership over shock-responsive safety nets is even a small amount of the National Budget allocated by the FGS to Baxnaano. This would indeed strengthen the commitment to and credibility of those principles of ownership, responsibility, and accountability so well-expressed in the Social Protection Policy. It would also pave the way to a more structured conversation and proposal over the option of pooling donor funding to finance the expansion of Baxnaano and its implementation through a specific financial vehicle.

**Legal and policy framework.** In Somalia, the overall policy framework for cash transfer is provided by the Social Protection Policy. The Policy envisions that by 2040 “Somalia will have progressively established a functional social protection system which delivers predictable assistance through the lifecycle, according to a consensus across Somali society identifying the most vulnerable ... [the system] ... will reduce the current reliance on unpredictable humanitarian financing to address cyclical crises”. The implementation framework of the Policy is envisaged to be financed consistently and sustainably by a range of international and national stakeholders, and by the national budget. Baxnaano is fully aligned to and supportive of the SP legal and policy framework set by the FGS, which is indeed quite complete in its overall formulation, although there remain some areas in need of specific policy and/or legal formulation including on data management and whether Baxnaano has a role in addressing the needs of refugees and IDPs. Development partners implementing humanitarian cash transfers operate mainly under the legal and policy framework of their organizations and/or of their donor

\textsuperscript{46} This is even more the case in current times as the COVID-19 pandemic is dramatically changing the landscape of shock-responsive social protection measures with their unprecedented expansion of cash transfer programs. In most cases, this expansion was possible by recurring to debt financing. See Ugo Gentilini et A., Social Protection and Jobs Responses to COVID-19 A Real-Time Review of Country Measures (May 14, 2021), https://documents.worldbank.org/en/publication/documents-reports/documentdetail/281531621024684216/social-protection-and-jobs-responses-to-covid-19-a-real-time-review-of-country-measures-may-14-2021.
agencies. Some development partners, in recent years, started engaging in a dialogue on the alignment of their programs with national SP Policy and legal framework, however, operationalizing this agenda is at an early phase and it is hoped that the Baxnaano program would contribute to the learning and evidence building.

**Targeting and eligibility criteria.** Humanitarian cash assistance interventions rely on community-based targeting to identify eligible households/individuals, which is based on the community’s perceptions of what constitutes a “poor and/or vulnerable” household. Eligibility criteria and qualifying conditions of Baxnaano piggybacked on this approach but added qualification requirements of having children aged under five years. However, eligibility criteria for Baxnaano are now at the center of extensive technical discussions, intending to introduce objective and measurable criteria to improve what defines poverty for a long-term safety net program and to go beyond the child-under-five years criteria to enhance inclusion. On the other hand, some humanitarian programs are recently considering piggybacking on Baxnaano’s beneficiary list (recipients of the US$20 benefit) for the provision of an emergency top-up in response to a humanitarian need where both programs operate. Additionally, geographical targeting is coordinated whereby humanitarian assistance is focused in urban and IDP areas, and Baxnaano is concentrated in rural areas. WFP’s SCOPE database is also utilized to coordinate targeting but only within WFP-implemented programs, including Baxnaano and their humanitarian interventions.

**Transfer amount and coverage duration.** Humanitarian cash transfers have been harmonized at 70 percent of the cost of Minimum Expenditure Basket (MEB), however, the coverage duration varies across the humanitarian programs from a few months to a year. Baxnaano benefit amount of US$20 per household per month represents around 30 percent of the average cost of the “basic food items” and 20 percent of the average cost of the MEB. The contribution

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47 SCOPE is the WFP’s beneficiary and transfer management platform, a web-based application used for beneficiary registrations, intervention setups, distribution planning, transfers and distribution reporting.

48 The MEB represents minimum set of a basic food items such as sorghum, vegetable oil and sugar, comprising 2,100 kilocalories/person/day basic energy requirement and non-food items such as water, kerosene, firewood, soap and cereal grinding costs for a household of 6–7 members.
of Baxnaano relative to the rural MEB is likely significantly greater\textsuperscript{49}. The current programming of Baxnaano payments is of a quarterly payment frequency and a coverage period of three years, after which the eligibility of the household is reassessed. The extended coverage period of Baxnaano provides a good opportunity for alignment of shock responses, whereby humanitarian interventions can top up the US$20/month base amount of Baxnaano during a crisis. This is being considered by ECHO and FCDO funded humanitarian programs implemented by WFP and the Somalia Cash Consortium. There is a discussion among some of the humanitarian actors on aligning the benefit amount and coverage duration with that of Baxnaano’s shock response (as was the case in Baxnaano’s response to the locust crisis). There is also interest in coordinating beneficiary lists, and on leveraging Baxnaano’s experience in this area.

**Governance and coordination.** The Somalia Social Protection Policy makes provision for a government-led coordination framework with an inter-governmental Social Protection Steering Committee (SPSC) and a Government-Development Partner Social Protection Working Group (GDWG). The Steering Committee is a high-level group, chaired by the Deputy Prime Minister, which meets twice a year to ensure strategic, policy, and political support to the implementation of the SP Policy. The purpose of the GDWG, is to coordinate across SP programs; support the alignment of Development Partner programs with the SP Policy vision; promote a consolidated SP approach that addresses both poverty as well as protection against shocks. MoLSA, which is the institutional home of Baxnaano, functions as the secretariat of the SPSC and the Chair of the GDWG. So Baxnaano is fully integrated into the SP coordination mechanisms, to the extent that it is an essential and foundational part of it. Development Partners supporting the humanitarian programs are active participants of the GDWG. However, both mechanisms are at an early stage and are yet to advance on strategic issues. Finally, there is a Cash Working Group (CWG) that

\textsuperscript{49} Partial comparison of the composition of the urban and rural MEBs indicates that rural areas have significantly lower prices on some core non-food items, such as school fees (90,000 shillings in urban areas vs. 52,000 shillings in rural) and cost of human drugs (20,000 shillings in urban area and 10,000 in rural). The cost of firewood is assumed to be zero in rural areas. With regard to food items, a larger share of self-produced foods would result in lower prices. Source: World Bank. 2021. Additional Financing to the Shock Responsive Safety Net for Human Capital Project. Project Appraisal Document. Report No: PAD4513. Washington, DC.
consists of NGOs and UN agencies implementing humanitarian cash assistance. The group aims at improving the coordination of cash assistance within humanitarian interventions, quality of implementation and monitoring, evaluation, and learning. Key members of the CWG are also members of GDWG. While there are good efforts towards coordination, the governance of humanitarian interventions lays within each implementing agency.

**Other programmatic functions.** Outreach, registration, enrollment, data management, payment, grievance redress, information management, and M&E, are mostly parallel functions. However, some collaboration is taking place in selected areas, for example, using WFP’s SCOPE system to check for potential overlap in targeting, as discussed in the targeting section above.

4.3. **Making the nexus work in the long run**

In the near to medium term, the progress discussed above will certainly allow humanitarian and Baxnaano to co-exist and further collaborate. But if there is consensus on the need to move from protracted humanitarian approaches towards sustainable development responses, then a major paradigm shift on key areas and approaches is required. Some key areas include (i) the overall design approach; (ii) the institutional model required for safety net implementation; (iii) database and targeting methods; and (iv) protocols on program visibility.

The overall approach to safety nets could be that of a sustained and gradual shift from an approach of multiple and separate components, to a model where humanitarian and social assistance programs are part of the same narrative and their implementation happens in a continuum (Table 6). The design implications of such a comprehensive approach are that there are no separate components in safety net programming nor large humanitarian programs; rather funding resources are pulled together to support an expanded national safety net program which can be scaled up and scaled down based on the concurrence of shocks and availability of resources. Another design shift is towards a gradual process of laying the foundations of a basic system of cash delivery, to then move to more complete and even sophisticated additional support schemes. Somalia has seen several schemes in public works,
skills training, farm inputs, and technical assistance supported by international partners. However, most of these programs are of limited duration and coverage and are complex to implement at scale. They are mostly on a pilot basis and largely outside government. What is probably needed is a more gradual approach to social assistance, whereby it is critical to have a functioning basic cash transfer system in place before adding on complex products such as accompanying productive measures, including training of or grants to households to develop their livelihoods and economic resilience. While the design of such products can start early in the process, their addition to the basic cash transfer system would come gradually.

In what is likely to be an overall long process of institution and state-building in Somalia, any safety net institutional arrangement looking at the medium-long term requires significant design flexibility and adaptability. As the next section will further discuss, Baxnaano has this flexibility and can align institutional responsibilities and implementation arrangements with the decisions adopted by the authorities for example on the role of FMS vis-à-vis the FGS.

In the long run, convergence on targeting and database approaches as well as on visibility of programs is required (see Table 6). The human-right-based approach and the principle of no-one-left-behind to targeting remain the cornerstone of humanitarian activities. While these principles are shared also by the development community, they remain aspirational because of existing resource constraints – in financial, capacity, and political economy terms. Thus, because of such constraints, choices need to be made and that is where some of the liveliest debates revolve around; in particular, between a single targeting approach (be it community-based (CBT) or Proxy-means-testing (PMT)) and one encompassing multiple layers of targeting approaches. These layers can include PMT and/or Household Economy Analysis (HEA)\textsuperscript{50} targeting, categorical filters, community verification and validation via CBT methodologies, and remote imaging in the case of geographical targeting for crisis-affected locations. The use of hybrid and multilayer

\textsuperscript{50} The ‘Household Economy Analysis’ (HEA) approach is done on an as-needed basis in certain communities, not as a blanket exercise for an entire country. It entails working with communities to identify the characteristics they associate with several wealth groups (e.g., very poor, poor, average, better-off) and later be used to identify specific households for support. HEA has been quite common in the countries of the Sahel. For a comparison between PMT and HEA approaches see also O’Brien et al. (2018).
approaches to targeting needs to be iterative and self-adjusting, aiming at progressively reducing potential inclusion/exclusion errors in household selection. As discussed in the next section, this approach draws from the shared database and ultimately from a social registry, which is in the making, and which can become pivotal to the alignment agenda. Hence the social registry is not per se a targeting approach, rather the building of a repository of data on poor and vulnerable households that all partners and government agencies would use to extract, compare and align their lists of potential beneficiaries. Finally, in the medium run, it will be important to align and further clarify the communication, outreach, and messaging policies and protocols, to let the government emerge as the main actor and deliverer of cash and social services more generally.

Table 6: Long-term vision for the convergence of humanitarian assistance and Baxnaano

<table>
<thead>
<tr>
<th>AREA</th>
<th>FROM</th>
<th>TO</th>
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<tbody>
<tr>
<td>Overall design approach</td>
<td>Separate components and approaches to safety nets and humanitarian aid</td>
<td>One program and approach to shock responsive safety nets</td>
</tr>
<tr>
<td>Financing to humanitarian aid in parallel to that of safety nets</td>
<td>Same platform financing safety nets + crisis response</td>
<td></td>
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<tr>
<td>Separate small scale (pilots) cash transfers designed to include accompanying measures, economic opportunities, human development, etc.</td>
<td>Basic system to deliver cash transfers as the first step, followed by gradual additions of new products, measures, and services within a common delivery framework/platform</td>
<td></td>
</tr>
<tr>
<td>Institutional model</td>
<td>Firm institutional and implementation model defined upfront</td>
<td>Flexible arrangements and models, adapting to the changing institutional environment</td>
</tr>
<tr>
<td>Targeting and database</td>
<td>Single targeting approaches, such as CBT or Categorical</td>
<td>Multilayer targeting approach, iterative, assessed and self-adjusting</td>
</tr>
<tr>
<td>Separate beneficiary lists/databases to select Households</td>
<td>Same database to select Households and building the social registry</td>
<td></td>
</tr>
<tr>
<td>Program visibility</td>
<td>Strong visibility of the donor, implementing agency, or NGO</td>
<td>Limited donor/implementing agency visibility and stronger visibility of the role of government</td>
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5. State-building

The discussions of Baxnaano’s contribution to state-building can be approached from various perspectives, including building confidence and legitimacy (the social contract); building new institutions; addressing the FGS-FMS interaction, and ensuring government visibility.

5.1. Building confidence and legitimacy – the social contract

In their recent work, A. Alik-Lagrange et al.\textsuperscript{51} offer a new reading of state-citizens relations in FCV, with three orders of effects of the direct provision of social protection from the state to citizens (see Figure 5). The first order attains to the direct provision of cash transfers to citizens, which alters the material relations between state and citizens. This direct provision has redistributive effects as it is centered on the direct transfer of resources to beneficiaries and entails the political decision to use government resources to such end rather than to finance other expenditures. The second order is contractual and ensues from the bidirectional relation that the program establishes between state and citizens. These effects include citizens’ engagement in governance structures, perception of state legitimacy, and altered government perceptions toward the population. Also, the realization based on extensive experience, that cash given directly will likely be used wisely and productively by recipients and will not necessarily generate a dependency culture. A related reading of this order of effects is provided by the distinction between input legitimacy (participation in elections, decision making in political discourse, etc.) and output legitimacy (provision of services, including security, social services, and job opportunities) and their effects in improving the overall legitimacy of the state\textsuperscript{52}. The third order of effects, which descend directly from increased and improved participation in community matters and governance structures, pertain to the social and civic awakening generated by the SP programming among beneficiaries. These are reconstituted by the program into citizens with rights, responsibilities, and duties. A reconstitutive dynamic is


also at work within the state as a consequence of the program, as issues of participation, transparency, and representation become increasingly relevant in managing the program. In fact, these issues are intertwined with the broad political agenda on democratic rights and freedom of expression, making the balance between addressing the needs of citizens and the political sponsorship of SP programs a delicate and frail matter. If unchecked, this balance can easily deteriorate into plain manipulation for political and electoral reasons. It is in the reconstitutive form that the social contract’s original formulation\textsuperscript{53} realizes its full potential, as it introduces the principle of mutual responsibility of citizens and state, and defines the right of citizens to be at the same time members of the Sovereign and subjects of the State. Under this form, citizens and the state meet directly as part of a process that reconstitutes their identity and role.

The Baxnaano Program adapts core elements of the three orders necessary to a new social contract between citizens and the state, starting with the distributive effect. Since the inception of Baxnaano in 2019, the FGS’s annual budget has included allocations for Baxnaano cash transfers. This budget allocation and investing a share of Somalia’s IDA allocation to the Program can be translated as recognition and commitment by the FGS to the Distributive effect of the Program on Somalia’s new social contract. This becomes even more significant with the Program’s focus on rural poor and vulnerable households in need of the government’s investment in their human capital.

Figure 5: Three effects on social contract generated by Baxnaano program

The contractual effects of Baxnaano are demonstrated through the accountability arrangements embedded in the Program’s administrative processes. These include (i) consultative and participatory approaches in registration and verification of eligibility; (ii) communication on the Program’s human development objectives to support the break-up of intergenerational cycles of poverty and dependency; and (iii) robust accountability, grievance redress mechanisms, and monitoring arrangements providing voice and agency to vulnerable populations and beneficiaries. People’s perceptions, experiences, and grievances become a powerful tool to retrofit the Program and make adjustments and improvements.

The reconstitutive effects of Baxnaano can be achieved through raising the beneficiaries’ awareness of their rights and obligations towards the state; in seeing themselves as empowered members of society; and in broadening their perspective beyond the emergency support they are receiving and towards investing part of it in productive activities or in strengthening their human capital, thus building resilience. As in other fragile contexts, such as Liberia (see Box 2),
these effects are demonstrated in Baxnaano through the issuing of Baxnaano ID cards with the logo of the MoLSA FGS and the Baxnaano Program⁵⁴.

**Box: 2. Giving an identity to beneficiaries in post-conflict Liberia**

Soon after the end of the conflict in Liberia, the LACE (Liberia Agency for Community Empowerment) cash for work program issued ID cards which in addition to the name, gender, and age of the beneficiary, had the logo of the Republic of Liberia and the LACE Program. This gave a different intrinsic value to the ID card, as most beneficiaries had never had an ID card, had lost it, or were stripped of it during rounds of civil unrest, violence, ethnic cleansing, and displacement. The sense of being, belonging and entitlement was clear when beneficiaries entered the commercial bank in charge of payments and showed their ID card to collect the weekly payment of their work. The perception of their own identity and self-image improved as well as their attitude towards the program and the government. Their relationship with the state was reconfigured and they gained a new and more autonomous identity as a member of both the specific community (beneficiary from LACE) and the broader political community of citizenry, with rights and obligations. This reconstitutive role of CT has been detected in other CT programs in fragile countries, and also in the case of Baxnaano.


Moreover, the reconstitutive effects of the program are supported by robust grievance redress and feedback mechanisms, independent monitoring of the program’s processes and benefits delivery, and transparent arrangements for caseload allocation and beneficiary selection and verification. In addition, within the household and the community, cash transfers can challenge some existing patterns of social communication and power dynamics. In particular, because women are the receiver of Baxnaano cash transfers they feel empowered. In traditional societies, such as those in rural Somalia, this has created some tensions and difficulties within the household since men have a historical, strong, and dominant role in all family affairs. However, key interviewees for this paper reported that these difficulties tend to stabilize with time and consolidate a new role of women in the household.

⁵⁴ Baxnaano beneficiaries are issued program cards with MoLSA FGS logo so that the link between the transfer and the Government is clear. The card which includes biometrics, is used as a beneficiary identification card, and expected to be enhanced through linking it with the national ID system once established.
Fairness (or the perception thereof) is a key element in shaping the social contract. When discussing the role that CT play in building the social contract, one aspect that keeps on arising is the program’s fairness. Fairness is not only about the extent to which the program reaches the poorest and most vulnerable but also whether the allocation of resources keeps an objective consideration of state, clan and groups dynamics. One example considers when resources for CT are allocated among states. The political economy of state versus central authority and the general understanding of fairness, make the allocation process more about sovereignty over the state, territory, and people rather than a matter of balanced distribution of resources. In other words, state authorities often expect to be getting the same share of resources as to deploy their authority from a level playing field, rather than leaving latitude to the FGS to exert its allocation authority based on the overall country perspective and the analysis of needs and priorities, typically the number of poor and vulnerable people.

Similarly, also the state can reconstitute itself around a new agenda of priorities, including a focus on rural poverty and shock responsiveness; the role that cash transfers can play in poverty reduction against the prevalent idea that they are just hands out; a new understanding of the social contract as cash transfers make poor and vulnerable members of society more visible, with a voice as a defined constituent; and reassert the weight that social protection (and associated ministries) has within Cabinet. These effects are beginning to emerge from the Baxnaano experience.

What emerged as a salient aspect of social contract dynamics, is the participation of specific groups in CT programming or their exclusion thereof. Specifically,

i. the IDPs as a key and important group for building the social contract; the youth as another key group because of the age distribution in Somalia\textsuperscript{55} and because it lacks employment opportunities;

\textsuperscript{55} In 2015, more than 67 percent of the population was less than 24 years old: UNFPA (2016). Population Composition and Demographic Characteristics of the Somali People. The report can be downloaded directly from http://somalia.unfpa.org/publications/
ii. the growing middle/working class with a regular salary and likely to be the main taxpayer; and

iii. the increasing urbanization which generates competition between urban and rural needs and between urban residents and IDPs moving to cities, to Mogadishu in particular.

How Baxnaano interacts with these groups is an area that requires attention as the establishment phase of the Program settles and lessons from the current targeting and other approaches emerge. Related to the discussion on specific groups is how traditional and customary mechanisms of decision-making and safety net interact with the new ones, and how they are mutually related in building or reshaping the social contract. Baxnaano’s current targeting approach is giving leadership roles to local committees/elders thus building on existing practices without disrupting them. Whether this approach consolidates a structure where men and more powerful clans have exclusive and disproportionate decision-making power is an area for further analysis and understanding of clan dynamics, interactions, lineages, and customary rules\(^\text{56}\), and the impact of these on the new social contract.

5.2. **Building institutions**

There is substantial analytical work supporting performance-based legitimacy models of social protection, in which effective state-run service provision engenders citizen satisfaction, a new relationship with the government, and trust-building. In societies with a strong kinship and clan network, establishing a new relationship between the individual and the state, can help the individual free new energies, create a reconstituted and autonomous identity and lead to a reconfigured membership of a broad political community. However, in such societies, traditional institutions centered on clan and family networks continue to exert their role and leadership even when, as part of social protection programs, new governance and institutional mechanisms are introduced in the community. Nevertheless, traditional settings, can adapt, merge and

\(^{56}\) Even the well documented ASIST paper has limited reference to the role of clans. It is mentioned in the discussion of Community-based targeting approaches “widely adopted in Somalia, ... thought to be very unevenly applied, and targeting is more commonly thought to be based on clan-power dynamics, where many vulnerable groups and households are not included.” ASIST (2017) p. 17.
customize the imported arrangements and converge towards influential and legitimate ‘hybrid political orders’ – mixtures of formal and informal governance mechanisms that constitute alternative structures of authority. The implication is that efforts to rebuild state institutions leveraging for example on a cash transfer program should build on such evidence and be flexible enough to allow local governance structures to adapt to the new order.

Although the Baxnaano Program has been running for only two years, it has offered significant support to SP institutions including the reorganization of MoLSA; the preparation of an implementation model with manuals and procedures; the inclusion of Baxnaano in the national budgetary context; and the design and development of the national social registry. These are just four areas of the institution-building’s efforts and achievements which are selected here since they address institution-building from different angles including physical/logistic constraints, human resources gaps, the architecture of cash transfer delivery, the agenda of national financing with elements of long-term sustainability, and the design and implementation of SP systems for the long-term, such as the social registry.

**MoLSA.** The MoLSA FGS is the key interlocutor and agent for social protection sector in Somalia, and in the last couple of years has seen a significant transformation. MoLSA FGS is extending support with human resources and capacity enhancement to the five MoLSA FMS Ministries through various programs, e.g. Baxnaano, the UN Sustainable Development Goals, and the MPF. Human resource capacity is gradually expanding, including via the recruitment of contractual staff. Together with existing staff, much of this new staff have attended training sessions and have been assisted by national and international consultants. MoLSA staff and management have participated in national and international workshops and conferences, intending to strengthen their familiarity and improve the use of best practices in areas such as safety net

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instruments, fiduciary requirements, social and environmental standards, monitoring, and evaluation procedures, communication strategies, and overall project implementation. MoLSA has also appointed state-level liaison officers for Baxnaano, and with UNICEF support, has assessed state and local levels to identify capacity gaps for future support. Support to MoLSA capacity has also included enhancing its office environment with necessary IT and office infrastructure.

**Manuals and procedures.** As much as physical and human resources are critical to implementing a program, well-defined procedures for program implementation reflected in dynamic operational manuals are a key aspect of institution building. Without such procedures in place and scrupulous adherence to them, project implementation is constrained, and project objectives may not be reached. As part of the preparation and implementation of Baxnaano, a complete set of manuals and guidelines were developed, applied, and adjusted regularly to reflect implementation experience.

**Alignment with the National Budget.** Previous sections of this paper have already mentioned the integration of IDA financial resources into national budgetary procedures. This is an important step both to ensure proper recording and monitoring of resources currently available and as a means to organize in an orderly way future financing of Baxnaano from various sources, including national revenues, IDA, and other donors. This perspective reinforces government oversight responsibility for the availability of resources. It is at the same time a perspective unitary in scope and targeted in objectives as it is contributing to institution building in social protection and more generally to poverty reduction and shock-response.

**The social registry.** The contribution of the social registry to institution building is significant since it establishes a national data repository of households’ socioeconomic information. Its uses in social protection programming are potentially very significant as well as in other social services delivery programs, provided that there is interoperability between existing platforms and the new social registry. If so, the registry can signal and avoid possible overlapping of
activities by type, level, targeting zone, and methodology. Importantly, Somalia’s social registry is designed to have a direct link with the government’s efforts to establish a foundational national ID system with related links and functions to the living record data repository.

Time, sustained commitment, and patience are of the essence in building efficient and effective institutions. In most situations, systematic and gradual action appears to work best, as achievements in institutional transition require consolidation, build-up, and adaptation to changes. This implies that international assistance needs to be sustained for a minimum of 15 years to support most long-term institutional transformations, which is well beyond the life span of a political cycle in the receiving country (Somalia in our case) as well as of the donor country, or donor agency. So, there is little if no chance that professional teams from government and/or donor agencies will see significant institutional progress during their assignment. There will be single contributions, possibly some breakthroughs, but inevitably they will be the result of long-term processes or a major one-time institutional discontinuity, requiring however significant technical, financial and political investment.

5.3. Federal Government and Member States

The division of power between the FGS and FMS is at the core of Somalia institution-building. Probably the most critical and to a large extent divisive issue shaping the debate on state-building in Somalia is related to the interaction between the FGS and the FMS, and the distribution of power—taxation and spending power in particular—across the various levels around which the Provisional Constitution has outlined the broad structure of the State. The issue is highly controversial: it pertains to matters of power, local sovereignty, and representation, administration of key functions including taxation, basic services, justice, and informal taxation. It is intertwined with the clan and ethnic dynamics, which are well-rooted

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59 For an account on how informal taxation and revenue generation is organized around traditional law in rural Somalia, and specifically in the Gedo region see Vanessa van den Boogaard and Fabrizio Santoro, Explaining Informal Taxation and Revenue Generation: Evidence from south-central Somalia, Working paper 118, ICTD, March
in the history and politics of each state, district, and community and their cultural, traditional, and religious beliefs. These dynamics respond, by and large, to the representation and power distributed across clan and family lineages, age and gender considerations, and following religious beliefs and laws.

The federalist approach is not questioned, but technical details are (see Box 3). From a general perspective and as discussed by the World Bank World Development Report 2011, territorial devolution and decentralization of political, administrative, and economic powers offer the potential to broaden power-sharing and avert center-periphery ethnic conflict, or secession\(^60\). While the choice of decentralization and devolution within the federal structure of Somalia is not in question\(^61\), the ways this structure is designed, the power-sharing arrangements, the intergovernmental transfer formula, and all other governance and technical aspects are the subject of fierce discussions in Somalia and yet to be agreed, thus suggesting that Somalia is yet to reach political settlement and complete its federal structure and move to a fully functional federal state.


Box 3: Selected issues on Federalism and FGS/FMS interaction

- The process of creating a federation of states in Somalia was set in motion by the provisional constitution of 2012 which established that the State is to consist of two levels: The Federal Government (FGS) and the Federal Member States (FMS).
- The Member States of Somalia are Galmudug, Jubaland, Puntland, Hirshabelle, and Southwest Somalia. The city of Mogadishu itself is governed by the Benaadir Regional Administration, while Somaliland is a self-declared independent state.
- The provisional constitution assigns four functions that are exclusive to the FGS: foreign affairs; national defense; citizenship and integration; and monetary policy.
- However, the provisional constitution does not define the functional responsibilities for education, health, and transport – stating that the “power shall be given to the level of government where it is likely to be most effectively exercised”.
- Likewise, the provisional constitution does not provide for a division of resources or a system of intergovernmental transfers, stating only that responsibility for the raising of revenues shall be given to the level of government “where it is likely to be most effectively exercised”.
- Since 2012, progress to draft the final constitution has been limited. At the end of 2019, parties agreed on a resolution (in Kampala) calling for a 60/40 shared revenue formula (60 to FGS and 40 to FMS) but substantive technical advances are required.
- In the meanwhile, the FGS and FMS often operate as quasi-autonomous jurisdictions with some of the powers granted exclusively to the FGS, being taken in the hands of FMS.


It was against this backdrop that Baxnaano has adopted a flexible approach to project design and implementation, thus allowing for a more prominent role of the Federal Government but with a consultative decision-making and consensus-building process, while keeping flexibility for future adjustments when the federal architecture of Somalia is clarified and consolidated in the final Constitution.

Baxnaano’s design follows a risk mitigation approach. The World Bank risk mitigation approach to the Somalia portfolio takes a pragmatic approach considering that the Somali Constitution is still provisional and under debate, as it is not clear how and when it will be finalized, and the federation design settled. This evolving situation implies that the Program had to be designed in a way it could then be adapted to the new state structure once decided. In the meantime, some key delivery functions have been outsourced to WFP to ensure that much-needed support
to the poor is not compromised by the (lengthy) process of finalizing the federal system and some relevant regulations and country systems (e.g., national ID, data privacy and protection). FMS original expectations to deliver cash directly to households went unmet. But the winning argument was the fact that Baxnaano’s objective is to support the poor and most vulnerable households, in the most efficient, rapid, and secured way, and this would happen through experienced partners and mobile money payments$^{62}$, and simplified implementation arrangements. The implication was that for this phase of the Program, the role of the FMS is to review and endorse districts selection, support communication with local authorities and communities, facilitate the work of the partner NGOs, and monitor the program/parameters consistently with a view that the role of government is not always to intervene directly, but to facilitate and ensure there is oversight of quality and adherence to rules and guidelines.

For this paper, what is to underscore is that Baxnaano contributes to state-building and, in particular, to Federal-State relations. Baxnaano generated an intense dialogue and exchange between FGS and FMS, among the various levels of the State of Somalia, especially on issues of targeting, selection of districts and communities, registration, supervision, and implementation support, and monitoring. For example, on the selection of districts, the Federal Government had no role in selecting them, since the process was anchored on a comprehensive technical targeting approach. But initially, suspicions that strong interference of the FGS would take place were high and they had to be managed and diffused through dialogue between MoLSA, under the leadership of its then Minister and his technical team, who went to each state and presented the technical approach and discussed the initial concerns. During these discussions, the differences in the capacity of each state emerged clearly, and some of them were well equipped to carry out a meaningful technical dialogue with central authorities and other stakeholders. Other states had less capacity and required significant handholding and support. Defining the current roles of state-level were also discussed, negotiated, and agreed upon between FGS and FMS, to the extent possible by the risk-mitigation approach to the program design. The ultimate

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$^{62}$ FMS were also reassured about the project intentions since the project was not implemented in Benaadir where FGS is sitting, contrary to what many other projects are doing.
The objective of this policy approach and technical dialogue was to ensure that Baxnaano was a truly national program based on principles of cooperation and understanding, that would then allow the program to move forward as a national flagship initiative, one that the highest authorities of Somalia could support and promote.

Baxnaano operates in the realm of the “everyday state”64, i.e., the space in which the complexity of state-society relations unfolds in the day-to-day local context. Such space is where public policies like the provision of social services (CT for example) become real, tangible, and publicly accountable. Because of reduced capacity, risk-mitigating measures, and given the strong interest that they raise, CT programs in FCV tend to have multifaceted and multilayer implementation arrangements. In the case of Baxnaano, the arrangements include: (i) the leadership of MoLSA with technical assistance from the World Bank; (ii) implementation support by WFP; (iii) NGOs and other local partners as direct local interfaces with communities and their representatives; and (iv) and FMS, district, and other local authorities participating in relevant decision-making processes and providing field-level facilitation and monitoring.

The functional relations between these levels of implementation are difficult to communicate. However good communication is key if and when accountability issues are raised, for example, should there be problems with eligibility, amount, or timing of CT payments. Third-party monitoring is one tool that has proven helpful in identifying challenges which then contributed to monitoring beneficiaries’ attitudes and understanding of project implementation. Therefore, communication must be improved, to make it as simple and direct as possible to further the understanding of the connection between the benefits (and beneficiaries) and the State (both FGS and FMS). Conversely, donor and implementing agency visibility should be restrained to a minimum.

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63 And this indeed happened with the endorsement of the President of the Republic of Somalia as reported in Somali President Unveils Social Safety Net Program to Reduce Poverty and Improve Human Capital, press release August 24, 2020, https://baxnaano.so/somali-president-unveils-social-safety-net-program-to-reduce-poverty-and-improve-human-capital/

6. Conclusions and the way forward

Between 2019 and 2021, Baxnaano successfully laid the foundations of a state-led social safety net system in Somalia, addressing emergency needs as well as chronic poverty and vulnerability, laying the foundations for a vision towards the gradual transition from protracted humanitarian relief approach to recurrent shocks to development response, and contributing to Somalia state-building and renewed social contract.

In an FCV context such as Somalia, a well-designed safety net program becomes a cornerstone of the state’s role in service delivery, especially to poor and most vulnerable populations. Such program would then support citizens’ trust in state institutions as well as a new social contract. Baxnaano’s success in delivering tangible results in a short period demonstrates its significant potential in achieving these objectives.

In light of preliminary results and feedback from stakeholders and beneficiaries, the Locust response project shows that when the country is hit by a crisis, the government can rely efficiently on an existing national safety net system for rapid response by expanding and adapting it to the nature and extent of the crisis.

Continuous and well-informed policy dialogue and technical alignment among key stakeholders, including government entities, donor agencies, and implementing partners are essential to forging the humanitarian-development nexus. The nexus finds in safety nets, particularly in cash transfers, a perfect breeding ground with activities that span from coordination on some delivery aspects like targeting and CT amounts, to building fully aligned and common approaches towards long-term household resilience, to consolidated delivery through one common platform. While Somalia is still far from a fully aligned model, Baxnaano has been instrumental in advancing the dialogue and collaboration between humanitarian and development agencies on the one hand, and between development partners and the government on the other hand.
Ultimately, Baxnaano is proving to be a major state-building exercise that has a primary objective to support poor and vulnerable households build resilience and invest in human capital. Baxnaano also shows that it plays a role in reinstating confidence and builds institutions. Continuity of the Program, enhanced communication, transparent decision-making processes and a robust grievance redress and feedback system are important factors to building confidence and trust in government institutions/programs.

Baxnaano offers a safety net/cash transfers model for other FCV. A model which is flexible enough to work in different circumstances and is institutionally resilient, relying on a hybrid form of implementation arrangements and linking short-term emergency response to long-term households’ resilience. It promotes a strong role of the government in SP, shock responsiveness, and donor coordination.

As discussed in the paper, some areas require further analysis and attention, including the Program’s implications on the clan and ethnic dynamics of Somali societies; and on how shock responsive safety net programs promoted by other partners, and/or humanitarian assistance, align with the Baxnaano Program.

If Somalia was to pursue the transition from protracted humanitarian relief to a state-led social safety net system, there is a need for a paradigm shift on overall design approaches (one common approach to humanitarian response and safety nets); on the institutional and implementation model (government ownership and highly flexible and adaptable implementation and partnership framework); on targeting and database (one single and inclusive platform from which to draw beneficiaries); and on program visibility (clear interlocutors, messaging and ownership).

The implications of such a shift include a set of measures to be agreed upon and implemented in the medium to long term (2023 – 2027). These measures may range from financing a new line in the national Budget on safety nets to establishing a pilot financing platform among selected
donors in support of Baxnaano and to launching a working group among key partners to align CT accompanying measures (e.g., health, education, livelihood insurance, income generation) and offer a consolidated and coherent menu of such measures. This could be a sub-group of technical and operational professionals working under the guidance of the already established GDWG. Other areas requiring additional work include administration of household surveys and database management under the common platform of the USR; and targeting strategies and tools. Communication is an area in need of major progress, requiring a stronger role and visibility of the FGS and local authorities, with coherent and effective messaging. Technical assistance also requires greater coordination among key partners and government authorities, since much too often separate technical assistance initiatives end up in contradictory messages, in overlapping and inconsistent training programs, and with capacity-building programs at odds with government strategies and programs.

Main risks that may derail such renewed coordination efforts include substantial differences of views between and among government and key donor agencies on the opportunity, timing, and modalities of the transition; and a substantial increase of country risks, in particular of macroeconomic, security, and governance risks. Reconciling differences of views attains to the realm of politics, state-building, and governance, while country risks may trespass the perimeter of the safety net/cash transfer implementation agenda. Strategies to mitigate these risks include greater listening and understanding of the client and beneficiaries’ needs, renewed coordination among key partners, clarity and progression in the federal structure and the decentralization agenda and accentuating the flexible and adaptable nature and design of CT programs.

Bringing together these measures within the Implementation Framework of the Social Protection Policy and as part of a shared road map requires a major and renewed partnership and coordination effort among key stakeholders and partners. This effort is to be under the leadership of the FGS, of MoLSA technical staff, and out of a widely shared process of FMS involvement, client ownership, and increased transparency.
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ABSTRACT

In 2019, with support from the International Development Association (IDA), the Federal Government of Somalia established its first national safety net program, the Baxnaano Program. Despite institutional challenges, political and economic fragility, the Program is delivering promising results. This paper discusses the design and implementation experience of the Baxnaano Program to: (i) understand the opportunities and challenges leading to the establishment of a national safety net program in a context of high fragility, insecurity, and protracted humanitarian relief interventions; (ii) identify if and how the Program is supporting the vision to transition from protracted humanitarian response to longer-term safety net system; and (iii) examines if and how the Program is supporting state-building.

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